

SOCIAL SECURITY - GENERAL

1994

JANUARY — JULY

N.B

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# Future govt cautioned over use of foreign aid

A FUTURE government will have to ensure that foreign donor aid is channelled effectively and not where it will duplicate the efforts of others, says the SA Institute of Race Relations. (297)

It would also have to ensure that aid expenditure did not undermine existing institutional capacity in the name of modernisation, restructuring or political correctness, a report in the December issue of the institute's Fast Facts publications said.

The report said that SA, as a middle-income country, would qualify for only modest volumes of foreign aid.

However, the donor community would still want to make a contribution, especially because of the high-profile nature of SA's political transition.

The institute warned, however, that aid-funded reform programmes in Africa had a mixed record, with an extremely disappointing success rate. More than \$100bn in net aid transfers had failed to take a single country — Mauritius excluded — to the point where donors could be satisfied that their assistance was no longer required.

The culture of aid dependence implicit in structural adjustment programmes was making it more difficult for sub-Saharan countries to achieve investment and trade-driven development rather than the aid and debt-driven growth that had been the norm for the past 20 years.

Successful reform programmes depended on private, not public enterprise.

However, in Africa today, private enterprise was a two-tier operation, with a handful of multinationals at the one extreme and thousands of small-scale enterprises on the other.

LLOYD COUTTS

"The middle is missing: medium to large-scale indigenous enterprise simply has not taken off."

"Without a viable indigenous private sector, there is little likelihood of securing the required supply-side investment and export response."

An alternative was to accept the economically far more efficient and semi-permanent contribution to direct investment made by multinational companies.

Such companies operated with far fewer expatriates than the aid community, and also had a vested interest in "going global but acting local".

"They are judged on their results, measurable in terms of output, exports, employment and profitability. Their capital is usually there to stay. More important, however, are the skills, training technology, expertise and market access which come with their investment."

The article said many African countries had lost their sovereignty, with IMF and World Bank bureaucrats effectively calling the shots.

"In many African countries today there is no serious domestic debate over economic policy. That has become the preserve of donors on the one side and the government on the other."

A sophisticated, broadly-based economy such as SA's had a better chance than any other African economy of breaking the cycle of economic failure.

However, investment was a necessary, not a sufficient, condition for development, especially in the new SA, where skills and human capital would be at a premium.

Prescribed assets proposal omitted

# ANC plan for reconstruction nearly ready

BIDAY 14/1/94

(297) (497)

WILSON ZWANE

THE ANC alliance has proposed that its reconstruction and development programme be funded by levies on capital transfers, land and luxury goods, among other things.

In the sixth and "almost final" draft document on the programme, it says the restructuring of public expenditure will also serve to finance the programme.

The draft document is a synthesis of the reconstruction and development programmes of Cosatu, the SA National Civic Organisation and the National Education Co-ordinating Committee, among others.

The document will be debated on January 22 and 23 and, if approved, incorporated into the ANC's election manifesto.

"We will aim to maintain existing levels of government spending as a share of the GDP while increasing capital spending," it says. This strategy will mean the current level of government borrowing, about 6% of GDP, will not increase for several years. It will gradually decline as the economy starts to grow. "The overall tax burden, as a percentage of GDP, should not increase until strong growth is achieved."

The document proposes that a financial and fiscal commission review the tax structure. Restructuring would include:

- ☐ Eliminating tax bias against women;
- ☐ Reviewing personal income tax to reduce the burden caused by fiscal drag on middle-income earners;
- ☐ Rationalising company tax breaks for health, education and housing;
- ☐ Simplifying the complex company tax system, which is biased against small and medium enterprises; and

☐ Zero-rating VAT on basic necessities. It says a reconstruction fund should be set up by a new government.

The document stresses that the programme must use foreign funding only for those elements of the programme that have the potential to increase "our capacity for earning foreign exchange".

Relationships with international financial institutions, such as the World Bank and IMF, must be conducted in a way that protects the integrity of domestic policy formulation and promotes the interests of the people and the economy. Policies which enhance national self-sufficiency and reduce dependence on international financial institutions must be pursued.

The document also calls on local banks to help by funding individual programmes to meet basic needs, especially housing, and by improving their services to small-scale producers and blacks.

It adds that if excessive risk aversion prevents banks from taking up "socially desirable" investments, the government should consider some form of legislative compulsion such as prescribed assets.

The document does not contain a submission, made by delegates at a recent summit, that insurance and pension funds be required to put 10% of new assets into the reconstruction bond. Instead, it calls on a new government to change legislation to ensure adequate worker representation on funds through trade unions to make them more accountable to members.

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## Reconstruction

BIDAY 14/1/94 ☐ From Page 1

The plan also proposes a national electrification fund. Future energy policy must concentrate on providing energy services to meet the basic needs of poor households.

An electrification programme must provide access to electricity for an extra 2.5-million households by the turn of the century at a cost of about R12bn. This must be financed from "within the industry as far as possible via cross-subsidies from other electricity consumers".

Where necessary, government will provide concessionary finance for the electrification of poor households in remote rural areas. But a national domestic tariff structure with low connection fees must be set up to promote affordability.

The fund will be managed by a national energy policy council, which will consist of government, civic associations, trade unions, consumers and energy industries.

# JSE listing to make Games Africa 'more transparent'

FUNDRAISING company Games Africa took the decision to list on the JSE to make the company more transparent, to give the public an opportunity to participate and to enable the company to raise the necessary funding if it was granted the national lottery, deputy MD Richard Biesheuvel said yesterday.

It was announced earlier this week that Games Africa Holdings would buy Union Cold Storage (UCS) for R12m and list in the JSE's investment trust sector as Opus Investments,

CHARLOTTE MATHEWS

subject to JSE approval Games Africa Holdings would own 90% of Opus Investments, which in turn would own the portfolio of shares held by UCS as well as Games Africa

The net asset value of Opus Investments' shares, after the payment of a special dividend of R4,82 a share from reserves to UCS shareholders, would be about R10. (297) (297)

Games Africa, which was launched in August 1992, has three major brands, Ithuba, Viva and

Win 'n Spin. By the end of December 1993 it had raised R36m for charity and paid out R123m in prize money. BIDAY 14/11/94

"Probably the most important reason for UCS acquiring Games Africa is that it now puts the company more in the public eye," Biesheuvel said. "We will be subject to the normal rules of the JSE which is appropriate because we are dealing with public money."

Opus Investments would release its first set of financial results in mid-June.



Land, capital transfer levies target rich

# ANC unveils plan to spread wealth

SVEN LUNSCHÉ

THE ANC's de facto election manifesto, in the form of its long-awaited reconstruction and development programme (RDP), released yesterday, asks wealthy South Africans to finance part of the organisation's ambitious plan to tackle poverty and deprivation.

## The key ANC proposals

- Levies on capital transfers, land and luxury goods.
- A land tax.
- Higher fuel levies.
- Removal of the tax bias against women.
- Reduction of the tax burden on middle-income earners.
- The building of 300 000 houses a year over five years.
- Electrification of 2,5 million homes up to the year 2000.
- 'Redlining' by banks to be banned.

## Media deal still in the spotlight

ROY COKAYNE

**COMPETITION** Board chairman Pierre Brooks is to discuss with Trade and Industry director-general Stef Naude Argus Holdings' and Times Media Limited's proposal, now withdrawn, to separate their interests. (195)(232)

Brooks said overconcentration in the market had long worried the board. However, he did not believe the board had influenced the Argus Group and TML to withdraw their proposal.

"We had not really applied our minds to the merits of what they were intending to do

## Reservations

"From a legal and

The proposals include levies on capital transfers, land and luxury goods, a land tax and higher fuel levies. (297)

The RDP, issued by the ANC and COSATU, is still subject to approval by next week's special ANC congress before it becomes official policy and part of the organisation's electoral platform.

But there is little doubt that the RDP, with its heavy emphasis on redressing past socio-economic imbalances and populist rhetoric, will find favour among the ANC rank and file.

ANC officials Jay Naidoo and Trevor Manuel said at the press briefing that the organisation would rely on a reshuffling of existing State expenditures to finance the RDP, rather than new taxes or higher government borrowings.

However, specific levies and taxes are sprinkled throughout the proposals.

The most controversial of these are levies on capital transfers,

● See Page 2 and Your Money on Page 10.

land and luxury goods, which would be drawn on "to generate income streams for a future reconstruction fund".

The vagueness of the proposals worry many economists, who see it as a means for a future government to indiscriminately raise new taxes on houses, cars or other "luxury" items.

A storm is also set to erupt over plans to impose a tax on rural land, "to help free up under-utilised land, raise revenues for rural infrastructure and promote the productive use of land".

The RDP proposes redistributing 30 percent of agricultural land within six years of the April election.

Land will be targeted that is either "already

● TO PAGE 2.

## ANC plan

● FROM PAGE 1.

on sale, was acquired by corrupt means from the apartheid State or is mortgaged to State and parastatal bodies".

Other levies are less controversial and are likely to find support from most political parties. These include parking, access and fuel levies, to discourage commuters from using cars and promote the provision of public transport to major metropolitan areas.

On the tax front, the RDP calls for a more progressive, fair and transparent structure by eliminating bias against women, reviewing personal income tax to reduce the burden on middle-income people and simplifying company taxes.

Naidoo added that one of the first priorities of a new government would be to zero-rate VAT on basic necessities.

The tone of the document reflects the ANC's commitment to a mixed economy, but references to nationalisation continue to feature as part of the organisation's economic vision.

Manuel says a future government would have to consider increasing the role of the public sector in strategic areas through, for example,

nationalisation, buying shares in companies and establishing new public corporations or joint ventures with the private sector". (297)

He added, however, that in certain instances the role of the public sector could also be reduced.

While vague in many of its economic proposals, the document clearly spells out the policy priorities of the ANC in the housing, health, education and social security areas.

Key proposals include:

● The electrification of 2,5 million new homes by the year 2000.

● Free health care for all children under the age of six.

● The construction of 300 000 new houses each year over a five-year period.

● Social insurance, which includes compulsory private contributory pension schemes for all workers as well as State social pensions.

The RDP also contains far-reaching proposals to restructure the banking sector and make it more sensitive to the needs of poorer communities.

Apart from encouraging banks, "through legislation and incentives", to make credit and other services available in low-income areas, the ANC would also outlaw "redlining" and other forms of discrimination by banks.



## Imati

one of his trailers had burst

chased him all the way to Harrismith and he had him over his head. He even knew he had the bus I told him I was phoning the police and he carried on to Smith."

cobs says he informed police and contacted Durban. He left Johannesburg on Friday where he contacted Translux and was viewed by Translux's executive manager.

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# Reconstruction plan

Star 15/11/94

## Women, children main beneficiaries

MANDY JEAN WOODS

(297)

THE ANC's proposals for reconstruction and development were greeted with a mixture of dismay, defiance, defeat and delight when they were officially unveiled by ANC stalwarts Cheryl Carolus, Jay Naidoo and Trevor Manuel to journalists in Johannesburg yesterday.

Here are some of the ways life will change in terms of recommendations made by the ANC for meeting South Africans' basic needs:

### HEALTH CARE

By 1997, every South African must be able to get the minimum nutritional requirements daily. The bread price must be controlled by the Government. There will be no VAT on basic foods.

Health services must be made completely accessible. A charter of patients' rights must be displayed in all health facilities. A code of conduct for health workers must be introduced, as must a programme to promote gender balance among health workers.

Children younger than six years old will receive free health care at government clinics and health centres. By the end of 1997, the Government should be providing free ante-natal, delivery and post-natal care. Women should be entitled to six months' paid maternity leave and men 10 days' paternity leave.

Women will be able to decide whether to have abortions.

The ANC will take a dim view of drug (dagga, cigarettes) and alcohol abuse. Comprehensive strategies to reduce this must be implemented, including reducing advertising of alcohol and cigarettes, improving education programmes and introducing stiffer penalties for drug traffickers.

To fund these and many other proposals, the ANC suggests that a reconstruction fund be established. Money for this fund could come from levies on capital transfers, land and luxury goods.

### LAND

By APRIL 1995 the structure for a land reform programme must be in place. Key beneficiaries will be women and youth in the poorest rural communities. Land in cities and towns and rich farming land — already for sale, belonging to the State, or traditionally black-owned — will be acquired.

Laws impeding approved acquisitions will be reviewed and/or changed through a process involving a land claims court.

The Government will provide substantial funding for the programme largely through a rural land tax. New landowners will be required to pay in accordance with their means.

### WATER AND SANITATION

THE ANC aims to supply 20-30 litres of clean water a day to every person in South Africa, as well as on-site sanitation and refuse collection. All homes should have odourless toilets by 1997.

### ENERGY, ELECTRIFICATION

GAS and paraffin prices must be reduced and financial assistance given to ensure consumers access to efficient energy appliances such as solar water heaters. Schools and clinics must be electrified as soon as possible. A national domestic electricity tariff with low connection fees must be established.

### HOUSING AND SERVICES

POOR people will be primary beneficiaries of a housing programme which will see a million low-cost homes built by 1999 — when 5 percent of the country's annual Budget will be allocated for housing. All legislative obstacles and constraints to housing and credit for women must be removed.

Banks will be encouraged, through legislation and incentives, to make credit and other services available in low-income areas; "red-lining" will be banned. Homes foreclosed on by banks will, in part, be handed over to locally controlled housing associations or co-operatives.

### TELECOMMUNICATIONS

SCHOOLS and clinics must have telephones by 1996. Every citizen should have access to a telephone service. Telecommunication should be made cheaper.

### TRANSPORT

CAR owners will be discouraged from using their cars to get into the cities by the introduction of parking, access and fuel levies. Funds raised by these levies will be used to support public transport systems. Extension of the rail system will be a priority. Government will fund a road safety programme. Transport subsidies for people with limited income, such as students or pensioners, will be considered.

unveiled

ANC raises spectre of prescribed investments for financial institutions

# Cat among the pigeons

■ BY SVEN LUNSCHIE

The ANC has once again raised the spectre of prescribed investments for financial institutions.

Its reconstruction and development programme (RDP), released on Friday, has kindled fears that a future government might introduce prescriptive legislation for lending and investment.

However, the ANC seems to have softened its stance on stricter controls over the Reserve Bank.

In a key chapter on "socially desirable investments", the RDP says financial institutions must support the proposals "both by funding individual programmes to meet basic needs, especially housing, and

by improving their services to small-scale producers and the black communities.

"If excessive risk aversion in the major financial institutions prevents them from taking up socially desirable investments, the democratic government should consider some form of legislative compulsion such as prescribed assets."

On the lending side, the RDP envisages a more pro-active stance by a future government. It says a new government must impose non-discriminatory lending criteria, especially related to collateral, and require banks to lend a rising share of their assets to black-owned enterprises.

Banks would also be affected by proposals "encouraging commercial banks, through

legislation and incentives, to make credit and other services available in low-income areas".

Furthermore, "red lining" and other forms of discrimination would be prohibited, while private-sector support would be sought to establish community-controlled financing vehicles, including a housing bank.

The RDP's labour policies will raise a few eyebrows, particularly as they call for the creation of industry pension funds and adequate representation for trade unions on the boards of pension and provident funds.

The RDP's proposals on the Reserve Bank appear to be a slight reversal of previous statements calling for stricter control over monetary decisions.

Instead, it proposes that the Bank should include representatives from trade unions and civil society on its board, record and publicise its decisions and "be accountable to Parliament".

One of the most ambitious projects is a national public works programme to create 300 000 to 500 000 jobs in the non-agricultural sector.

Massive public-sector investment, combined with labour market policies and community participation, could realise the additional employment opportunities created by redressing the "apartheid-created infrastructure disparities".

These include schemes for 300 000 new homes a year over the next five years, the electrification of 2,5 million homes by

the year 2000 and water provision for all.

Ways of financing these programmes are being scrutinised, particularly the proposal for a reconstruction fund financed by levies on capital transfer, land and luxury goods.

However, the ANC's Trevor Manuel insisted at a press briefing that the vast bulk of the RDP would be financed by existing resources.

Furthermore, government borrowing would not be raised above the current level of six percent of GDP, Manuel said. However, the RDP hints at higher effective company tax rates and calls for a rationalisation of company tax breaks for health, education, housing and other expenditure.

## French to double aid to SA

PRETORIA. — French Foreign Minister Mr Alain Juppe regarded his landmark visit to "the new South Africa" as launching a new era in relations

2718/1194  
"We would like to establish a political partnership with the South Africa of tomorrow," he said after meeting President F W de Klerk and Foreign Minister Mr Pik Botha.

France would double its aid to

South Africa this year and the French Development Agency had been authorised to operate in the country, he said. -304 (297)

Mr Juppe said he had invited South Africa, with "the full agreement of our African partners", to take part in future Franco-African summits.

"France is a power that has a task to do in Africa" — Sapa-Reuter



# Lottery to raise millions for literacy is set to go

ARG 22/1/94 (297) (80)

**MANDY JEAN WOODS**

Weekend Argus Correspondent

JOHANNESBURG. — Millions of rands are expected to be raised for national literacy programmes through the establishment of a new nationwide lottery game to be launched in March and operated by the National Literacy Co-Operation (NLC) group.

NLC national director Kumi Naidoo said by the end of the first year of operation the organisation was expecting to rake in upwards of R1,8 million a month.

Of this, 50 percent would go to prize money, 20 percent to literacy programmes and 30 percent to administration costs (of which between 10 and 15 percent would go to employing, training and paying salaries of thousands of ticket sellers, while the balance of between 15 percent and 20 percent would be pure administration costs).

This structure would allow for the creation of employment opportunities for many people, Mr Naidoo said.

NLC has contracted a newly-established gaming company, Ticket

Games Enterprises (TGE), to manage the lottery game on its behalf. TGE is a company within the Fontana Holding Group and has as its chairman Johannesburg businessman Christakis Elia (Taki) Xenopoulos and former Viva Trust general manager Vincent Baasch as its managing director.

The NLC is not putting any money into setting up the lottery. Start-up costs are estimated at more than R1 million.

Mr Xenopoulos, owner of Fontana food stores, last year announced he had been in negotiations with Viva Trust to operate a lottery on its behalf. But negotiations were halted by the surprise announcement Viva Trust had thrown in its lot with Games Africa, which already operates the well-established Ithuba Game.

The NLC represents more than 100 organisations spanning the country in urban and rural areas. It was formed in the late 80s to establish a communications network between literacy organisations.

Approximately 16 million adult South Africans are non-literate or semi-literate, according to the NLC.

"This startling statistic bears testimony to the fact that the active participation of these people in the economic, social and political spheres of our country is severely compromised," Mr Naidoo said.

"The extent of this is that the future reconstruction and development of South Africa is in jeopardy."

There was an urgent need to address the illiteracy problem in South Africa and the need to raise funds to do this could not be put off any longer, he said.

"It is our clear intent to register with the Lottery and Gambling Board when it is established and we are confident the NLC lottery will meet all requirements imposed by the board," he said.

Yesterday, nominations for the Lotteries and Gambling Board were called. Replies must be submitted within the next two weeks.

The NLC would be responsible for and control the standards of accountability and transparency in operating the lottery, Mr Naidoo said.

"Every quarter, we will publish our full financial statements in the national press," he said.

# New development document is not cast in stone — ANC

BIDA 20/11/94  
GRETA STEYN

THE ANC alliance's reconstruction and development programme, which will define an ANC-led government's economic policy, could change substantially between now and the elections, ANC spokesmen said yesterday. (297)

Former Cosatu secretary-general Jay Naidoo told a news briefing in Johannesburg: "We want a public debate on the policy options of a democratic government. The document is part of a process; it is not cast in stone. It is not a blueprint."

The programme will top the agenda at this weekend's ANC conference in Johannesburg. The finalisation of the election manifesto, which will draw heavily on the programme, will also be discussed.

Possible areas of change in the programme, as a result of debate at the conference, include the controversial proposal that mineral rights refer back to the state and the section on nationalisation. A further aspect likely to be discussed intensely is the fiscal constraint that a new government will face. A deficit limit of 6% has been set, which is in line with the IMF's present requirements, but which leaves little room for manoeuvre.

The programme has come under fire from political parties and the business sector, with some opponents arguing it is a "pie in the sky" return to socialism.

But ANC economics head Trevor Manuel defended the inclusion of nationalism as a policy option in the document, saying the programme was a grassroots project. Some Cosatu-affiliated unions had pushed

hard for flexibility on the issue.

The programme does not state the case for nationalisation, but says it should be considered as an option when assessing the balance of evidence for restructuring the public sector.

Manuel noted the response from business had been much more muted than the "predictable" scathing reaction from political opponents. As an example, he cited the Chamber of Mines' response to the mineral rights proposal. Further talks would be held with business in the hope of conveying the message that "a national endeavour" was needed.

Figures committing government to spending 3% of GDP on capital investment by the end of a 10-year period to 2004, creating 2.5-million jobs, were omitted from the draft released to the media.

Meanwhile Sapa reports that SA Agricultural Union president Boet Fourie slated the ANC plan for land use as irresponsible as it could result in large-scale disruption of agricultural production.

The SAAU would hold in-depth discussions with the ANC on the document.

It was totally unrealistic and unfeasible to establish black farmers on 30% of agricultural land within five years. "It will mean that about 25-million hectares of land must be transferred in this period." But this amount of agricultural land would not become available on the open market.

# IDT targets rural communities in R200m job creation programme

A R200m project to provide employment for more than a million people in rural areas was launched by the Independent Development Trust yesterday.

The two-year community employment project is aimed at developing skills in rural communities and building up basic infrastructures.

Funding has been provided by the IDT, the National Economic Forum and the TBVC states. The IDT has also approached international donors, guaranteeing that it will cover administrative costs so all their funds will go directly to projects.

IDT health and rural development director Dr Sholto Cross told a news briefing in Johannesburg that the plan would build on what had been achieved by a relief and development programme launched in 1992.

While that programme had focused on drought-afflicted areas, the new project would assist rural communities throughout the country.

Cross said he expected the programme to double the 8-million job days created through the initial drought relief development programme.

About R100m for the new initiative was

KATHRYN STRACHAN

already in hand, R31m from the National Economic Forum. The rest was expected to be raised within the next month.

Communities would decide on the projects they wished to initiate in their areas.

Scores of applications for funding for schools, community centres, roads, water projects and vegetable gardens had been received already, Cross said.

By creating basic infrastructures and teaching skills, the project intended building sustainable community capacity.

As well as supporting innovative schemes for land reform and resettlement, the IDT would co-ordinate development agencies' efforts.

IDT spokesman Jolyon Nuttall said that by targeting rural areas, the project could unlock the potential of poor communities. It would be a "primary attack on the tap roots of poverty", he said.

An assessment by the University of the Western Cape's economics department found that the IDT's initial drought relief programme had been an "impressive intervention". The findings, presented yes-

terday, concluded that by the time the R100m that had been allocated was exhausted, about 68 000 temporary jobs would have been created.

Through the project, rural communities were beginning to display their ability to show initiative and assume responsibility for their own development. More than 60% of the funds had been spent on wages.

The researchers recommended that the IDT expand on the opportunities for development which had been opened up to these rural communities.



# NEWS

## R200-m trust to help rural communities

BY ABDUL MILAZI

The Independent Development Trust (IDT) has allocated R200 million for the upliftment and development of South Africa's rural communities. 21/11/94

Addressing a press conference in Johannesburg yesterday, IDT director of communications Jolyon Nuttall said the development of rural communities, which was vital to the prosperity of a new South Africa, was neglected by most development initiatives. (297)

Nuttall said the R200 million, R31 million of which came from the National Economic Forum, would be used to build roads, schools and support self-help projects in rural areas.

Since its inception a year ago, the IDT's Relief Development Programme (RDP) has supported 717 community projects with a combined budget of R85 million, 60 percent of which has been disbursed.

The RDP began as a drought relief programme and facilitated the construction of dams, schools, roads and community gardens in drought-stricken areas.

About 68 000 temporary jobs were created, Nuttall said.

"Employment is a major problem in rural areas and this is where the RDP will concentrate its efforts in future projects."

The purpose of the RDP's emphasis on employment creation this year was to channel most of the project funds into direct labour income.

Masa 'encouraged', DP critical

## Reaction to ANC health plan mixed

BY DAVID ROBBINS  
HEALTH WRITER

Mixed response has greeted the ANC's national health plan, which makes provision for a single health ministry and attempts to redress the gross imbalances which have traditionally afflicted health care in apartheid South Africa.

The Medical Association of South Africa (Masa) said it was "encouraged by the proposals", which were philosophically sound.

The Democratic Party, on the other hand, complained that the new health plan "has distinct overtones of socialism".

The ANC plan, released on Wednesday, pays special attention to the role of the powerful private sector, which accounts for about 50 percent of the country's health spending, although only servicing 20 percent of the population.

Among the proposals designed to correct this inequity are various controls, price pegging and prohibitions aimed directly at the private sector, the growth of which would be discouraged.

Carole Charlewood, the DP's deputy health spokesman, said:

"While the DP welcomes the provisions for the disadvantaged sector of the community, it must be made clear that unless the wheels of free enterprise continue to spin, there will be no money from taxes to fund such welfare proposals."

Although praising the general principles of equity in the report, Masa chairman Dr Bernard Mandell said that to discourage the growth of the private sector was "debatable".

"We believe that ways should rather be explored to optimise the role of the private sector in the rendering of services to people who are the responsibility of the State," he said.

Mandell also said the concept of managed health care, a system of cost containment being considered by many South African medical aids, had not even been mentioned by the ANC.

The ANC has indicated that a commission of inquiry into the future of medical aids would be established by August.

Representative Association of Medical Schemes executive director Reg Magennis said he would welcome "any structured initiative" of this kind.



# Welfare staff may be cut back

THE SA National Council for Child and Family Welfare may have to retrench a quarter of its staff because of severe financial problems.

The proposed retrenchments will not affect the children — of which there are more than 45 000 — who are directly or indirectly under the council's care. The remaining staff have pledged to take up the slack.

The council's national director, Helen Starke, said the finance committee's recommendation to retrench was made on Tuesday and followed months of consultation with staff and efforts to find other solutions.

"We really have no alterna-

By CAS St LEGER

tive," Miss Starke said. "Our financial position is critical. We're not about to close down tomorrow, but we must take corrective action and follow a plan of reconstruction."

Donations have fallen off, expenses have rocketed and the government subsidy has shrunk in proportion to expenses from 43,3 percent in 1989/90 to a projected 23,5 percent in the 1994/95 financial year.

Although charity efforts like Red Nose Day in March and scratch cards help, the money

raised is spread thinly among 400 organisations.

In the current financial year the council spent R8,8-million and had a shortfall of R1-million. If drastic action is not taken, the operating deficit will be R2-million in 1994/95.

The retrenchments will mean remaining staff will have to work harder. There will be no cutback in services to the 350 community development projects in places like Kattlehong, Sharpeville and Sebokeng or for the 2 700 children cared for in the council's 54 creches countrywide.

"We need to continue to provide the best possible service in

the same range," said Miss Starke.

The recommendation will go before the board in Braamfontein on Monday, January 31, for a decision.

If it is accepted, 30 of the council's 120 staff members — from social workers to secretaries — will be affected.

The council is the guiding body for 170 affiliates and 80 new or fledgling bodies, most of them in disadvantaged communities, and is the hub of the country's child welfare movement.

The council has been spending funds only on "absolutely essential" projects.

# Plan for aid for SA<sup>(297)</sup>

Own Correspondent

LONDON. — The UN and Commonwealth plan to sponsor an international donor conference in June or July to mobilise financial support for South Africa's reconstruction programme, UN Special Committee against Apartheid chairman Mr Ibrahim Gambari told a conference on the South-African economy at the weekend.

He also disclosed that the UN would soon initiate a process of de-

tailed planning of programmes of socio-economic assistance for SA, particularly in the areas of human resource development and health.

The UN's \$30 million (about R102m) project to send about 2 000 observers to South Africa would get underway shortly, Mr Gambari added.

He warned that despite improving statistical indications, South Africa was in for an extremely bumpy ride in the next few years.

CT24/1/94

# Head of US aid agency may offer SA more assistance

The Argus Foreign Service

WASHINGTON. — The head of the US government's Agency for International Development (Aid) arrives in South Africa tomorrow to spell out the American government's plans for assistance to the transition.

Aid administrator Brian Atwood could announce increased assistance.

He will also attend the SADC Conference in Gaborone and visit Mozambique.

The overall aim of the visit is to demonstrate US support for the transitions taking place in South Africa and elsewhere in Southern Africa.

Mr Atwood will meet top-level government officials in South Africa, Botswana and Mozambique as well as leaders of key organisations involved in aid delivery.

A senior Aid official said that although the US Budget was tight at the moment, Aid did hope to find ways to increase aid to the Southern African region.

SA now gets \$80 million (R272 million) a year from Aid, much of it directed at election assistance.

Mr Atwood is expected to explain his agency's new guidelines for dispersing aid.

Aid is moving away from its habitual automatic earmarked assistance to certain countries and the agency intends in the future to use aid more flexibly in pursuit of basic foreign policy goals such as democratisation.

South Africa is currently well-positioned to benefit from this shift of emphasis, the Aid source said.

But he would not be drawn on any specific announcement of increased assistance that Mr Atwood might make.

Mr Atwood is also expected to reinforce the US administration's support for peaceful transitional arrangements in both South Africa and Mozambique.

The Aid source said he would also assure SADC countries that Aid would continue to support them.

# Anger over pay cut on card sales

Star 27/11/94

■ BY MICHAEL SPARKS

Sellers of Viva and Ithuba cards are angry about an average 35 percent decrease in their commission-based wages from the beginning of this year, and some of them are changing jobs. (297)

The drop in wages comes in the wake of the amalgamation of the distribution networks of the two major scratchcard games, Viva and Ithuba, in November.

Distribution of the scratchcards is now being handled by Games Africa.

Several scratchcard sellers said yesterday that their commission has been reduced to R13 for every 100 cards sold, down from R20 per 100 — a decrease of 35 percent.

Games Africa spokesman Debbie Cartwright said that since Games Africa was selling both scratchcards, total sales for each seller were expected to increase.

She said the commission had dropped from between 7 and 10 percent of the ticket sales to about 6,5 percent of the cost of the R2 ticket.

In addition, Games Africa was about to embark on a large advertising and marketing campaign that would further increase sales, thereby increasing the income of the sellers.

She added that the company was planning to employ a further 300 people to sell the tickets.

"These guys are going to make a fortune," Cartwright said.

However, one woman who sells her tickets in the city centre said that last year she was selling between 150 and 200 tickets every day, resulting in earnings of between R30 and R40 a day. But now her earnings were down to between R19 and R26 a day, with no rise in sales.

Cartwright said that both Viva and Ithuba were currently distributing about 18 percent of their income to various charities, with the remainder going to running expenses and prize money.

From early next month the Viva Trust would distribute close to R660 000 every two weeks in prize money, with a first prize of R500 000.



# Development bank mission visits SA

BINOM 28/11/94

THE African Development Bank is to send its first reconnaissance mission to SA at the end of the month to compile a country economic report.

The Development Bank of Southern Africa, which is co-ordinating the visit, said yesterday the report would give the African Development Bank general guidelines for involvement in SA.

The delegation would arrive on Monday for a two-week stay. (297) (29)

It would be led by the bank's principal country economist for SA, Elfatih Shaaeldin, who would be accompanied by agricultural economist Michael Msuya, development officer Zeineb El Bakri, principal programme officer Vector Wahba, environmental consultant Knut Opsal and locally contracted macroeconomic consultant Patrick Neube.

They were expected to meet government officials and representatives of parastatals, the Reserve Bank, the JSE, organised business and labour, political groups, universities, research institutes and institutional investors.

A country economic report describes a country's socioeconomic structure, its in-

JOHN DLUDLU

stitutional makeup and macroeconomic trends; analyses policy alternatives; and assesses external resource requirements.

It is used by the bank to compile a project portfolio on which to base its project finance and technical assistance.

The facility is available only to members of the bank, to which SA does not yet belong. Its membership is to be decided at a meeting of the bank's board of governors in May.

Mission delegates were expected to examine the potential of future development resource flows so that the bank could identify niche areas in which its investment programme could make a difference.

Apart from development funding, the bank also gives special concessions, including soft loans, to its poor members. In spite of SA's high GDP per capita, the bank has expressed concern about its poverty, on which it could base its involvement.

It is also expected to study job creation.

The visit would coincide with a seminar by the African Business Round Table — a division of the bank — next month at which it would introduce itself to SA businesses.



# The foreign funding picnic is over

South 28/1 - 1/1/94

(297)

**M**ILLIONS of South Africans are eagerly awaiting a democratic government after April, but some who were central in the struggle against apartheid believe the new government will be a threat to their economic well-being.

These are people who work in non-government organisations (NGOs), whose salaries are paid by foreign funders who now might not continue funding the organisations, but will instead channel their money to the new government.

There are an estimated 14 000 NGOs in South Africa providing over R2 billion a year for human development and relief programmes.

Some analysts believe as much as one third of all aid to Africa is channelled through NGOs.

During the eighties, hundreds of NGOs were founded to service and empower oppressed communities in South Africa.

Because most of their activities centred around resisting apartheid, they were given sympathetic funding by foreign governments and donor organisations.

Today, many still rely on foreign funding as their only source of income.

After the dramatic political changes in 1990, foreign funders began changing their approach to allocating money to South Africa.

Resistance to apartheid was no longer an adequate basis for funding. Donor agencies began pressuring NGOs to reorient their activities to development and reconstruction.

While this does not sound the death knell to all NGOs, only those able to take advantage of the opportunities raised by the new political milieu are likely to continue receiving support.

South Africa's new government is likely to be constrained from implementing effective policy to meet the expectations of the majority of citizens because of the binding compromises agreed to during the negotiations.

**T**HESE will severely limit the government's ability to meet the demands of poor and marginalised communities. In addition, the new government will face severe competition for access to resources and for the control of delivery channels.

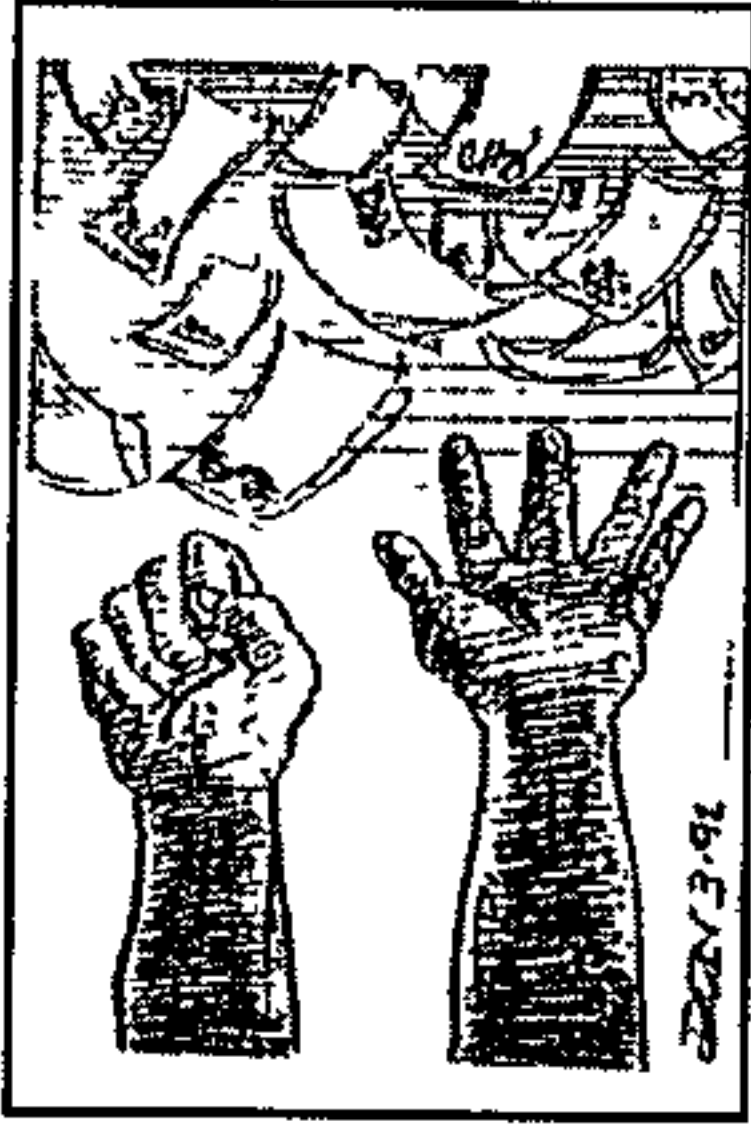
The composition of the new civil service is also likely to limit the effectiveness of the new government. Most of the existing personnel have been guaranteed their jobs and new staff will be relatively inexperienced, hampering their capacity to address the needs of the poor.

Uncertainty about future demands for services is matched by an uncertainty about future funding and resources.

NGO funding from foreign donors is likely to decrease. All indications are that a significant portion of existing donors will move into bilateral funding agreements with the new government.

The largest foreign funding organisation in South Africa, Kagiso Trust, which dispensed R270-million granted by the European Community (EC) last year, believes the Christmas of sympathy funding for the country is over.

Kagiso executive director, Mr Eric Molobi, said the outlook of his organisation has changed.



Three years ago SOUTH published a three-part investigative series on foreign funding in South Africa. We examined the sources of funding for the mega-Rand anti-apartheid industry and the impact of the investment on the culture of resistance. We reported on some of the dangers inherent in a system where unlimited resources were made easily available. We also questioned whether

anti-apartheid projects would survive after the funding tap ran dry. Finally, the series examined the management of funded organisations and offered constructive advice on improving performance.

Conditions have since changed, and there have been major developments in funded organisations and among donor bodies. In the first of a new three-part series, **REHANA ROSSOUW** looks at the prospects for continued funding in a democratic South Africa:



"As early as January 1990 we conducted a reassessment of ourselves. We used to fund more activities undermining apartheid," Molobi said.

"Out of our own assessment we changed gear and realised we must deploy the money more to development organisations."

One of the key factors affecting Kagiso's reorientation is the situation in Europe after the collapse of the socialist countries. The lack of development in eastern European countries saw massive requests to the EC for assistance.

West Germany, for instance, was faced with the difficult task of reconstructing East Germany, and began decreasing its support to the EC.

"We realised that South Africans could not hope that the Christmas of being victims of apartheid could continue forever. All indications were that we should sell ourselves, not as victims of apartheid but on the basis of our good development programmes which have impact," Molobi said.

"We were therefore forced to

look at ourselves and other institutions that we never used to deal with."

Kagiso also examined what they could do with money from outside the country to unhook money from inside South Africa to achieve the sustainability of projects.

"If outside donors leave and a project collapses and dies, then no matter how good the project was, it was pointless. They have entertained hopes in the community which they couldn't meet."

Kagiso Trust is not convinced that there is a lack of money inside South Africa for development.

Molobi said the corruption exposed in the government over the past few years proved that if state money had been channelled effectively, it would have gone a long way to starting a host of development initiatives.

The establishment of the Independent Development Trust in 1990 also proved that the government had money for development — it granted the IDT R2 billion.

"So we are looking at how we can take R280 million from the EC and



**ERIC MOLOBI**

use it to unhook more money inside the country," Molobi said.

He said people in funded organisations have to face up to the reality that South Africa is changing.

"The mindset of activist organisations — that they are important simply because they do advocacy work — doesn't impress funders anymore. People must produce. That is the bottom line."

He predicts that many projects, especially organisations which do anti-apartheid work, will not survive the transition.

"Some organisations will go under because they were set up during the mindset of eight years ago. Conditions have changed and they will find they are not suited to the new conditions."

Molobi says the same will happen in development. If South Africa emerges from the transition with a development state which focuses on national reconstruction and development, many small organisations will die as big projects with impact are launched to replace them.

"Take literacy, for example. If we are to eradicate illiteracy from the face of this country, I don't see how the hundreds of small projects can achieve that. They do good work, but they have no impact," he said.

But state intervention will not happen overnight. The transitional government will remain an area of contest for at least five years.

NGO activity will become more intense as people who come into government realise the bureaucracy is hostile to delivering services to oppressed communities.

"But when we say NGOs will do the work, we're not talking about the small projects activists work in, we're talking about bodies like the National Housing Forum and the National Electricity Forum," Molobi said.

"Although it is not a government

body, the National Housing Forum can muster R1,2 billion — it can do development with impact."

Molobi said after the elections the EC might change the emphasis of its funding. Some of it may go to a democratic government and a section may remain with NGOs.

"Whether this will happen is difficult to predict. One has to observe trends in Africa and other parts of the world," he said.

"We are hoping governments will not cut their money to South Africa after the elections, but merely the slice of the cake South Africa gets. The money can be deployed to other activities like education and health."

"Kagiso Trust will be here for the long haul. We had discussions with the EC and secured this. The organisation will definitely not be dissolved after there is a new government."

Mr Barry Smith, of Interfund, a fundraising organisation which raises money from foreign governments and channels it to South African NGOs, said his organisation would probably co-operate in some way with a democratic government.

"For a reasonable transition period we will continue to be involved in South Africa. Our time frame is longer than governments are prepared to commit themselves to," Smith said.

"But because we are dependent on raising funds from governments we are vulnerable to trends among government donors and the public in the countries we represent."

"Interest in South Africa is declining, especially in Europe and north America where there are more highly publicised crisis points in the world, like former Yugoslavia."

"Coupled with a severe recession there is an inevitable inward-looking attitude emerging. In western industrialised societies foreign aid is generally under attack."

Smith said there was a sense overseas that things have begun normalising in South Africa. Even though this was inaccurate, it means South Africa has a problem competing for development funds as the country's statistics do not support large projects because the living standards are higher than others.

**I**NTERFUND argues with western government that they in particular have a responsibility for the situation in South Africa because of their political and economic ties with the country for many years.

"Our activities have grown since 1990. The amount of money and the support we have mobilised has increased. But the scenario from 1994 onwards is much less certain," Smith said.

"We are not predicting continued growth in funding even though we may be seeking it. In all probability, whatever funding will exist for South Africa in the future will be granted on the basis of bilateral government-to-government projects."

Smith said Interfund's message to funded organisations is to begin demonstrating a strategy for accessing local resources.

"Self-sufficiency, although an unfortunate term in this regard, is going to become vital," he said.

**NEXT WEEK: Funders' advice to NGOs on how to deal with the new circumstances in the country and demands for change from foreign governments.**



# Stokvels want a shot at lotteries

By CHERILYN IRETON

ABOUT 20 000 stokvels hope to play a role in the national lottery, which they estimate could draw R1-billion in its first year.

Their plan involves the use of a smart card and existing on-line, electronic networks which will cut operating costs and allow up to 98% of the money collected to be distributed in prizes and welfare disbursements.

It will also draw the disadvantaged into the formal banking sector.

The suggestion from the National Stokvels Association of SA (Nasasa) is one of many to emerge this week as fears mounted that the national fund-raising effort would not be debated or put out to tender.

Many fund-raising organisations believe the lottery will be handed to Games Africa — management company of Ithuba — because of its recent link with Thebe Investments. Thebe Investments has close links with the ANC and owns 18% of Games Africa.

An on-line lottery is in operation in Natal. Run under the auspices of the Operation Jumpstart Association, Natal Lotto was started to raise money for job creation in a bid to boost the economy in the Durban area. *STimes*

By using the computer network of the Totalisator Agency Board (TAB), Operation Jumpstart Association, a non-profit company, has cleared R1,5-million since its inception little more than a year ago and created 37 000 mandays of work.

Operation Jumpstart Association chief executive Christine Lengvari says experienced, regional fund-raising bodies should be used to help run the lottery. *(BUSS)*

The money raised should be ploughed back into the regional economy. *20/1/94*

The stokvels' plan, still in conceptual stage, is based on estimates that once the infrastructure is in

place and smart cards have been issued, operating costs will be limited to about 2% of turnover.

Nasasa think-tank member Peter Willis says that by issuing smart cards to the disadvantaged for contributions to the lottery — using existing electronic networks like those of banks and the Post Office, which stretch throughout the country — stokvels will be able to link participants to formal banking. *(297) (559)*

Mr Willis estimates that the 500 000 stokvels, averaging about 10 members each, save R100 a month, equivalent to R6-billion a year.

"If 4,1-million people contributed only R20 a month, the lottery would draw about R1-billion annually," says Mr Willis.

He envisages that the lottery should be open to individuals, charitable trusts and companies. This would turn it into a multibillion-rand operation.

If a company won, its prize should be divided equally among

staff members.

Lottery tickets should be tax deductible.

The lottery should be used as a vehicle to co-ordinate all social responsibility contributions for national welfare. If properly implemented, it would be taxpayer-friendly and eliminate the need for a wealth or reconstruction tax.

It should be run through the Department of Finance in co-operation with the private sector to ensure optimum operational effectiveness.

The department's control would make the lottery's credibility unimpeachable regarding disbursements and possible fraud and corruption.

Existing voluntary welfare structures should be drawn in to assist with disbursements.

"By definition a state lottery should be operated by the state for the benefit of the people and not the personal enrichment of a few," says Mr Willis.



# focus on the future

**O**ur people have waged many battles and endured much pain and sacrifice in the struggle for democracy and the right to vote. But the struggle was not only about getting the vote — it was about jobs, houses, education and peace and stability.

The major challenge facing the new democratic government hinges on its ability to meet these basic needs and eradicate the deep-rooted problems created by the National Party Government.

This challenge is taken up in the Reconstruction and Development Programme formulated by the ANC-Cosatu-SACP alliance together with the Mass Democratic Movement.

The RDP, endorsed by the ANC last week, provides a socio-economic policy framework which offers the only real hope of a better life for the masses of South Africans who were robbed of their basic needs.

The only way the RDP can succeed is if all the people and resources of South Africa can be mobilised and harnessed into a common and purposeful effort.

In this regard it must be pointed out that the process of drafting the RDP was an inclusive one, involving widespread consultation and involvement by various sectors of society. This transparent process must continue and draw in other sectors such as business to participate as fully as they may choose.

The present government had a free hand in unilaterally passing legislation and making policies that they decided were to the benefit of the people of South Africa. As you can see, these policies were only effective in so far as stunting the economy, causing a sharp decline in investment and robbing people of jobs and houses and their most basic necessities. (15)(297)

These critical needs of people have to be met and the only way in which this can be accomplished is if all sectors of society contribute to restructuring and development. The RDP firmly supports this holistic approach which gives business, the State, organised labour and society a role to play in the process of building a better South Africa. Proposals put forward in the RDP must be fully discussed in forums in every sector at local, provincial and national level.

## Next five years

The RDP's major priority focuses on meeting the basic needs of people through programmes to create jobs, provide housing, electricity, water and sanitation, telecommunications, transport, nutrition, health care, education and training and social welfare.

These programme to be implemented within the next five years after the elections aim to redistribute a substantial amount of land to those who were deprived of their land rights, build over one million houses, provide clean water and sanitation, electrify 2,5 million new homes and provide affordable health care through a National Health Service. All children under the

Sowetan 2/2/94  
The Reconstruction and Development Programme has been well thought out and the country has the capacity within existing resources to achieve its targets and meet its basic needs, writes ANC parliamentary nominee **Jay Naidoo**:



The ANC has come a long way from the 1955 Freedom Charter to the 1994 Reconstruction and Development Programme.

age of six would have free health care and free education for up to 10 years.

The programmes have been well thought out and have taken into account the specific needs of women and youth in particular. We have the capacity within our existing resources to achieve these targets.

All the proposals in the RDP are interlinked and cannot be seen in isolation from the development of the economy as a whole. For instance job creation is integrated with a strategy to build infrastructure like houses, electricity and sanitation facilities.

In this regard the RDP looks at an extensive Public Works Programme which will ensure the maximum employment of people through labour intensive construction methods. It is expected that between 300 000 to 500 000 jobs annually can be created this way.

In addition, the Public Works Programme will be geared to providing skills to workers involved in it, so that they can enter other sectors of the economy from a position of strength.

The RDP also proposes an industrial strategy that would ensure the growth and expansion potential of the manufacturing sector is devel-

oped to full capacity to compete effectively in the world market and boost employment. As it stands today, the sector is severely underdeveloped and mismanaged.

There is a misconception in some circles on where the money will come from to finance the RDP. It must be stressed that most of the financing of the RDP will actually come from current government spending.

Billions of taxpayers money is being pumped into ventures that benefit the white minority at the expense of the black population. This money must be better organised and channelled into projects that meet the needs of all people. The taxation system has been restructured to make it more equitable.

Here the RDP proposes that the new government mandate the Financial and Fiscal Commission to develop a more progressive taxation system. We are firm in our commitment that the financing of the RDP does not cause undue inflation and balance of payment difficulties.

As with the entire process of the RDP, proposals for the mobilisation of additional funding through a Reconstruction Fund will be discussed with all the stakeholders.





Manas Shole

# US to give R3,5 billion

Sowetan 15/12/94

■ **AID PACKAGE** *To encourage the creation and expansion of viable enterprises:*

By Joshua Raboroko

**T**HE UNITED STATES PLANS TO make available about R600 million dollars for the development of business and affordable and low-cost housing projects because opportunities here "are immense".

A company from the US has opened business in Sandton, and joined forces with black entrepreneurs to construct housing projects throughout South Africa.

In another development the US government has officially confirmed in Washington that it is preparing an aid package, about R300 million dollars, to assist South Africa's transition to a broader democracy.

Both funds will provide loans, grants, equity investments, technical assistance and training to encourage the creation and expansion of viable enterprises.

## Affordable housing

The US company, known as Goin' Home Inc, whose trademark is Flexxon, will be developing affordable and low-cost housing projects in an attempt to reduce the backlog in South Africa.

The company has joined forces with Consteen Brickworks (Pty) Ltd of Lanseria near Johannesburg and it is expected the South African housing market will experience a boon as a result of the investment.

The first partnership deal clinched is with Soweto's manager of Medicos Haircare Products Manufacturer, Mr Manas Shole, who is also a property enthusiast. Shole says: "We strongly applaud the movement toward greater involvement by the US company in helping the disadvantaged communities."

"We will seek to identify and support the development of collaborative programmes to promote networking and the sharing of institutional capacity to alleviate the critical shortage of priority areas," he adds.

Consteen's co-ordinating manager, Mr Peter Bloom, says: "We want to respond to the growing need throughout the country for jobs, and support efforts to ensure that people at the low and middle levels of the society share the benefits of economic growth."

With the shortage of affordable homes at present and the ever increasing demand for

housing, the Flexxon building system is certainly leaping into the future to alleviate the plight with this unique concept.

The public relations officer of the South African Housing Trust, Mr Hennie Crowther, estimated that in 1992 the housing backlog in the urban areas of South Africa (excluding the independent homelands) was 1,8 million units.

The SAHT said that 550 houses, at an average price of R20 000 a house and stand, needed to be built every day to eradicate the backlog by 2020. This represented an investment of R11 million in low-cost housing each day.

Bloom says: "We believe this can best be successfully attained by increasing investments in micro-enterprises, village and neighbourhood lending facilities, and small and medium size businesses."

The company has brought investment to South Africa, and will be creating job opportunities for many unskilled workers.

The rate at which this will occur will depend on the decline in violence and the increase in political stability.

Bloom says: "The company is sensitive to the needs of job creation and they are therefore working very closely with trade unions, local civics to ensure harmony and communication between all parties throughout the projects."

"This new venture is intended to help create new black entrepreneurs throughout the country, and thus create a better business environment for the future," Bloom says.

## Larger products

Shole says they will venture, not only for construction of houses, but also for the building of larger projects such as schools, hospitals, clinics, apartment buildings, hotels and recreational facilities.

Mr Brian Atwood, administrator of the US Agency for International Development Aid, said the package would include a major housing loan guarantee programme, assistance for electrification, health care, education and job creation, and an enterprise fund to mobilise capital to promote black business.

The enterprise fund would be capitalised with about 100 million dollars (R3,5 billion) of US taxpayers' money over the next five years.

# Sanco to join businesses to develop townships

THE SA National Civic Organisation (Sanco) is negotiating with more than 10 companies, including electronics company Spescom, about establishing joint ventures for reconstruction in townships. *Biday*

Sanco official Moses Mayekiso said yesterday business had come to realise that "top-down" approaches would not work. *812/94*

Mayekiso said in conducting joint ventures of any sort with "institutions outside our communities" Sanco sought to meet certain objectives. These included empowerment, capa-

WILSON ZWANE

city building and skills upgrading.

"The process and projects generated through co-operation with outside institutions should be consistent with the (ANC's) reconstruction and development programme. The particular strengths and roles of women in the communities should be given explicit consideration ... and the environment should be respected."

Mayekiso said any relationship with an "outside" institution should not be seen as an attempt to discour-

age competition of any sort.

"Instead, it should be viewed as a sincere effort to encourage outside institutions to play an active and progressive role in community investment and development." *(297)*

He said in return for, among other things, joint ventures with business in areas that stressed financing and infrastructure provision rather than endorsement of a competitively supplied product, Sanco would "consult on logistical and security arrangements so as to ensure the most rapid delivery of development products".

10 000 Winalot outlets planned

# Games Africa set to expand Ithuba, Viva

■ BY SHIRLEY WOODGATE

Lottery giant Games Africa yesterday announced plans to expand the Ithuba scratchcard products and Viva draw game under one brand name: Winalot.

Following the recent merging of the marketing operations of the two organisations, Games Africa chief executive officer Mark Hutchinson said the present combined national retail base of 6 000 outlets would be expanded to 10 000 by the end of the year.

Coinciding with the demise of Operation Hunger's Gold Rush, partly because of competition from scratchcard games, Games

Africa's vigorous expansion programme envisages a sales target of about 400 million tickets by the end of this year.

Dedicated counters will be installed with existing retailers, and current multimedia alignments with TV1 and M-Net will be expanded to include a new daily draw game linked to CCV and the Argus Group, said Hutchinson. (297)

Claiming the lottery and games industry was the fastest growing in the world, he said South Africa, where the concept was in its infancy, was lagging far behind.

In Europe the industry al-

ready accounted for a bigger slice of business than pharmaceuticals and air transport.

Locally, Ithuba has raised R36 million for charity and Viva R9 million, via combined daily ticket sales of 427 082 and a daily turnover of R854 165.

Giving a possible hint of future plans, Hutchinson said: "Private consortiums in the UK are currently tendering for the rights to run that country's first national lottery in 150 years.

"Competition is fierce, with projected turnover between R5 billion and R50 billion annually. Annual profit projections fall between R350 million and R500 million," he said.



# Operation Hunger layoffs on hold

A MORATORIUM has been placed on retrenchment of 40 Operation Hunger workers who were to be laid off after the closure of the feeding scheme's Gold Rush fundraising project. *B1 Day*

This followed an agreement between Operation Hunger and the National Education, Health and Allied Workers Union (Nehawu), representing the workers.

Nehawu has also offered "to raise funding" in order to "rescue" Gold Rush.

Nehawu and management would set up a committee within weeks to finalise a recognition agreement, and proper retrenchment procedures. *11/2/94*

The agreement came after a two-week go-slow by Operation Hunger staff in sympathy with those affected by the forced closure of the fundraising project.

Nehawu general secretary Phillip Dexter yesterday denied reports that ANC Women's League president Winnie Mandela had been involved in negotiations.

He also dismissed claims by Operation Hunger's acting executive director Paul Mashinini that the union had "not operated in good faith". He said the "handing out of dismissal letters at such a late date was not an act of good faith".

JACQUIE GOLDING

An Operation Hunger spokesman said Gold Rush folded because of the large increase in sales of scratch cards.

Despite the charity money received from the Viva scratch cards, which exceeded R1m a year, Gold Rush had experienced difficulties as early as August last year, said a source.

Workers should have been informed as early as January 1 of retrenchments, but Nehawu said letters were received only at the end of January. *(297)*

Workers had been reassured about the security of their jobs last year and "were taken by surprise".

Recently retired Operation Hunger executive director Ina Perlman said she was "heartbroken" at the prospect of staff retrenchments. She said that during her time at the helm she had issued memorandums to all regional directors warning them of the "dramatic downturn" in Gold Rush income.

Gold Rush 14, Perlman said, suffered "losses" which prompted her to freeze staff posts, "in case of further failures and imminent retrenchments".

*R10-bn investment foreseen over next five years*

# Foreign companies waiting in the wings

Star 16/2/94

297

■ BY CLAIRE GEBHARDT

Foreign companies are set to invest at least \$3 billion (R10 billion) in SA over the next five years, says Ken Costa, deputy chairman of London investment bankers SG Warburg.

Costa told the annual Frankel Pollak Vinderine investment conference yesterday that \$1,5 billion would flow from companies that had never left, but were prevented from investing new funds (AEG, Bayer and Caltex), and those represented only through local distributors (Sony and Mazda).

Costa said new and potential entrants included over 100 international groups actively seeking South African investment opportunities.

"Almost 70 percent of these

are seeking joint ventures with local companies and this could attract a further R5 billion (\$1,5 billion)."

Costa said most were conglomerates seeking incremental growth in turnover in a market perceived to be largely free from competitive constraints.

"Some major deals have already been concluded, such as that between Pillsbury and Malbak's Foodcorp and the Nippon Denko ferrochrome joint venture with Samancor.

"IBM has announced its return and Millers of the US is reported to have been discussing clear beer production with National Sorghum Breweries."

Costa said the remaining companies would come in independently.

"US food and clothing group Sara Lee has already brought in R0,35 billion (\$1 billion) and Procter & Gamble is expected to follow shortly."

Costa said South Africa could be characterised as a re-emerging market, given its industrial strength and first-world market and banking systems.

"At end-1993, the market capitalisation of the JSE was \$178 billion, placing it among the world's largest."

However the country's markets were under-represented in emerging market portfolios.

At end-1993, the world's stockmarkets were capitalised at over \$12 000 billion, of which South Africa accounted for under 1,5 percent.

Based on June 1993 data,

only \$5,6 million — or 0,7 percent of the total \$8 billion assets of 47 global emerging market funds — was invested in South Africa.

"By contrast, the South African market had increased by that stage to \$128 billion, or 0,85 percent of the FT World Actuaries Index."

Costa said changing political circumstances meant that many US funds, previously prevented on legal or moral grounds from considering South Africa, might now invest.

"Some, such as Morgan Stanley with a new \$60 million Africa fund, are poised to re-enter the SA market."

Institutional funds already invested in this market were enjoying excellent returns, he said.

# French wary of moving into SA

Chris Louw

(297) WM18-24/2/94

**F**RENCH development aid for South Africa after the elections will be multiplied five times compared to last year, according to the foreign office in Paris. But that aid amounts to less than Ffr20-million, or R34-million. Investment is likely to be even more tight.

"It takes a lot of effort to convince French companies to invest in South Africa," says Bernard Gruet, managing director of the Organisation for Industrial Co-operation and Investment between South Africa and France (Ocsaf). "It is not easy to convince French businessmen about the opportunities available in the country."

Gruet visited South Africa at the end of last year as part of a trade delegation. His organisation represents 1,2-million enterprises, 75 federations and 185 regional representations in France.

Uncertainty about the future under an ANC government is the main reason for the apprehension.

"Both Nelson Mandela and FW de Klerk impressed us as wise men when we met them," says Gruet. "But if they want South Africa to succeed, they will have to guarantee security."

There is renewed French interest in South Africa, with trade delegations, government min-

isters and non-governmental organisations arriving at Jan Smuts in a regular stream.

But Francois Coudurier, foreign editor of the authoritative financial newspaper *L'Agefi* says the interest will not necessarily translate into investment. "Many companies are willing to discuss investments after assurances by Mandela that the ANC has abolished its policy of nationalisation, but they are not willing to take any risks before the elections."

The level of violence seems to be the single most serious obstacle in French perceptions. Complains Sophie Laszlo, South African desk officer at the ministry of foreign affairs: "Business people have one big worry — the violence. Only the surface of what is happening in South Africa gets reported in France; consequently the public has a distorted vision."

The French are also influenced by their own colonial history in Algeria. "Algeria has an enormous influence on the French psyche. When thinking of South Africa, they are prone to draw parallels with Algeria," says Stephen Smith, American-born foreign editor of the independent daily *Liberation*. "It makes them hesitant to invest in South Africa."

France has much to offer a democratic South Africa. It is the world's fourth biggest exporter, and is second in services after the United States.



# Focus on the family

1994/26/2/94

(297)

■ In a rapidly changing and traumatic society, such as South Africa, the family unit is the richest source of intimacy and security, says the Family and Marriage Society of South Africa (Famsa).

**TYRONE SEALE**  
Weekend Argus Reporters

**A**S 1994 focuses world attention on South African elections, the war in Bosnia and other international hot spots, the United Nations is placing the spotlight on an ever-present source of conflict: The family.

The UN has established a secretariat in Vienna to promote worldwide participation in International Year of the Family (IYF) under the theme "The family: resources and responsibilities in a changing world."

Locally, the Family and Marriage Society of South Africa (Famsa) is spearheading the drive to "build the smallest democracy at the heart of our society."

This will be achieved through a number of workshops, seminars and other public events involving welfare organisations, churches and other religious groups, schools and service clubs.

Famsa chairperson Celeste van der Merwe said "Economic and political crises resulting in rising rates of unemployment, exorbitant prices of food and other essential commodities, and the destabilisa-

tion of communities adversely affect the ability of individuals and families to function constructively in and around the home."

Andrea Hill, Famsa Western Cape director of professional services, said families assumed various forms, including those that featured single parents, extended families, step-parents or stepchildren, remarriages and combinations of these.

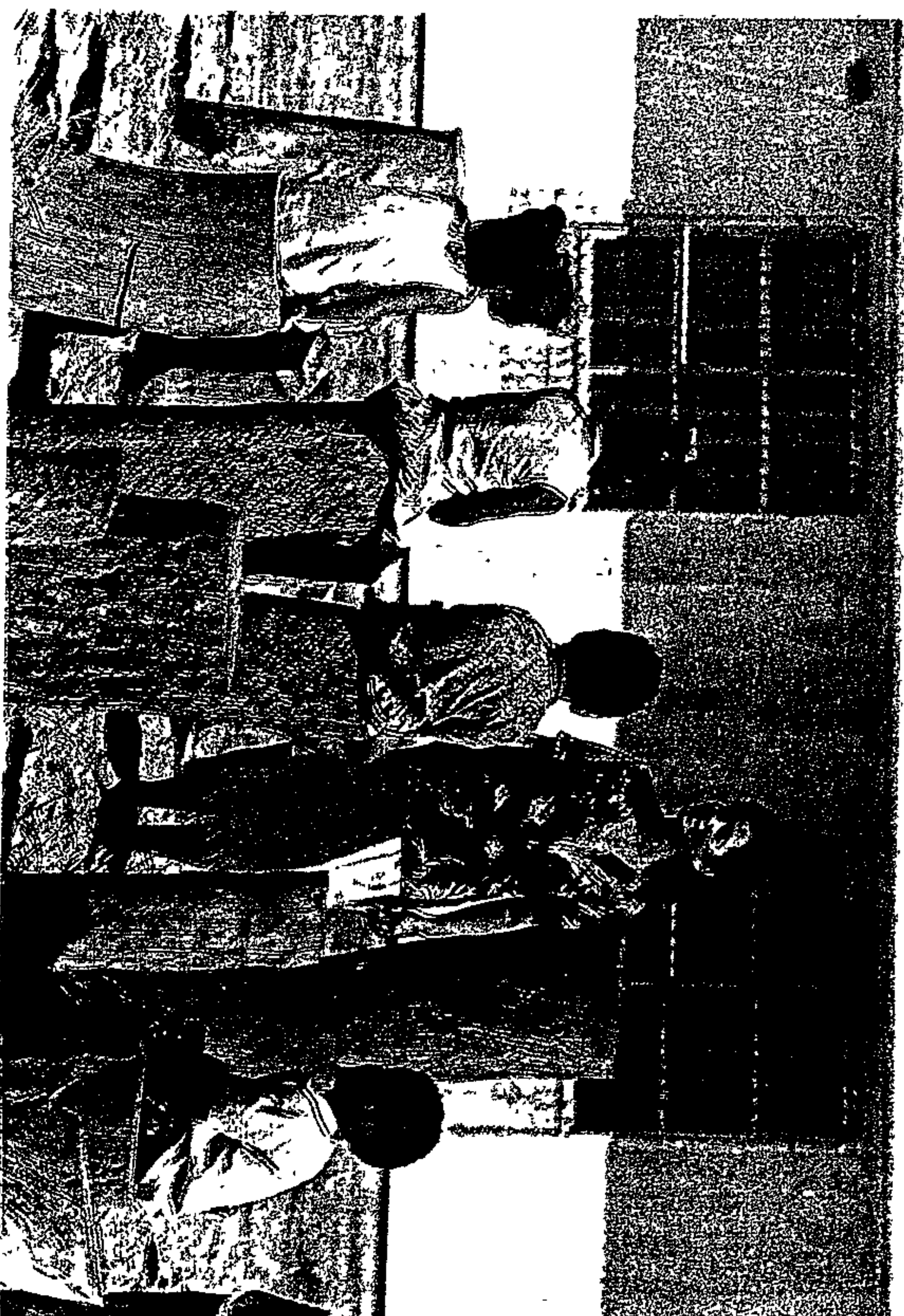
"There's particular pressure on black families. The families of professional blacks are under a great deal of stress due to the rapid change in the country and the changing social situation in which they find themselves."

"People may be called on to extend themselves financially and there is a lot of pressure on resources for family activities and on people to create time for their children."

In cases where family members were unemployed, hopelessness about the future and mounting financial difficulties could wreck previously happy homes.

These effects were somewhat less severe in poorer communities where joblessness was common and where people readily shared their plight and resources with others.

Conflict also arose in families where one partner was considera-



bly older than the other and lived according to significantly different values.

"One requires enormous ingenuity to juggle all these things."

Frieda van der Walt, director of Famsa Western Cape, said counselors were dealing with growing numbers of mixed marriages which were under strain not because of cultural differences but personal incompatibility.

She explained, "Sometimes someone may choose a partner from a completely different culture and idolise that culture without wondering whether the partner is going to be ideal."

However, Famsa officials are confident that as domestic pressures increase, public awareness

about counselling and other support systems is growing too.

"There is a new openness to counselling. Many more men are coming with their wives than we used to see. This is a worldwide trend that shows counselling is seen as part of our culture," said Mrs Van der Walt.

Counselors were not only seeing married heterosexual couples but were also enriching the relationships of gay and straight couples who were living together.

"People are really taking very seriously both the difficulties and opportunities created by crises in their lives," said Mrs Hill.

"As a result we are upgrading our service and knowledge. In this Year of the Family we are encouraging

people to see family crises as opportunities for growth."

Mrs Van der Walt singled out family violence as a phenomenon that called for intervention by police and other authorities even before the counselling stage was reached.

In many cases it was counter-productive anyway to try to counsel the perpetrators and victims of violence simultaneously.

"Charging the man still rests with the woman. Legislation should be changed to allow the state to charge the batterer and to make it impossible for the victim to withdraw charges when she's under pressure from her spouse or partner."

"The state hasn't yet taken the re-

sponsibility for creating a structure where there's total respect and protection for the woman."

Famsa Western Cape offers:

- Pre-marital counselling
- Marriage counselling for couples and individuals
- Family counselling for parents and children
- Divorce counselling and divorce mediation
- Post-divorce counselling and post-divorce support groups
- Community education through talks, workshops and groups, and
- Training of professional groups in marriage counselling skills and related services

Costs are determined along a sliding scale ☎ 461 7360





Margaret Chliwane and Joseph Mase are employees of Malaza's Glass Shop in Mamelodi, one of the many small businesses jump-started with a Get Ahead loan. PHOTO: ROBERT BOTHA

## Expectations high in townships

MEETING the economic demands of many South Africans after the euphoria of the election will be an urgent task, says the Get Ahead Foundation, a non-profit company that provides loans to entrepreneurs unable to approach conventional financial institutions. *BIDAY 23/2/94*

"The expectations of our people in the townships are very high. Many of them believe that with the new political dispensation, they will automatically receive houses and cars without having to work for them. We believe the economic development of our country is as important as the political solutions taking place," said a Get Ahead spokesman. (297)

The Goldstone Commission reports that 60% of the violence troubling SA stems from unemployment. Get Ahead's aim has been to create jobs through its micro-lending scheme, which involves granting loans of between R200 and R2 000.

The average loan is R450 and Get Ahead has found that for every R350 lent, one job is created. The organisation has disbursed more than R7m to about 15 000 people since its inception although it has had to curtail its lending programme in a number of unrest areas.

One of Get Ahead's successful "borrowers" has been France Maluka. Using the

SAMANTHA SHARPE

foundation's loan scheme as an initial source of capital, he has founded a franchise of dress-making schools. More than 17 such schools have been opened across the country, with the Mamelodi branch greeting 500 new pupils each year.

One of its newest areas of growth has been "institution building". The creation of the division, which followed a World Bank recommendation to encourage communities to develop themselves, involved the training of a community-elected committee. Lending capital was made available to the committee, which then lent the money to the community, thereby creating jobs.

Surveys have shown that SA lags behind the rest of Africa in manufacturing businesses. To address this, Get Ahead launched a technical training programme in partnership with the Swiss-Contact organisation. Courses in welding, metal work and motor repairs are new additions to the foundation's growing list of services.

The foundation's housing division has continued to offer loans of up to R10 000 to prospective home owners at the lower end of the housing market. Latest reports showed a delinquency rate of little more than 1% in this division.



## Child welfare B/Day 112/94 cash crisis

KATHRYN STRACHAN

A DECLINING state subsidy and increased competition among welfare organisations for corporate social funds had left the SA National Council for Child Welfare in a financial crisis, director Helen Starke said yesterday.

If the organisation could not increase its income dramatically, it would have no option but to cut staff costs, she said. (297)

The poor economic climate had meant that corporations had less money available for social spending, she said, while the recession had led to an increase in demands for welfare services.

The proportion of the council's income received from the state had fallen from 45% in 1989 to 23% in the coming financial year.

With a total expenditure of R8,9m against an income of R7m, the council was left with a deficit of R1,9m in 1993. Companies also wanted to see the fruits of their donations, which meant the council could not build up reserves to fall back on in times of recession.

# Lesotho factions B/Day 112/94 kiss and make up

ADRIAN HADLAND

Diplomats suggested a power struggle exacerbated by salary demands was at the heart of the quarrel.

With no fighting in Maseru for more than a week, observers were confident the conflict had been defused, if not resolved.

Maseru residents, however, remained nervous. "It just takes a car to backfire for everyone to dive to the ground," the diplomat said.

Meanwhile, in Pretoria, a task team of officials from Botswana, SA and Zimbabwe presented their report on Lesotho's military unrest to their respective foreign ministers, Gaoitse Chiepe, Pik Botha and Nathan Shamuyarira.

The team returned from a three-day fact-finding mission to Lesotho on Sunday.

Sapa reports that the essence of the task force's findings was that the Basotho people should solve their own political and military problems, although SA, Zimbabwe and Botswana were prepared to help resolve the conflict.

Shamuyarira told a news conference in Pretoria the team's report would be presented to the Botswana, Zimbabwe and SA heads of government.

The report had emphasised, he said, that the conflict was "a Basotho problem that must be solved by the Basothos".

PRETORIA — The two factions of the Royal Lesotho Defence Force whose rivalry had threatened to plunge the mountain kingdom into civil war hugged and kissed each other at a tea party in Maseru at the weekend.

Organised by the Commonwealth mediation team, Sunday's party at the Lesotho Sun Hotel was attended by 10 representatives from both factions, diplomatic sources said.

The tea party was the first time the two factions had been brought face to face since the outbreak of hostilities earlier this month in which several soldiers were killed and artillery and mortar shells arced over Maseru.

The party was emotional, one diplomat said. "There was a lot of hugging, smiling and kissing."

Since its arrival in Maseru a week ago, the Commonwealth team of Max Gaylard and Moses Anufu had met both sides separately several times but succeeded in bringing them together for the first time only at the weekend.

The diplomat added that while the rivals had met at last and Maseru had begun to return to normal, troops remained dug in at strategic points on the hills surrounding the capital. "Things will remain tense until the soldiers return to their barracks."



# 'We want to see results'

South 4/2 - 2/2/94

**N**on-government organisations (NGOs) tend to be much too dependent on external funds, funding organisations complain.

Many of them are also out of step with the new strategy of development work being promoted by funding agencies.

The government is setting up various bodies and structures to look into and deal with development. The business sector is investigating ways of radically widening its corporate social responsibility programmes to take account of development issues. But NGOs are still convinced they deserve support on the basis of "anti-apartheid" work.

Within the democratic movement there are few people with the necessary skills and experience related to public and development management.

For the first time, funders are dictating the terms to organisations in South Africa, sometimes openly scathing of their ability to produce the goods the funds are earmarked for.

**"W**e look at the process — any project must be sellable and rooted in the community. They must have discussed it and be prepared to participate in it," explained Kagiso Trust director Mr Ene Molobi.

Kagiso expects professional planning and reporting from the projects they fund today.

Molobi said the people complaining about this are those who used to get money very easily without necessarily reporting on how it was spent.

Many organisations complain that funders expect them to quantify and they are not able to do so. But the funders know exactly how to do this.

Kagiso conducted an exercise with literacy groups. They took the amount of money they got a year and divided it with the number of people they reached.

They found literacy groups spent more a head than the first year fees of a university student.

"And when we ask where are the people you trained, what are they doing with their skills, they can't supply the information," Molobi complained.

"We are no longer only doing financial audits, we are conducting performance audits as well. For the amount of Rands a project gets, they must be able to show how many people they have reached."

"When we tell people we can no longer fund them because they aren't doing well enough, they get angry, we are labelled bureaucrats and accused of being co-opted by mainstream organisations."

"But these people forget one thing: when they send us their proposals, it is ratified by our board. We are accountable to our donors, in turn, and they keep reminding us that we are receiving taxpayers' money and they need proper reports."

"I am caught in-between. If I satisfy the old activist mentality then I am going to sacrifice my career and Kagiso will not be able to continue as a development agency. A number of proposals we receive are rubbish in development terms."

Mr David Bonbright, executive director of the Development

Foreign funding agencies are becoming more proactive in developing criteria for organisations they fund in South Africa. **REHANA ROSSOUW** reports on the terms funders are now dictating to organisations in the second of a three-part series:

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**KEEPING TRACK:** Funders expect professional book-keeping and accurate reports

Resources Centre, said he believed the challenge for NGOs was to maintain their voluntary character while becoming increasingly effective in their work.

"They must avoid becoming aid bureaucracies while commanding greater resources and becoming more effective institutional players alongside other key actors such as government and companies," Bonbright said.

"They must be professionals who remain completely answerable to the amateurs they are meant to serve, while simultaneously satisfying their donor paymasters."

Bonbright said the task of managing an NGO was much more difficult than either public sector or for-profit management. They must resist the temptation to import uncritically management lessons from those other sectors to the non-profit framework.

**W**hile NGO management was challenging, effective donor support for NGOs was equally so, he said.

Some grant funds that made a project possible often breed a crippling dependency into the NGO.

"It takes great skill and experience for donors to provide funding in ways that actually increase the capacities of their NGO partners to thrive without them," Bonbright said.

"In South Africa I find little evidence that these two propositions are heeded seriously by either NGOs or donors. If they were, we would see greater thought and resources being applied to strengthening institutional capacities among

*Literacy groups spent more a head than the first year fees of a university student*

NGOs and donors alike."

He said NGOs should give more attention to basic organisational skills like bookkeeping, filing systems and planning.

They should also use existing resource bases like their staff, governing board, funders, NGO partners, professional advisers and volunteers.

"With respect to the especially fraught issue of financial resources, NGOs must become much more creative in diversifying their sources of funding to the widest possible spectrum, including institutional donors, individual citizens, community fundraising events, in-kind support from companies and, where appropriate, income generation," Bonbright said.

"My experience with ordinary NGOs indicates a growing awareness among them of the need to strengthen institutional capacities in these areas. There is even the beginning of the emergence of specialist NGOs dedicated to building institutional capacity of other NGOs."

"Here donors have an important role to play. I would like to suggest that at least five percent of the donor's budget should be spent on activities specifically designed to improve the effectiveness of the

remaining 95 percent."

Bonbright said he was dismayed by the almost complete lack of organised efforts to improve the effectiveness and professionalism of donor institutions in South Africa.

"I cannot say why this is so, although it may have something to do with the simple fact that professional philanthropy in South Africa, including corporate social investment, is a young profession," he said.

"We could organise learning and exchange opportunities that allow donors to compare their experiences with each other and with international experts."

"Secondly, we can organise similar learning and exchange opportunities, but for donors and NGOs together. Through such sessions they may gain deeper understanding of their respective decision-making processes, become generally more transparent to each other, and give greater meaning to the notion of a 'partnership' between donors and NGOs."

"Thirdly, and most controversially, we could work towards an open public discourse about the ways and means of financing development in South Africa."

Bonbright said the historical

secrecy around funding, while understandable in an undemocratic era of political repression of NGOs, made it almost impossible to build strong, independent development organisations.

"And while one can sympathise with the reluctance of donors and NGOs to expose themselves to public criticism and debate about the appropriateness and quality of their humanitarian efforts, the wider public interest is best served by the rigorous and broad accountability of the humanitarians."

Mr Barry Smith, of Interfund, argues funders have not really changed their demands on NGOs. They had always required clear information from projects about their performance and results.

"What has changed is that there is a larger profile of donor organisations in South Africa and many now engage in regular discussions with their partners," Smith said.

"When we were based outside South Africa, this relationship was very constrained. Now we have all had a healthy dose of reality about some organisations and are accused of being bureaucratic."

A few years ago, the environment in South Africa was very unfriendly to this kind of relationship, Smith said.

**A**lthough Interfund required proper accounting for funds in the past, they made allowances for the constraints people worked under — the harassment and the atmosphere in the country.

Now their partners have changed from crisis-driven projects and overt political work to full-time socio-economic development, and Interfund believes private sector standards of policy, initiative and the provision of services can be replicated by organisations in the NGO sector.

The rhetoric and goals of an organisation laid out in funding proposals has to translate into reality for the people who count — the target group identified as the beneficiaries.

"We understand that it is very difficult for organisations to make this shift quickly, particularly those who are deprived of access to training resources — the kind of things that are readily available to NGOs in countries which are less politically troubled," Smith said.

"So we are not only making demands in a limited way, we are trying to find ways of supporting the development of structures and skills in organisations to allow them to be more productive and analytical about what goals and end products are."

**NEXT WEEK: Should NGOs dissolve and become part of the new democratic government's bureaucracy or should they remain independent of the politicians?**

**This focus was made possible by the support of the FREDERICH EBERT FOUNDATION**



# Non-government organisations face threat to autonomy

B/Say 8/2/94  
JULIA FRIELINGHAUS

THE private business sector aside, SA has as many as 54 000 non-government organisations (NGOs), according to a draft discussion paper commissioned by the Development Resources Centre. (297)

Published by the Independent Study into an Enabling Environment for NGOs, the paper contains recommendations which, if implemented, could threaten the independence of NGOs.

The centre is conducting workshops with various NGOs to discuss these recommendations in order to present proposals to the new government.

It estimates that NGOs — including religious organisations, educational institutions, residents' associations and other community groups — employ between 430 000 and 1,89-million people, and raised between R6bn and R10bn in 1992. It proposes that because of the importance of NGOs to democracy, they need to be constitutionally empowered to participate in public life. The paper argues, however, that this privilege entails accountability.

At present, the paper notes, a formally constituted NGO can choose to be a voluntary association. Although not obliged to register as trusts or as associations not for gain, the study argues that NGOs often do so lest potential donors doubt their legal status.

The paper argues, however, that NGOs are discouraged from registering because of the cost and time involved; it also suggests that administrators are selective in granting registration.

It recommends that registration be made easier and that NGOs be able to establish themselves freely. However, for certain NGOs this freedom is to be qualified by the duty to be accountable to all groups with which they interact, including the government, the public, donors and beneficiaries.

Accountability would be controlled "through an appropriate regulatory framework" — voluntary associations with an annual income above R500 000 being compelled to register with a public office, irrespective of how the money is raised.

The paper notes that NGOs wishing to raise funds from the public must obtain a permit from the director of fundraising in terms of the Fundraising Act of 1978. However, it says, the Act leaves too much discretion to the director. It argues that if NGOs are to be both free from discretion and accountable to stakeholders, legislation should control spending rather than fundraising.

The Act exempts certain types of NGOs (such as churches, political parties and educational institutions) from fundraising regulations. The paper proposes that size rather than kind of organisation should determine exemption from regulation and that these should be NGOs with incomes of less than R500 000 a year.

It also proposes creating an NGO office to organise NGOs' relationship with government, offer legal and accounting advice, and control the raising and spending of money by NGOs with incomes of about R500 000.

The Income Tax Act of 1962 says religious, artistic, charitable, scientific, recreational and educational organisations may be exempted from tax. The study argues that narrow interpretations of the word charity mean NGOs are often prevented from describing themselves as charitable and thus from obtaining exemption. The paper proposes that the category be broadened, but apparently to include developmental NGOs only.

□ Frielinghaus is a researcher at the SA Institute of Race Relations.



# Operation Hunger staff strike over Gold Rush

Star 10/2/94

■ BY SHIRLEY WOODGATE

Operation Hunger staff went on strike yesterday after the country's largest private relief and development organisation decided to close its major fund-raiser, Gold Rush.

A statement by executive director Mpho Mashinini said talks had begun with the National Education, Health and Allied Workers' Union (Nehawu) over the inevitable closure of the 13-year-old competition, which was running at a loss.

"The landscape in which Gold Rush has historically operated has changed, and competition from scratchcards and lotteries has undermined the support it has received. Over time, the abil-

ity of Gold Rush to fulfil its function within OH has been eroded," Mashinini said.

"The situation was monitored carefully by OH management, but despite every effort to sustain the competition, Gold Rush 14 ran at a loss. While every effort was made for Gold Rush 15, it too will not make a profit.

"Management has exhausted alternatives; unfortunately, Gold Rush has outlived its worth.

"OH does not have resources to subsidise Gold Rush. Our main concern is for the close to 3 million vulnerable South Africans affected by the organisation every day. This cannot be compromised," said Mashinini.

Efforts had been made to ensure Gold Rush staff had a

range of options open to them. These included absorbing some staff into other OH departments, offers of retraining, and help in finding outside employment.

OH claimed Nehawu had not operated in good faith, cancelling three meetings at the last minute. (297) (152)

Mashinini said OH staff had been on a go-slow strike for the past two weeks, and that threats of a large-scale demonstration and strike had been made repeatedly to management.

He added that since OH was unable to subsidise Gold Rush, retrenchment had become inevitable.

■ No comment was available from Nehawu spokesman Heather Huma at the time of going to press.

# Operation Hunger dispute

LABOUR strife and the spectre of forced retrenchments face Operation Hunger, an organisation which helps nearly three million jobless people every year.

ANC Women's League president Winnie Mandela and National Education Health and Allied Workers' Union (Nehawu) secretary-general Phillip Dexter were at the organisation's Braamfontein offices yesterday to discuss the dispute. A floor below, the 40 affected workers and their colleagues — including Nehawu shop steward Zimzi Mandela, the daughter of ANC leader Nelson Mandela and his estranged wife Winnie — were locked in their own meeting.

The developments follow a two-week go-slow by

Operation Hunger's staff in sympathy with those affected by the forced closure of "Gold Rush" (297)

Acting executive director Mpho Mashini, who took over the reins of Operation Hunger from founder Ina Periman earlier this year, said there had been no alternative but to close Gold Rush as it was continuing to run at a loss.

He said management had tried to ensure that a range of options were available as a retrenchment package, but Nehawu "had not operated in good faith" and shop stewards had become increasingly uncooperative.

Continued subsidisation of Gold Rush would have undermined Operation Hunger's central task, he said. — Sapa.



Operation Hunger staff members staged a demonstration outside their Johannesburg offices yesterday in protest at the impending retrenchment of workers.

Picture: ROBERT BOTHA



# Will NGOs be drawn into a new government?

South 11/2 - 15/2/94

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Organisations sympathetic to the ANC are grappling with the issue of whether the new democratic government will need their expertise and insist that their most talented people join the new bureaucracy. In the last of a three-part series on foreign funding, **REHANA ROSSOUW** looks at this dilemma:



**S**OUTH Africa's real talent lies in the non-governmental organisation (NGO) sector and there the new bureaucracy, according to Prof Merlyn Mehl, education director of the Independent Development Trust (IDT).

Most NGOs have spent the past two years rethinking their positions and many have concluded that, to survive after the elections, they have to provide improved service and reach agreement with the government, Mehl said.

The state at present suffers not only from a lack of legitimacy, but also from a lack of effectiveness.

"Governments by and large are very inept," Mehl said.

"While the NGO sector responded to a lack on the part of the government, its existence demonstrates not only its viability to discuss social issues but also the need for such a sector.

"Some of them are worth surviving, some will mercifully disappear into oblivion."

Mehl said the NGO sector was already a surrogate bureaucracy, and had developed a high degree of innovativeness.

**N**GOs have had to find ways of doing things differently to the government. They could not be more of the same and thus tended to be programme-centred, Mehl explained.

"For example, the Department of Education and Training's Inset programme run by 600 subject advisors amounts to R600 million a year," he said.

"Governments respond to problems by appointing people. NGOs create a programme."

NGOs were also lean and thin, but the only reason was that they did not have any money. An analysis of major NGOs in education shows salaries are 50 percent of their annual budgets.

The state, on the other hand,

**IN OR OUT?: Experts in non-government organisations are grappling with whether they should move office to parliament this year**

spends 85 percent of its budget — amounting to R23 billion — on salaries and administration.

"There is no leeway for creativity among state employees, people are more concerned about their pensions," Mehl said.

"In the future, some people in NGOs will be absorbed into a future legitimate authority, as was done in Namibia. NGOs could also have a restructured relationship with the democratic state.

"Governments cannot and should not do everything for citizens. They have a tendency to do for and not with.

"The NGO sector must survive, because they really represent the variety and ability of the people."

Interfund, a major foreign funding organisation representing European and Canadian governments in South Africa, said it would co-operate in some way with a democratic government in South Africa.

Interfund director Mr Barry Smith said he did not believe the future South African government was going to absorb all the NGOs.

"They might take up a lot of skilled people in organisations. And even if these people are committed to the NGO sector they may feel obliged to go to government because there are better opportunities for advancement in the new civil service," Smith said.

"This could drain the NGO and community-based organisation (CBO) sector. NGOs are less vulnerable because they have a bigger pool of trained people. CBOs will be affected insofar as their leadership could be drawn into local government structures.

"The sector will survive, but it will be a rocky road for a while."

Smith said organisations need to

analyse honestly what their role in the future will be — whether they will work outside of government structures until they are absorbed and run by government or whether they will remain independent.

Some — like literacy organisations — could work in integrated government programmes where there is a need for a strong government programme and use public money.

"Organisations need to ask whether there are real reasons for remaining independent, whether their mission is to play a lobbying function, influencing policy," Smith said.

He warned that there were a lot more actors who would like to be

*'After we enjoy the celebrations after the elections, the first thing on the agenda of the government will be development and we will have to go to the World Bank on our knees'*

involved in South Africa and could be in the future. There will be bilateral government-to-government projects.

**T**he World Bank, western governments and the business community would also be involved at some level. This did not mean all would invest in the future.

Kagiso Trust director Mr Eric Molobi said state intervention would not happen overnight as the transitional government would remain an area of contest for a long time.

"There will be a transitional period where NGO activity will become more intense as people who come into government realise that the bureaucracy blocks them and they will not be able to do anything because the bureaucracy is hostile," Molobi predicted.

"But when we say NGOs will do the work, we're not talking about the small projects activists work in, we're talking about bodies like the National Housing Forum, the National Electricity Forum. Although it is not a government body, the NHF can muster R1,2 billion — it can do development with impact."

Molobi also warned against South Africans allowing outside agencies to dictate development policy in the future.

"My limited experience of the World Bank and the International Monetary Fund already shows me that if you allow them to come into your country with their own package, they nail you," he said.

"The only way we can circumvent that is if we draw up the package ourselves and go to them and say this is what we want to do.

"We may not reach that stage. The main players among political organisations' leadership today are concentrating their efforts on struggling for power and only that.

"And I know that after we enjoy the celebrations after the elections, the first thing on the agenda of the government will be development and we will have no real plans and will have to go to the World Bank on our knees."

Molobi said after elections, the European Community (EC), which channels funds into South Africa through Kagiso Trust, might change the emphasis of where it puts the money.

Some of it may go to a democratic government and a section

may remain with NGOs.

"Whether this will happen is difficult to predict. One has to observe trends in Africa and other parts of the world," he said.

"We are hoping governments will not cut their money to South Africa after the elections, but merely the slice of the cake South Africa gets. The money can be deployed to other activities like education and health.

"Kagiso Trust will be here for the long haul. We had discussions with the EC and secured this. The organisation will definitely not be thrown out after there is a new government."

A Johannesburg consultant who performs assessments of NGOs for foreign funders said a major shortcoming in NGOs is skills training and the transfer of skills.

Affirmative action programmes are virtually non-existent. Black women in the leadership of NGOs and other funded structures are rare. Most are controlled by Indian and white men and a few white women.

If these people left the organisations to work for the new government, it could only strengthen the affirmative action programmes, she argued.

"They did not put enough effort into working out how to transfer skills and there are no signs that this vacuum is being filled," she said.

"Funders are desperate for affirmative action programmes and this is not something that just happens, people have to plan for it.

"Many argue that they can either be professional or have affirmative action."

She said there were people in NGOs who want to make a difference. Many at top level don't want to touch government which they see as an under-resourced nightmare.

"It is much easier to be a watchdog than a civil servant.

"This could sharpen the problem of white-led NGOs and create conflict. People will perceive the watchdog organisation as racist which are opposed to the black-led government."

The consultant said many senior people in organisations assumed in the past that they would naturally form part of the new government but are rapidly changing their tune.

"Civics are a case in point. They are no longer local governments in waiting. The issues are not so simple any more. People are beginning to realise that local interests will conflict with national interest in the future."

**This focus was made possible by the support of the FREDERICH EBERT FOUNDATION**





# Foundation for Peace and Justice

**W**e wish all Muslims well during the month of Ramadaan. We are entering an historic period and together we will make this a peaceful, harmonious and united South Africa.



## Baragwanath go-slow <sup>BIDAY</sup> 'risks patients' lives'

MEDICAL heads at Baragwanath Hospital have warned that a go-slow action by radiographers is jeopardising patients' lives.

A statement from the superintendent said yesterday radiographers had complained to management about deteriorating equipment, Sapa reports. They embarked on the go-slow on February 8.

One X-ray machine had been delivered since then. Another three units had been ordered but radiographers were continuing their action. 15/2/94

Our Durban correspondent reports hundreds of nurses abandoned their patients at Durban's King Edward VIII hospital yesterday, protesting about issues which included the R500 merit bonuses given recently to some colleagues.

The nurses also wanted to know why patients had been transferred from Addington to the overcrowded King Edward "without consultation".

The Natal Provincial Administration's health department warned that no provision had been made in

the 1994 budget for the R500 bonuses and said these awards would not be granted to everybody.

Natal health MEC Rudi Redinger said an agreement between the two hospitals allowed patients to be referred from Addington to King Edward because certain staff were more qualified at King Edward.

Meanwhile, management at 13 Lebowa hospitals hit by the strike by nurses and labourers decided yesterday to discharge patients.

The nurses and workers went on strike last Friday demanding promotions, night duty and overtime allowances.

Central action committee chairman David Tsheola said that the agreement reached between the Lebowa government and National Education, Health and Allied Workers' Union did not address the problem.

Ambulance drivers were also on strike but nurses at six hospitals, including Groothoek, who were on strike for three weeks, returned to work on Thursday.

## Gold Rush talks progress

ERICA JANKOWITZ

OPERATION Hunger and the National Education, Health and Allied Workers' Union (Nehawu) yesterday agreed on procedures for the retrenchment of staff as a result of the failure of the Gold Rush competition. BIDAY 15/2/94

In a joint statement, they said the effective date of the retrenchment exercise would be extended to the end of March, which would give both sides time to appraise financial information pertaining to the competition.

Union-appointed auditors would "examine and receive explanations on the status of Gold Rush 15".

The two parties would also appoint a sub-committee to "facilitate the resolution of the retrenchment procedure". (297)



**T**HE ANC alliance's reconstruction and development programme (this article is based on the sixth draft) contains much that must be welcomed. Its very production is a positive step. Few political movements participating in the elections can have put on the table so comprehensive and detailed a document.

Second, the spirit in which the document is offered is encouraging. The document's introduction notes that this draft is the result of consultation and joint policy formation with the ANC-led alliance. It notes further that "other key sectors of our society such as the business community must be consulted and encouraged to participate as fully as they may choose". I am confident business is ready to participate both fully and constructively.

Third, the programme seeks an integrated approach to responding to the country's political, social and economic needs. This is imperative. In SA, perhaps more than in many other countries, political, social and economic constraints and considerations inform, even determine, each other. We will not achieve economic growth without political stability. Political stability is not possible without growth.

In this regard, the document's assertion that growth and development are not necessarily antagonistic is important. Social investment can promote growth which, ultimately, is the engine of poverty relief.

**A** fourth welcome aspect of this document is the pragmatism it displays in many areas. This is well illustrated by its treatment of the role of a new democratic government in the economy: the paragraph concerned is worth quoting in full.

"The balance of evidence will guide the decision for or against various economic policy measures. Such flexibility means assessing the balance of evidence in restructuring the public sector to carry out national goals. The democratic government must therefore consider:

- Increasing the public sector in

# ANC plan sets the ball rolling in an essential debate

BOBBY GODSELL

strategic areas through, for example, nationalisation, purchasing a shareholding in companies, establishing new public corporations or joint ventures with the private sector; and

- Reducing the public sector in certain areas in ways that will enhance efficiency, advance affirmative action and empower the historically disadvantaged, while ensuring the protection of both consumers and the rights and employment of workers."

The critical phrase here is "the balance of evidence".

Does the programme promise too much? The document notes: "It is no use merely making a long list of promises that pretend to answer every need expressed. Making promises is easy especially during election campaigns — but carrying them out as a government is much more difficult."

How well does the programme heed this advice? The goals the document sets are formidable. For example: "The programme must aim to redistribute 30% of the agricultural land within the first five years... To this should be added an estimated 200 000 new households each year.

- At minimum, 1-million low-cost houses should be constructed over five years...
- As a minimum, all housing must provide protection from weather, a durable structure,

and reasonable living space and privacy. A house must include sanitary facilities, storm water drainage, household energy supply (whether linked to grid electricity supply or derived from other forms of energy generation such as solar energy) and convenient access to clean water. Moreover, it must provide for secure tenure in a variety of forms.

Should one also provide for six hours' sunshine a day?

The programme also sets ambitious goals regarding water supply, electrification, public transport, health care and education.

297

**T**here can be no argument with the programme's broad goals. It is necessary to set targets if real progress (or indeed the lack thereof) is to be measured. And, as Rick Turner reminded us in *The Eye of the Needle*, utopian thinking is needed to transcend the sort of history SA seeks to escape. Yet unrealistic goals exact a price. They induce cynicism. They can distort real judgment.

In all these areas of social endeavour, the test for a new government is to make progress, and not of a trivial or magnificent kind. The critical

issue is whether it is significantly better today than it was yesterday.

Some of the targets set do not suggest that there has been a serious examination of the achievable. Can the promise be funded? Are there constraints beyond money? Does the target make sense? Is a 10% reduction in road accidents realistic?

Significant progress in the economy and in society will occur if, as a nation, we design good policies and implement them effectively. This will require a partnership between government and civil society — precisely as the programme seeks.

Good policy well implemented requires correct problem identification; a realistic assessment of alternative responses; and a clear understanding of who needs to do what. In this regard, few major problems will be solved without government doing something. Equally few will be solved by government alone. Equally needed are effective implementation, monitoring and maintenance. Let us illustrate these concepts more concretely in an attempt to begin to delineate the debate.

In transport, the goal must surely be cost-effective services that supply the service the commuter needs, when the commuter needs it. It is surely premature and pre-emptive to decide that this goal can be met

only by a public-owned passenger transport system. Surely the mini-bus taxi industry came into being, and has achieved something like a 70% market share, because it could do what heavily subsidised public transport could not.

In health care, it may be that enough money is already being spent, but is being spent wastefully. However, the disease in our health care services may lie deeper. Publicly managed health care systems such as in Sweden and Canada, privately managed systems such as in the US, and mixed systems as in Britain and Germany, are all in crisis. The division of labour between doctors and nurses, the cost of new drugs, tests and medical procedures, and, perversely, the very success of modern medicine in extending life, as well as lifestyle-related illness, may all play a role.

On mineral policy, the programme argues that a changed pattern of mineral rights ownership, and of mineral marketing, will enhance earnings and promote beneficiation. However, increased production could well depress prices and earnings. Minerals in the ground do not constitute wealth for anyone. They become wealth only when turned into products that can be sold for more than the real cost of production. This, in turn, requires the mobilisation of substantial capital and the application of skilled extraction. Without capital and skill, nothing can be achieved. Crucial to the effective mobilisation of both is certainly regarding both rights and risks.

**T**he ANC has spoken a valuable first word in the reconstruction and development programme. The challenge is for other areas of civil society to complete the dialogue.

We must not wait to do this. The sooner the dialogue produces a clear delineation of the problems, a realistic understanding of alternative solutions, and a collective will to act to resolve the issues, the sooner we will arm a democratic government to play its leadership role properly.

□ This is an edited version of an article by Anglo American director Godsell in the SA Labour Bulletin.



# Southern Africa (297) set to get R2,6 bn

ARCT 1/3/94  
BRUCE CAMERON, Business Editor

A NEW American-based R2,6 billion investment fund earmarked for Southern Africa has been opened with the backing of the United States agency, the Overseas Private Investment Corporation (Opic).

This is one of the three ventures announced by Opic today as part of the first US government investment mission to South Africa.

Opic president Ruth Harkin also announced at a media conference in Johannesburg that Opic would back two other investment ventures:

- The opening of 100 laundry outlets in the townships, creating 2 000 jobs — a scheme proposed by a husband and wife team, African-American Michael Giles and his South African wife, Bernadette Moffatt, who will also build shopping centres to serve as hubs for neighbourhood development.

- A joint venture between Durban-based, black-owned JBN Technology Services and minority-owned US electronics company Cadscan to pursue markets in electronic document management, point-of-sale computerised accounting systems and computer-based training for schools — a venture aimed at teaching disadvantaged youths the latest computer skills and helping South African business and workers become more productive.

Ms Harkin said the new equity investment fund, the latest of several already announced by different institutions, would be called the Africa Growth Fund II. It would be similar to its "highly successful predecessor, which was precluded from making investments in South Africa".

PEOPLE'S LIVES For a while battered women and their children find a safe haven at Powa

# A safe place for abused women

Sowetan 14/3/94

HEALING WOUNDS The horror

and scars remain forever.

## Brutal facts

- Sixty-five percent of married women are battered in South Africa.
- The shelter accommodates about eight women at a time for a maximum of three months although no one is turned away after the three months is over.
- Forty-five women and their children spend some time at the shelter each year.
- Presently there are 30 women on the waiting list for temporary shelter.

By Pearl Majola

MARIA clutches baby Thoko to her chest protectively while brushing her 2-year-old son's hair nervously with her hand. A healing wound on her temple adds to one's curiosity about her.

She is calm and brave but a cloud of fear settles on her face when she thinks of her aggressive husband's blows, his violent fury.

Maria remembers all of it as vividly as if it were yesterday. The day he smashed a chair on her head, gashing her temple and narrowly missing her right eye, the month she spent in prison after he claimed she stole from him.

She recalls how she always ran away then returned, hoping things would change. But for the past two weeks she has been at the People Opposing Women Abuse (POWA) shelter where she is probably the youngest of abused

women accommodated there with their children

"I don't know how long it (our safety) will last. I hear he is looking for us. He says he wants his children," she says. "Well, he won't get them," she adds with slight audacity in her voice.

At 49, most women are happily married and comfortable in their homes. But not Bong. Recently she turned her back on "a marriage that never knew peace or love for 23 years," as she describes it.

She escaped from being told repeatedly that she was ugly, accused of sleeping with other men and wondering if and when her husband would kill her. Bong also hoped he would change. "I kept dreaming that one day I would wake up and it would all have been a

nightmare."

But the nightmare continued until she heard about Powa on the radio and ended it. She is also at the Powa shelter where she is recovering.

"I am free," she says as if to convince herself. "And I never want to see him again."

A high wall finished with barbed wire secures the safe house in a quiet Johannesburg neighbourhood (we dare not say where in case some violent husbands go on the rampage).

Its cosy lounge is clean and modestly furnished. One wall displays the Powa advertisement used on Valentine's Day. The rest of the house needs some work, but for now it is all the women have. "We are safe here," says Bong. "And

Look out for our tomorrow  
In Sowetan  
article: The law and the battered woman  
informative

there is a very good team of people helping us with our problems." Ms Lynne Cawood of Powa agrees. "It is a place of hope. It is inspiring to see what can be done here."

"There are plans to improve it by establishing a children's play room and fixing up another two rooms for emergency accommodation, Cawood says. The resident social worker is organising a special counselling programme for the children in addition to the weekly counselling for the women. But there is need for more resources.

"We are planning an information evening to try to attract volunteers for counselling, especially people who speak one of the African languages," says Cawood.

For 10 years the house has provided asylum to women running from violent husbands. There will not be an elaborate celebration. But it will be women like Karen who will celebrate knowing how they found comfort and safety in this house.

She has been at the house twice. First for three months seven years ago and again recently for about a month. Now, she says she is back with her man and on her terms.

"If he ever so much as touches me or the children I will leave him for good," she says agitatedly and then adds more calmly "I was never like this before."

● The women's names have been changed to protect their identity.

I don't know how long our safety will last. I hear he is looking for us. He says he wants his children. Well, he won't get them.



# Germans pledge R192m in aid

BONN. — Germany is giving DM96m (about R192m) in aid to South Africa this year, it was confirmed yesterday.

A spokesman for the Ministry of Economic Co-operation and Development said DM25m is being given as technical aid.

A further DM23m — half earmarked for church projects — is going from German non-government organisations to their SA equivalents such as the Kagiso Trust, trade unions, the SA Council of Churches and the Bishops' Conference.

In addition Germany is contributing DM48m to the European Union's DM180m aid package for South Africa.

A spokesman for the ministry said, DM800,000 has been spent on educating voters, with DM950,000 being routed through three German foundations for the training of electoral workers.

Some DM100,000 has been provided towards the European Union observer mission — which will include 50 Germans —

to monitor the elections.

● The Clinton administration is planning a substantial increase in aid after next month's elections, an official said yesterday.

Assistant Secretary of State Mr George Moose said much of the assistance will be aimed at encouraging investment in South Africa by the private sector and other donors. — Own Correspondent, Sapa-AP

CT 11/3/94 (297)

## UCS to change name, listing

AMANDA VERMEULEN

UNION Cold Storage (UCS) will change its name to Opus Investments Ltd and list on the investment trust sector of the JSE from today.

On January 1, Games Africa Holdings acquired 90% of the issued ordinary share capital of UCS for R12,2m. Under the agreement UCS acquired the entire issued share capital of Games Holdings' wholly owned subsidiary Games Africa for R5m.

Games Africa deputy MD Richard Biesheuvel said the company took the decision to list on the JSE to make it more transparent, to give the public the opportunity to participate and to raise the necessary funding if it was granted the national lottery.

The UCS board also announced that each UCS share of 3c would be divided into three UCS shares of 1c.

As a result of the acquisition and change in control, UCS would change its financial year end to December with immediate effect. (297)

Earnings for the 18-month period ending December 1994 were forecast to be not less than 314,8c a share, or 104,9c a share after the sub-division. The forecast incorporated the projected results of Games Africa for the 12 months from January 1 1994.

Opus intended to function as an investment holding company which would concentrate on investing in companies and assets perceived to be undervalued or which had good long-term growth prospects.



## DEVELOPMENT

### Big bursaries

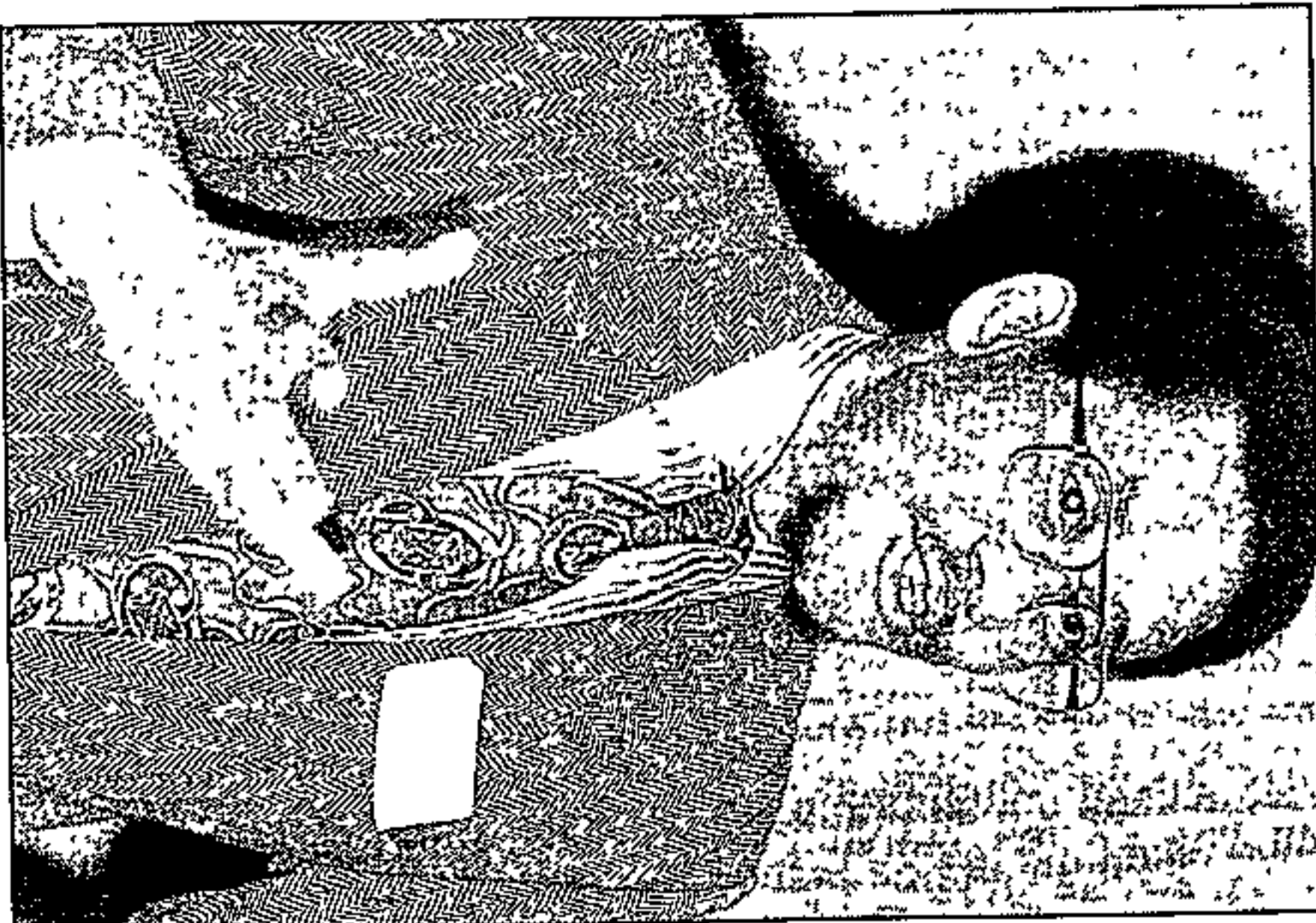
En 18/3/94

The Kagiso Trust has, during the past financial year, doubled the number of bursaries it awards to 22 000. This makes it the largest fund for bursaries in SA. **297**

In 1993 the trust raised R69m from donors. At the same time it contracted 65 institutions, colleges, technikons and universities, which administer the funds in conjunction with the trust's bursary programme. Kagiso chairman Abe Nkomo says the trust's contribution to education and training

shows significant results. Yet it is providing education for not even 10% of students from

En 18/3/94



**Kagiso's Molobi** agreements with various universities

disadvantaged backgrounds at institutions of higher learning. **(297)** The trust and the institutions have agreed

on strict guidelines for granting bursaries. These include the financial need of the students; sex and rural bias; and specially targeted studies — such as finance and economics, management and administration, medicine and health studies, agricultural science and teacher training that meet the most urgent needs.

Women are given special consideration in an attempt to redress sex imbalances which, the trust says, are evident in nearly all fields of study. Similarly, students from poor rural areas are given priority.

The bulk of the funding is directed to the traditionally black educational institutions, though agreements have also been reached with mainstream Afrikaner universities such as Stellenbosch, says Kagiso's executive director Eric Molobi.

Kagiso Trust donors include the European Commission, Japanese government, US Council of Foundations and the Rockefeller Foundation. The 1992-1993 annual review says "The Kagiso Trust has attracted more foreign grant aid for the purpose of development and reconstruction than any other organisation in SA. Over a seven-year period R452m has been channelled to various projects."

Among the projects undertaken are a rural development programme, a consultative forum on drought, building community institutions, housing and health

# 'Scrap Development Bank'

A TASK force to break up the Development Bank of SA urgently has been called for by the SA National Civic Organisation's commission on development finance.

In a report requested by the ANC's reconstruction and development convener, Jay Naidoo, Sanco's researchers argued that the bank had no record of being able to administer rapid, job-creating public works projects.

Principal researcher Joseph Hanlon said: "Choosing the best of a bad lot, we opt for the Independent Development Trust (IDT) to serve as a channel for government funds and to supervise public and community works until local government can do this."

The recommendation flies in the face of

GRETA STEYN

the bank's efforts to position itself as one of the main implementing agencies of the ANC's reconstruction and development programme. The bank has played a pivotal role in the National Economic Forum's preparatory work on public works.

The report said the IDT was preferred to the bank as it had concentrated on improving its delivery capacity and making it more community-based. The bank, on the other hand, had taken the high profile route of trying to win over the new political leadership. The bank had been able to put substantial staff resources into support for forums, had made the new leadership feel

□ To Page 2

## Bank

welcome and "falsely in control", and had been able to "produce thick reports quickly". But even with new faster approval systems, the bank was still "ponderous and unwilling to trust communities"

Ultimately, public and community works programmes should be handled by local and provincial government. But in the short term, government would not have the capacity to implement such projects, hence the decision to suggest the IDT as an intermediate option

The report also recommended the merging of the IDT and the Kagiso Trust, and the transferral of Development Bank functions to the central and regional reconstruction programme offices. A small core should be retained to manage the existing loan portfolio.

Further recommendations included transforming the existing Local Authorities Loan Fund Board into the reconstruction fund proposed in the programme, and restructuring the SA Housing Trust to form a retail housing bank.

□ From Page 1



# The jailbirds' wives who wait and wait

WM 18-24/3/94 (297)

Prisoners' wives are in some respects worse off than their husbands: behind bars they at least have a chance to keep life and limb together. **Cathy Powers** reports

**T**HE room is small — four metres by three metres — the space cluttered with upright brown chairs, an oversized wall cabinet and pot plants suspended from the ceiling. This is where Edreisha Limbert sleeps at night with her three young children, on the uncarpeted lounge floor of her parents' tiny four-roomed home in Riverlea, Johannesburg.

The 24-year-old Muslim woman has been waiting five months for a state maintenance grant after her husband, Peter, was imprisoned for car theft last June. The process has been fraught with problems and, unable to support herself and her children, Limbert was forced to move back to her parents' home, which she shares with five other relatives.

She is one of 66 260 women eligible for maintenance grants from the Welfare Department of the House of Representatives this month. They include women whose husbands are in prison, women who have been "deserted", women whose husbands live off pensions or disability grants, and women who receive insufficient maintenance from their ex-husbands.

There is very little research on the problems experienced by women receiving state grants because their husbands are in prison, but Nicro director Jeanette Schmid says virtually every state maintenance case is delayed by bureaucracy: "More than 95 percent of our cases are held up. The average delay before a woman can expect her grant is six months; the longest delay has been over a year."

Limbert received one payment from the Welfare Department in November last year, but nothing since then. Her inquiries have been in vain. "Whenever I phone, the person I'm supposed to speak to is 'on leave'," she says. "They keep you waiting on the phone for half



Suffering for others' sins ... Edreisha Limbert and one of her three children  
PHOTO RUTH MOTAU

an hour and then they hang up." And for all her efforts her telephone bill has shot up to R204.

Reasons for the non-payment are unclear: "First they tell me the cheque has been lost in the post, then they tell me the file was lost or it was sent to Cape Town."

Limbert, who is unemployed, says she was told by the Welfare Department that she would receive a monthly grant of R513. "But what is R500 when you've got three children to look after?" says her mother, Gabeba Anderson, indignantly. "The government is supporting Peter in prison but no one is supporting his wife. Winter's just around the corner and it gets cold on the floor."

There are a number of requirements stipulated for state maintenance and Limbert fits all of them. The administrative deputy director of the Welfare Department, Errol Hess, said a woman is entitled to a maintenance grant if her husband is sentenced to at least three months' imprisonment or is kept in any state institution for that period. The usual monthly payment is R370 for a wife and R115 per child.

Child maintenance is paid for a maximum of four legitimate children and, in the case of illegitimate children, only for the oldest child — in order to "curb promiscuity", said Hess. Limbert's case is complicated by the fact that her first-born child is illegitimate, while the other are two legitimate.

When asked about the delay in payments, he said: "There is a shortage of staff in Johannesburg and this causes a few delays."

Nicro social worker Ingrid Woolf has been dealing with state maintenance applications for more than three years and her frustration is evident. "We haven't had one written reply referring to queries about maintenance grants, after sitting on the phone and writing numerous letters. At the Transvaal Provincial Association the problem is just as bad, if not worse."

**L**imbert's problems have been aggravated by her so-called Muslim marriage: she was told not to make her application under her married name because the "law doesn't recognise Muslim marriages". Woolf also says she has been informed that Muslim marriages are not recognised.

But Hess said his department does recognise Muslim marriages, "although in the past they didn't". Previously the children of Muslim marriages were regarded as illegitimate, he added.

"It seems the department doesn't know what's going on," said Limbert's mother.

Other women in similar predicaments echo these sentiments. Dalene Williams (24), who approached the Welfare Department last June when her husband was jailed for theft, says she was given a food voucher and when she returned to inquire about her grant, the man responsible for her case asked her "for a place to stay". She refused to help him, so he refused to process her application.

The application was eventually processed in November, but Williams has still not received a cent. She is presently living with her grandmother and is battling to support her two-year-old child.

A 24-year-old Noordgesig mother of three who did not want to be identified received her first payment five months after she had applied for it.

Supported by her mother, she lives in a hut and leads a "gypsy-type existence", says Nicro's Woolf.

## Scrap this bank — Sanco

*Star* 11/4/94  
The Development Bank of Southern Africa (DBSA) should be broken down and most of its activities hived off to a new government reconstruction office, says a report released by the South African National Civic Organisation's (Sanco) Commission on Development Finance today.

The commission was set up by Sanco to propose a framework for the speedy implementation of the ANC's Reconstruction and Development Programme (RDP).

The DBSA was criticised for being unable to disperse large portions of its funds in the past.

"Only 45 percent of DBSA's budget goes on banking functions. Policy, information, training and 'agency' work account for the rest," the report said.

The commission said local and regional government and public utilities would be responsible for the implementation of the type of public finance and utility finance projects which form the core of the DBSA portfolio.

The commission recommended that the DBSA's statistics section and the bank's surplus funds and grant-giving structures should also be transferred to the envisaged RDP office. — Staff Reporter.

(297)



# Civics present financing plan

CT 12/4/94 (297)

JOHANNESBURG. — Financing for development projects under a new government would be sourced largely from domestic capital markets and grants from central government, the SA National Civics Organisation proposed yesterday.

Grant funding would be drawn predominantly from a reconstruction levy and the state budget, while domestic capital markets were preferred to global markets, principal researcher of Sanco's Commission on Development Finance Mr Joe Hanlon told reporters.

The commission released a report yesterday recommending steps an expected ANC government could take to ensure the speedy implementation of its Reconstruction and Development Programme.

The proposals were aimed at restructuring development finance institutions and creating community-driven development.

Two key proposals were the creation of a People's Reconstruction Bank (PRB) and RDP Offices as a department within the President's office and the provincial premiers' offices. — Sapa

## ANC probe 'continuing'

BILLY PADDOCK

ANC Women's League president Winnie Mandela and alleged irregularities in the party's social welfare division were still under investigation by "top members of the national working committee", ANC spokesman Ronnie Mamoepa said yesterday.

His comment follows reports in the Daily Dispatch that the commission report on the investigation found that Mandela had been discovered counting piles of US dollars and cheques after a visit to the US.

It was claimed that the secret report found that Mandela had defrauded her own party to the tune of hundreds of thousands of rands. Mamoepa acknowledged that the report "is authentic but it is a report of an incomplete investigation, only preliminary, and therefore it is wrong to accuse people".

Report by B Paddock TML, 11 Diagonal St, Jhb

# SANCO



Sanco president Lechese Tsenoli outlines the organisation's development report at a news briefing in Johannesburg yesterday.

Picture SALLY SHORKEND

## Sanco wants 5% of GDP pumped into housing

B/Dey 12/4/94

THE SA National Civic Organisation (Sanco) wants the next government to pump not less than 5% of GDP into housing, mainstay of the ANC's reconstruction and development programme.

The organisation proposes increasing the housing subsidy from R12 500, proposed by the National Housing Forum for families earning not more than R1 500 a month, to R17 500.

In a report on the re-vamping of the handling of development funds and projects, released yesterday, Sanco's commission on development finance says the R12 500 subsidy, which has the blessing of Housing Minister Louis Shill, "is not large enough to provide houses to the poorest and uses only half the money available".

It says: "The R12 500 is only sufficient to pay for a

WILSON ZWANE

plot, services, a toilet and a few building materials. It is felt that the maximum subsidy should be raised to R17 500." (297)

The report says the housing subsidies should be allocated from the budget "to reach the goal of not less than 5% of the GDP" by the end of the fifth and last year of the reconstruction and development programme. (123)

It calls also for the establishment of a retail bank, which it says will finance two-thirds of the houses to be built over the next five years. The other one-third will be financed by private banks. The proposed retail bank will have a project finance arm, which will receive subsidies from government. These will be used to assess and approve projects.

"It would be expected to

take more risks than private banks, but it would still be expected to operate prudently and not approve projects on purely political grounds".

The document calls also for the establishment of a single reconstruction office at local, regional and national levels, as well as a single reconstruction bank, which will lend mainly to government, to community-based development organisations and people who could "not obtain normal bank credit". Ministers should head the reconstruction offices.

The report says public utilities and local governments will not be allowed to issue competing bonds, so that the lowest possible interest rate could be obtained for the reconstruction bond.

Joseph Hanlon, principal researcher of Sanco's report titled "Making people-

driven development work", said there would be no need to force insurance houses and pension funds over the next two or three years to invest a percentage of their assets in the reconstruction bonds.

But former Sanco president Moses Mayekiso said the pension funds and insurance houses would be expected in the long term to invest a sizeable chunk of their assets in the reconstruction bonds.

Report by W Zwane, TML, 11 Diagonal St Jhb

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R39 bn

uplift

# ANC

## reveals

CT 13/4/94

## cost of

(297)

## new SA

**SOUTH AFRICA's reconstruction and development programme (RDP) will cost taxpayers R39 billion in the first five years, ANC economics head Mr Trevor Manuel announced yesterday.**

But this target could be achieved as a percentage of the gross domestic product and without raising government spending, Mr Manuel told a news conference to officially launch the programme yesterday.

He said the ANC had no programme of nationalisation as part of its strategy to carry out socio-economic reconstruction. The dividend from scrapping apartheid and major cuts in defence spending would free up the necessary funds, he said.

It was the first time a figure has been put to the ambitious spending programme outlined in the programme. The spending excluded electrification, which would be financed by Eskom.

"The secret defence account is our first target," Mr Manuel said.

The removal from the programme of an explicit six percent of GDP target for the fiscal deficit has raised fears of rampant government spending. But Mr Manuel and programme convener Mr Jay Naidoo dismissed these fears as unfounded.

Mr Naidoo emphasised the programme had to be sustainable. "We will not print money," he said.

Mr Manuel said about R4bn could be saved from eliminating apartheid structures.

He also noted the budget for the secret defence account was more than R3,8bn — against a housing budget of only R1,6bn. The secret budget covered weapons procurement and development, and covert operations, and not the daily operations of the defence force.

The ANC was trying to ascertain how the money in this account was spent, and was aware of a possible problem in contractual commitments. Mr Naidoo added there was scope for further cuts in the R460m nuclear programme.

Mr Manuel noted the end of payment boycotts at local government level would also help finance the programme.

They emphasised the programme remained "a work in progress" and could change after consultation. "We are convinced the state alone cannot deliver on the goals in the programme. We have to harness the energy and resources of all the major stakeholders," Mr Naidoo said.

Asked what would happen to the programme in a region in which the ANC was not the majority party, Mr Naidoo said other parties had nothing which could compete. "It is a national programme. It has hegemony." He said the deficit in the 1994/95 fiscal year would be 6,25% of GDP. Spending this year included one-off election expenditure — Own Correspondent, Sapa



**PEACEKEEPERS** ... Members of the Koeberg-based Fourth Battalion yesterday, before their training ends today. ● Report Page 2.

## WP coach to meet Scholtz

By IAN GAULT

WESTERN PROVINCE coach Mr Alan Zondagh and WP Promotions spokesman Mr Morné du Plessis are to meet WP star rugby centre Christiaan Scholtz in Johannesburg today to discuss the player's abrupt severance of his ties with WP.

Scholtz accepted an offer early last week to forego his studies at the University of Stellenbosch and switch to the Transvaal side.

According to weekend reports, Scholtz received an up-front payment of R150 000 and a R7 000-a-month job plus a company car.



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Secret defence account targeted

# ANC budgets R39bn for reconstruction

Biday 13/4/94

(297)

GRETA STEYN

A DEMOCRATIC government could comfortably finance R39bn of spending on its reconstruction and development programme over the next five years, ANC economics head Trevor Manuel said yesterday.

It is the first time a figure has been put to the ambitious spending programme outlined in the ANC's programme. The spending excluded electrification, which would be financed by Eskom, not government.

Manuel told a news conference at which the programme was officially launched that the targets could be achieved without raising government spending as a percentage of GDP or increasing the tax burden. The dividend from scrapping apartheid and major cuts in defence spending would free up funds. "The secret defence account is our first target," he said. Also of major importance was increased efficiency in revenue collection and spending delivery.

The removal from the programme of an explicit 6% of GDP target for the fiscal deficit has raised fears of rampant government spending. But Manuel and programme convener Jay Naidoo dismissed these fears as unfounded.

They were emphatic the deficit would not be allowed to escalate because of the programme's far-reaching targets. On the contrary, the deficit would be reduced "over a period of time" to internationally accepted levels. Naidoo emphasised the programme had to be sustainable. "We will not print money." The 6% limit had been removed because it was not yet clear what the effect would be of adding on the R15bn in TBVC debt to central government debt.

Manuel said about R4bn could be saved

from eliminating apartheid structures. He denied that new regional governments would offset savings from ending duplication in areas such as education.

He also said the secret defence account's budget was more than R3,8bn — against a housing budget of only R1,6bn. The secret budget covered weapons procurement and development, and covert operations, not the daily operations of the defence force. The ANC was trying to get a handle on how the money in this account was spent and was aware of a possible problem in contractual commitments. Naidoo added there was scope for further cuts in the R460m nuclear programme.

Manuel said the end of payment boycotts at local government level would also help finance the programme.

They emphasised the programme could change after consultation.

It had not been decided whether a ministry would be set up to oversee the programme or whether it would be handled through a commission or cabinet committee. But it had been accepted that co-ordination would take place at a high level with direct links to the President. The National Economic Forum would have a role, possibly as a socioeconomic council.

Asked what would happen to the programme in a region where the ANC was not the majority party, Naidoo said other parties had nothing which could compete. "It is a national programme. It has hegemony." He said the deficit in the 1994/95 fiscal year would be 6,25% of GDP.

Report by G Steyn, TML, 11 Diagonal St, Jhb



# Bid to make old depot a home for street kids

By JILYAN PITMAN

MOLO SONGOLOLO, an organisation which focuses on the plight of street children, is eyeing the old Cape Town City Council cleansing depot in Alsweg Road, Bonteheuwel as a permanent home for street children.

Affected ratepayers associations and the Athlone District Management Committee would have to be consulted before a decision could be taken, according to a council representative

## One shower

Molo Songololo said there were now 21 children occupying the building day and night. They had been there since September last year while the organisation had been negotiating with the council. At night they slept on mat-

tresses and they were fed with donated food. There were three toilets in the building but only one shower and no electricity.

"Five of the children are at junior school and one is at senior school. During the day those that are not at school are being taught literacy, numeracy, artwork and given information on Aids."

## Structured

Mr Patrick Solomon, co-ordinator of the organisation whose headquarters are at Community House, 41 Salt River Road in Salt River, said "There are no doors and no privacy in this old depot building which has been standing empty for 10 years. Before we informally moved in at the end of last year we were helping the

street children at our premises in Salt River.

"We want the depot as a permanent base very badly because we need to stabilise the children and implement our programmes in a more coherent and structured way."

Mr Solomon said the organisation would be in a position to pay a required rent but the council had not communicated a figure to them. "Mr Dunn of the estates branch of the council has recommended to Exco that the building be given to Molo. The council has not been in contact with us recently about their requirements."

□ *Our Children Our Future* is the title of a photographic exhibition on at the Baxter Theatre now. It is a joint venture between Molo Songololo and German photographer Leon Maresch

# Economists welcome ANC's R39bn plan

CT 14/4/94

Own Correspondent

JOHANNESBURG. — The release of the R39 billion figure for spending on the ANC's reconstruction and development programme over five years has been greeted with a cautious welcome from economists, while politicians have rejected it as misleading.

Economists said the figure appeared moderate and could augur well for future budget deficits, but noted it was not yet clear what it comprised and exactly how it would be financed. Politicians slated the figure as an understatement of the true cost of the programme.

NP spokesman Mr Marthinus van Schalkwyk said the R39bn figure was a "deliberate and spectacular underestimate".

Rand Merchant Bank economist Mr Rudolf Gouws said in Johannesburg yesterday that he welcomed the release of the spending figure as it would help bankers convince foreign investors that government would not "explode the deficit to 10%".

Witwatersrand University Professor Charles Simkins warned that the next government might be so pre-occupied with managing a balance of payments crisis that the aims of the RDP would get left behind.



## ANC's social plan to cost R39-billion

BY JOHN SODERLUND  
and JOVIAL RANTAO

ANC economics head Trevor Manuel did some public arithmetic yesterday to explain to a gathering of businessmen how the ANC would finance its controversial Reconstruction and Development Programme (RDP).

Manuel told a packed Radio 702 business breakfast in Sandton that the ANC estimated the programme would cost R39 billion over five years and would require between R8 billion and R9 billion a year.

He said the savings brought by lower defence spending and eradicating corruption in various government departments and the withdrawal of finances spent on maintaining apartheid would

**MONEY to finance the redevelopment programme can be covered by savings in present expenditure, says ANC**

(297)

be more than enough to pay for the RDP.

He said: "There is plenty of room for readjustment within budget lines and the figures we are talking about make the RDP affordable."

Manuel said the secret defence budget came to R3,83 billion last year, while the defence account for 1992 to 1993 totalled R8 billion, excluding nor-

mal running costs.

"At least R4 billion in the budget can only be described as supporting the apartheid structures," Manuel suggested, citing the Bophuthatswana Department of Foreign Affairs as one such example.

A further R2 billion was lost through corruption in the administration of the Multilateral Motor Vehicle Accident Fund, which was uncovered last year.

He said the International Monetary Fund had rated South Africa as one of the lowest spenders of revenue collected.

Corporate tax yields would be increased from 23 percent.

Taxes on luxuries like cigarettes and alcohol were also low, he said.

Star 13/14/94

# Violence retards ecotourism plan

B. Day

14/4/94

MICK COLLINS

VIOLENCE in SA and the subsequent decline in tourism has all but halted the Industrial Development Corporation's (IDC's) R600m ecotourism scheme.

Figures released yesterday by the corporation showed that since its inception nearly two years ago, just R56m had been taken up with R12m still to be finalised.

GM industrial finance division Ben Smith said the decline in foreign visitors had dried up most current plans in the industry.

The scheme was aimed at boosting tourism by financing development of facilities in or near game parks.

The IDC forecast that the scheme would boost foreign currency earnings from tourism by 40% or R1bn a year. The scheme was also expected to create 50 000 jobs at a lower cost than in other businesses. The IDC said the plan was designed for projects which were viable and environmentally sound, but which lacked financial backing.

The scheme was aimed at projects which would attract affluent tourists rather than high-volume low-budget package tours.

The IDC's multishift scheme for industry, designed to improve factories' capacity utilisation, has also run into trouble.

Only R52,9m has been disbursed of

the R100m originally made available, due to what Smith said were "problems for commuting workers".

"This scheme, designed to encourage employment and save foreign exchange has not been popular and it is not expected to improve over the short term," he said. (297)

But the IDC's low interest rate scheme for exports has been "very successful" with R348,5m loaned out and R76,8m still to be approved.

However, the scheme was contrary to the new GATT agreement and, according to Smith, "will be phased out".

"There will be a grace period which has not yet been finalised but will possibly be three years."

The IDC's employment scheme has, according to Smith, created interest especially with the smaller medium sized companies and was creating substantial additional employment. More than R37m had been allocated to companies with a further R97,3m awaiting approval. He said the scheme had created 3 230 jobs.

Excluding the R600m ecotourism scheme, Smith said that of the R1bn originally made available to industry under the other three schemes, about R384m was still available.



# Does the DBSA deserve to die?

**Reg Rummey looks at a Sanco report which calls for the dismemberment of the Development Bank**

**I**T WOULD take around six years to dissolve the Development Bank of Southern Africa, according to the bank's chief executive Andre la Grange.

The complete dissolution of the bank was proposed in a wide-ranging report, instigated by the South African National Civics Organisation (Sanco), to Reconstruction and Development Programme (RDP) convenor Jay Naidoo.

The report says that for one or two years until local governments are functioning the Independent Development Trust (IDT) would be the appropriate agency for organising public works.

"Just to discharge our outstanding obligations would take six years," says La Grange.

The DBSA has more than R1-billion of loans registered in its name and outstanding loan commitments of R4.5-billion to R5-billion.

Many of those, he adds, are under implementation, have contractors on site and communities involved.

La Grange, not unexpectedly, does not see a need for the bank to be scrapped. His main contention is that in the latest draft of the RDP parastatals are recognised as national assets.

The DBSA has a strong balance sheet, he says, and can gear up in the capital markets to fund development

Moreover, the People's Reconstruction Bank proposed in the report seems, he says, to have the same mandate and functions as the DBSA.



**Investing in the future ... Pupils at Phuthing School discuss technology designs. The DBSA provided a loan to the Nest school for a technology centre**

SOURCE DBSA ANNUAL REPORT 1993

La Grange stresses he is not arguing against change in the DBSA, merely against its scrapping.

"As I say in the report itself, it takes three to five years to create a new institution. Why waste that time?"

Moreover, he adds, the bank has an asset base of R6-billion. "Why wind that down and start anew?" he asks. The bank can easily raise R2-

billion in the next 12 months for development, he says, while a new institution would have to have government guarantees to raise this sort of money.

The same arguments apply to parastatals such as the Industrial Development Corporation

Nor is La Grange arguing against rationalising development structures, he says, noting the financing system put forward by the report itself is rather convoluted.

The Sanco report is strongly critical of the DBSA, arguing it is an expensive luxury for South Africa, and has not

changed sufficiently.

"DBSA has undoubtedly played a key role in supporting the transition, precisely because it is so overstuffed that it can lend people to forums or parties. A key question for the new government must be if it can afford the luxury of a salary bill of R86-million a year and foreign travel in excess of R7-million in order to have access to this sort of policy support."

The report, however, goes beyond calling for the scrapping of the Development Bank. It is an attempt to shape how the RDP is put into place, and sidestep what it sees as unilateral restructuring by institutions to get on a new gravy train.

The Sanco report is strongly critical of the DBSA, arguing it is an expensive luxury for South Africa, and has not

In this vein, it also calls for the merging of the Kagiso Trust and IDT. Most importantly, it points out what was regarded as development in the apartheid era is simply the work of elected local government.

Projects created with IDT grants and DBSA lending will now be the job of local governments. No longer will black people in rural areas be expected to build their own schools and roads.

The commission also recommends the South African Housing Trust become the base for a retail housing bank.

More contentious is its demand that money be paid not to development organisations but directly to communities and that grants be made directly to communities for capacity-building.

Though this is notoriously difficult, the report, unlike other development documents, does actually define both "community" and "capacity-building" in detail.

Capacity-building in the report is training in areas such as book-keeping and financial management.

Communities are defined geographically — one or two neighbourhoods, a small town, or a few nearby villages. However, while it says groups tend to define themselves, it rules out a community intentionally defining itself in terms of "race, income etc".

It acknowledges that creating truly representative community groups to receive capacity-building finance is difficult, noting it will be a long and continuing process.

The report of the Commission on Development Finance is titled *Making People-Driven Development Work*. Co-ordinated by Joseph Hanlon, and chaired by Sanco's Moses Mayekiso, the members of the commission included Numsa's Bernie Fanaroff, Max Sisulu of the ANC-aligned National Institute of Economic Policy, Sanco president Lechesa Tsenoli and Professor Alan Mahin of the University of the Witwatersrand.

BM 15-21/4/94

(297)



# Plan to kick-start electronics subsidy

*14/4/94*  
*Biday*

THE Department of Trade and Industry (DTI) and the Industrial Development Corporation (IDC) have launched a major marketing exercise in a bid to boost interest in the ailing R100m electronics subsidy scheme.

Acting DTI director-general Gerrit Breyl said yesterday that the IDC had been promoting the scheme — the Support Programme for Industrial Innovation — in SA's major industrial centres, and was advertising heavily.

The effectiveness of the scheme was also being evaluated in terms of local and export sales, employment, research and development of participating firms and extra tax generated.

The scheme, which is administered by the IDC, was launched last year to replace the Innovation Support for Electronics (ISE) scheme. It extended development support to all secondary manufacturing industries, and approved projects could net up to R1m in grants.

But the scheme's progress has been slow, leading to claims from analysts that the project was failing.

A DTI report showed that just 16 ISE projects and eight Support Programme projects — worth a total R10,9m — had been approved between April and September 1993.

DTI director-general Stef Naude said that although a large number of inquiries

**ROBYN CHALMERS**

had been received, no new applications for development support outside the electronics industry had come through since the scheme was introduced.

But Breyl said there had been an increased number of inquiries following the roadshow promotions.

"A total of 1 400 application manuals, consisting of general information, the format for a project proposal and guidelines for qualifying cost, were handed out to industrialists," he added.

"Advertisements are being placed in appropriate technical publications and technology conferences and presentations are being used to publicise the scheme."

He added that the take-up for the scheme was bound to be slow, given the procedures applicants had to follow.

"A prospective applicant needs to identify a project, then undertake an extensive feasibility study, complete a development schedule with milestones and draw up a detailed budget before applying for support," Breyl said.

"Thus inevitably leads to a time lag between becoming aware of the benefits of the scheme and submitting an application."

Breyl said the availability of future funds for the scheme would depend on the results of the promotional programme.



# Sanco deal secures funds for township upliftment

ELECTRONICS company Spescom and the SA National Civic Organisation (Sanco) yesterday signed an agreement in terms of which Spescom will make funds available to township residents for skills upgrading and other upliftment programmes.

This is part of Spescom's policy of ploughing a portion of its profits into communities which use its prepaid electricity meters. Sanco official Moses Mayekiso hailed the agreement and urged other players in the industry to follow suit.

Mayekiso said the agreement should be viewed as a "sincere effort to encourage outside institutions to play an active and progressive role in community investment and development under conditions of community consultation, participation and control".

Spescom executive chairman Tony Farah believed the company's policy would promote economic growth.

Spescom would put money into trust funds for education, health care and other upliftment programmes for communities

WILSON ZWANE

using Spescom products.

The funds would be independent from Spescom and Sanco. The first such fund would be set up at Khayelitsha, near Cape Town.

Mayekiso and Farah stressed that Spescom's contribution to the funds would not be a fixed percentage. "The amount will be dependent on the needs of the different communities in which Spescom operates," Mayekiso said.

Sanco will consult on logistical and security arrangements to ensure the "most rapid, efficient and safe installation of electricity meters".

Sanco has also clinched a deal with the CSIR in terms of which the two organisations will develop projects to reduce unemployment.

A working group has been established to develop the projects to focus on the establishment of micro, small- and medium-sized enterprises.

DP has proposed that the Performing Arts Council of Transvaal be elevated to National Theatre status. Picture GARTH LUMLEY

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## AWB leader confirms he is training Zulus

VENTERSDORP — The AWB has confirmed Zulus are being trained on the farm of AWB leader Eugene Terre'Blanche at Ventersdorp in the western Transvaal.

This follows an ANC report that at least one busload of Zulus had been seen arriving at the farm.

Earlier, Terre'Blanche told a newspaper he was providing training for what he

termed "non-whites opposed to communism".

AWB member Fred Rundle confirmed that Zulus were being trained, but would not say if the Zulus were members of the Inkatha Freedom Party or if the training enjoyed the support of the Zulu king. — Sapa.

Report by K Swart. Sapa, 141 Commissioner Street, Jhb



## National lottery plan put on standby

SCRATCHCARD marketer Games Africa, which planned to obtain a licence to run a national lottery, was awaiting the implementation of legislation legalising lotteries in SA, directors said in the company's annual review.

The implementation of legislation for a state lottery, passed last year, seemed to be anticipated by the market. The share price of Opus Investments, the holding company of Games Africa, has surged almost threefold to a R40 high from just R14 on its day of listing a month ago.

Games Africa initially was formed as the fundraising arm of the Ithuba Trust, but has undergone changes, and recently merged with competitor Viva.

A new holding company for Games Africa, Games Africa Holdings, was formed. Games Africa Holdings ac-

quired a controlling interest in JSE-listed Union Cold Storage and sold Games Africa to Union Cold Storage. The group was listed on the JSE under newly named holding company Opus Investments on March 14. (297)

The case for commercialised fundraising for charitable purposes seemed indisputable, directors said.

Fifty percent of all Games Africa's scratchcard income went into prizes, 15% to charity and the rest to various administration and operating costs. VAT took 7%, retailer commission 5%, ticket production costs 6%, advertising 5%, TV production for the Win 'n Spin show 1%, and administration costs 11%.

Ithuba Trust received 30c of every rand, and the directors said this would increase over the years.

MARCIA KLEIN

## No overtime

at R14,70,

say doctors

Star 15/4/94

■ BY ANNA LOUW  
EAST RAND BUREAU

Boksburg-Benoni Hospital's casualty ward closes at 4 pm and reopens at 8 am — 16 hours later — because overworked doctors are refusing to put in overtime following a provincial administration decision to pay them R14,70 an hour for overtime.

A senior surgeon said yesterday he could mow somebody's lawn and get more money.

Last weekend, the surgeon worked an 18-hour shift, single-handedly attending to 15 gunshot wounds and a man who had been stabbed in the stomach.

"To be paid R14,70 an hour for 18 hours' overtime on a weekend is disgraceful," he said.

After-hour emergencies, other than maternity cases, are referred to other hospitals.

A delegation of doctors accompanied by the hospital superintendent will meet the Director of Hospital Services today to try to resolve the pay dispute.

■ Administration staff have been on a go-slow since the beginning of the month because many have not been paid their March salaries.

## Hospital deaths blamed on strike

# Medics care for babies at home

Star 15/4/94

■ BY ABDUL MILAZI  
and DIRK NEL

Doctors and non-striking nurses in KwaZulu/Natal are taking abandoned babies from the strike-hit hospitals to their homes as services in the region continue to deteriorate.

And as strikes continue to paralyse hospitals in three other homelands — Transkei, Venda and Lebowa — it was learnt yesterday that three deaths in a Transkei hospital have been attributed directly to strike action.

In KwaZulu, the homeland's Minister of Health, Dr Derick Arbuckle, said striking workers at the now closed Edendale Hospital in Maritzburg were still coming to picket outside but were refusing to resume work.

Arbuckle said the Prince Mshiyeni Hospital at Umlazi near Durban had referred many of its patients to other hospitals but was still treating emergency cases.

## NO END appears in sight to the strikes

paralysing hospital services in KwaZulu, Lebowa, Transkei and Venda

Natal Ambulance and Emergency Service workers ended their strike yesterday after the TEC assured them that their demands for parity in salaries would take priority once the political situation was normalised.

In Transkei, Umtata Hospital medical superintendent Dr Michael Nkomo said three of the deaths at the hospital since April 7 had been caused by the strike, Sapa reports.

One of them was an infant who had been on a ventilator in the intensive care unit when the strike began.

He said two adults had also died because of strike action, but

did not want to give details as the issue was "sensitive".

Transkei leader Major-General Bantu Holomisa yesterday urged nurses in the territory to return to work.

Some hospitals in Lebowa were functioning normally last night.

Petersburg Hospital superintendent Dr Marie Moolman said beds had to be kept vacant for emergency patients over the election period. Patients from the homelands could not be accommodated at this stage.

In Venda, the Tshildzini and Donald Fraser hospitals were worst hit, with more than 90 per cent of their staff on strike.

However, many clinics were still operating in Venda to handle minor medical ailments.

Ironically, medical staff at the Silean Hospital near Thohoyandou, the Venda capital, were not on strike, as they said they had become "tired of continuous work stoppages".

## R1-m boost

for local govt

education

Star 15/4/94

■ BY JUSTICE MALALA

Local government training was given another boost this week.

The Open Society Foundation for South Africa (OSF-SA) has decided to grant R1,2 million to the University of the Witwatersrand's Local Government Training Project.

The project, under the university's faculty of management, will receive the grant soon.

OSF-SA executive director Professor Michael Savage said the foundation had made grants totalling R5,5 million to projects in South Africa.

Major grants have been made to the National Youth Development Forum and community-based organisations.

OSF-SA was founded last year by billionaire philanthropist George Soros to "promote the ideal of an open society in South Africa".

Its priorities are education for local government, youth development, rural community development, and radio.

There are 22 Open Society branches worldwide, and more than R1 billion has been granted to deserving projects.



# Can Manuel deliver on his promises?

Elsey 15/4/94

GRETA STEYN

THE ANC's reconstruction and development programme (RDP) has been described as "a menu without prices". This week, the party's economics head Trevor Manuel put a figure to the meal the democratic government is to dish up to its hungry constituency. Over five years, R39bn in new government outlays will go on the RDP.

The figure is of utmost importance to provide a sense of the new government's fiscal policy direction. It is unfortunate that Manuel did not elaborate, other than to say it represented mainly key features such as housing and infrastructure, and excluded electrification which would be done by Eskom.

Manuel failed to specify whether the figure included current spending associated with the programme. But the amount is far too low to include the spin-offs in current spending. In that sense, the ANC can justifiably be accused of underestimating the cost of the programme.

A study done by the Development Bank, costing a major expenditure programme similar to the RDP, found that capital investment by central government of R38,6bn would be needed over five years to wipe out social backlogs. The figure is surely too close to Manuel's R39bn to be a coincidence. As University of the Witwatersrand professor Charles Simkins put it: "One suspects (the costing of the RDP) is being developed in conjunction with the Development Bank."

The Bank's calculations show that well over R30bn should be added to central government spending in the form of recurrent spending, mainly on basic education, training, primary health care, rural development and social security.

But this is a difficult figure to quantify, the Bank itself says it is arguable the amounts could be reduced through systematic rationalisation of existing services. Suffice it to say, recurrent spending cannot be ignored in calculating the costs of the RDP.

The ANC has also not yet said how much of the programme it expects to be handled outside government. The Bank calculates about R19bn, but this does not include private sector financing of housing. Parastatal involvement in the RDP should be spelled out as it has implications for the capital market and interest rates.

Manuel has promised to deliver without raising government's stake in GDP or increasing the tax burden. Is this possible?

The Bank's study found it was impossible to peg the public sector's share of GDP at 34% and meet the objectives of the programme — if other state spending was kept unchanged. It was impossible to deliver, despite the assumption of rapid economic growth rising to almost 6% in the last year of the programme.

The Bank argued adjustments would have to be made. These would have to be sought in the following options: cutting other expenditures, implementing the programme over a longer period, scaling it down, raising the public debt, and increasing the tax burden.

The ANC has consistently argued that redirecting existing state spending will be a major source of finance



□ MANUEL

for the RDP. How much scope exists for this exercise?

The word from the civil servants is very little, given that there has already been a big shift towards social spending in the Budget. The share of protection services has shrunk from almost 22% to less than 18% between 1990/91 and the last fiscal year, while spending on social services has risen from less than 42% to 44%. The shift reflects mainly higher spending on education.

The Bank notes that spending within categories will have to be reorganised, part of the funds for

increased spending on primary education must be recouped through reduced subsidisation of whites.

Manuel is confident R4bn will be released in the form of a dividend from scrapping apartheid duplication. "The Bophuthatswana embassy in Paris is much more lavish than SA's," he notes as an illustration. But is R4bn really feasible, given that the introduction of nine provincial governments will take up some of the apartheid dividend?

The secret defence account of R3,8bn is the ANC's first target, and the party has apparently been putting major effort into analysing its components. But how will the cuts affect SA's weapons procurement? What about contracts that run over a couple of years?

The Bank says that, over five years, about R2bn to R4bn could be released from the Defence budget, "although this would push defence spending in SA towards the low end by international standards."

The Bank's programme and simulations are not the ANC's, but in the absence of official figures from the party, they provide a useful benchmark. The party would do well to heed the Bank's warning that a 10-year framework for the programme would be more feasible. And, as the Bank's study makes clear, there will be no delivery without vigorous economic growth. That means creating an environment conducive to private sector investment.

The ANC plans to release more figures next week. In the meantime, it seems the R39bn target over five years is too ambitious if government's stake in the economy is not to be increased. As ANC parliamentary candidate Alec Erwin said this week: "Some voodoo economics is needed."



# Bank's payout problems ease

22/4/94

GRETA STEYN

THE Development Bank of Southern Africa's troubles in getting finance to communities eased in its past financial year with loans paid out rising by about 58% in the year to March.

Bank finance chief Richard Kirkland yesterday confirmed preliminary figures that showed about R710m was paid out during the past financial year. This followed a year of major shortfalls in targets as the transition placed a strain on the development finance system.

During the previous financial year, there was growing uncertainty that borrowers could take up long-term loans, while violence had aggravated the situation.

Kirkland said the healthy rate of loan disbursements had continued into the present financial year, with payouts in April 1994 notching up about R70m against only about R10m last year. A number of factors had combined to produce the dramatic improvement from the previous year's depressed levels.

"The bank and its borrowers have become more adept at operating in the evolving environment," Kirkland said. "Regional economic forums have helped achieve the consensus which is a prerequisite to getting projects off the ground."

The bank had committed itself in the financial year ending March 1993

to pay out a record R1,7bn in loans, and these commitments were now coming through.

The next year had seen another new record set in loans approved, but not yet paid out, of more than R1,8bn. The figure augured well for future loan disbursements.

Kirkland was pleased the past financial year had also been an exceptional one for loan repayments. "It was the best year on record despite the problems associated with the transition." (297)

The bank faced a void when black local authorities collapsed and the Regional Services Councils became the next port of call — provided consensus was achieved. Non-government organisations supporting entrepreneurial and rural development also received bank funds.

The bank's shareholders were the TBVC countries and the SA government. With the reincorporation of these states into SA, the bank's ownership is expected to come up for scrutiny soon after the election. It is possible that each province could become a shareholder. The bank, in the 1993 financial year, restructured along regional rather than sectoral lines, which would make a move to include the provinces as shareholders relatively easy to implement.



# IDC calls for its role to be expanded to aid growth

THE next government would need to expand the role of the Industrial Development Corporation if it wanted to bring about industrial growth, IDC MD Carel van der Merwe said yesterday.

Van der Merwe said the corporation had already met the ANC's economic planning department and other senior ANC and Co-satu officials. He said he had no reason to believe that radical changes were envisaged for the IDC.

But the ANC's reconstruction and development programme required the IDC to concentrate more on the manufacturing sectors identified as offering the best growth prospects.

He said the IDC had always been politically neutral, serving the government of the day. The best approach would be one where clear policy guidelines and objectives were agreed between the IDC and government "and the IDC is delegated to follow them with relative independence".

"The IDC has not received any funds from government for the past 40 years and

MICK COLLINS

has, in fact, contributed more than R2bn to government funding in tax and dividends. This is more than twice the amount invested by the government in the initial years."

Van der Merwe said the IDC had held off reshuffling its board until this could be discussed with the next government.

"The new government will be the de facto owner of the IDC share capital and we foresee changes to the IDC board to make it more representative of the population as soon as possible." (297)

Van der Merwe said he did not foresee major changes in the IDC's financing schemes and existing incentive schemes. Every effort would be made to step up job creation, but the IDC could support only economically viable projects.

He said there were likely to be greater regional initiatives under the new constitutional dispensation and the IDC would co-operate fully in helping establish new viable industries.

Report by M Collins, TML, 11 Diagonal St, Jhb.

# ANC's development plan is useful, but flawed - economist

ARG 23/4/94

297

## Programme is 'an important advance'

THE ANC's reconstruction and development programme (RDP) was an important advance on earlier ANC/Cosatu documents — but the programme still contained a number of flaws, according to Rand Merchant Bank chief economist Rudolph Gouws.

Speaking at a seminar at Stellenbosch University this week, Mr Gouws called the RDP the most comprehensive Party document to date.

He said the document was an original, wide ranging critique of South Africa's socio-economic legacy, presenting a range of useful and practical market-friendly ideas.

The plan's acceptance of fiscal and balance of payment constraints was also pleasing, he said.

In addition, Mr Gouws said the RDP reflected an openness and an ability to take new ideas on board.

"It issues an invitation for ideas, co-operation and encourages innovation."

However, Mr Gouws — who emphasised that he did not want to appear partisan in his appraisal — was highly sceptical about the ANC's optimism about budgetary expenditure savings by the new government.

There is little indication of trade-offs and priorities and a lack of clarity on costs and fiscal/macro-economic implications, he noted.

He stressed that there was little chance of further raising corporate taxation.

South African corporate tax was already one of the highest in the world.

South African corporate tax was already one of the highest in the world. Assumptions about the new government's ability to adminis-

Mr Gouws was also concerned about the RDP's over-emphasis of the state's role in job creation and the vast as-

**THREE** top economic thinkers gave their views on the ANC's reconstruction and development programme at a seminar in Stellenbosch this week. **MARC HASENFUSS** reports.

ter and deliver the programme.

His other major reservations were the remaining ambiguity about nationalisation and the lack of direct references to the roles of markets and price mechanisms.

Mr Gouws noted that if the RDP was broadly similar to the Development Bank of Southern Africa's reconstruction plan, then the ANC's plan would not be feasible unless it was introduced over a longer period, scaled down and if the ratio of spending/debt to the GDP rose.

■ Professor Sampie Terreblanche — Stellenbosch economics department lecturer — was disappointed by the RDP.

"It is not nearly analytical enough. The RDP does not make a strong case for what the ANC want to do."

"The plan cannot be done in five years... 15 years maybe — it's too ambitious."



**RUDOLPH GOUWS**

■ Professor Rob Davies, of the UWC's Centre for Southern African studies, said the RDP presented an integrated strategy to overcome South Africa's present financial crisis.

"We will equip people to take their rightful place in the economy and thereby also boost the country's skills base."

He reiterated that the new government would find "a lot" of the RDP's funding in existing state expenditure, especially by shifting priorities in the budget to find extra resources.

Professor Davis pointed out that the defence budget was twice as much as that of housing.

He also dismissed the NP's claims that a UK-based study showed the ANC programme would cost R75 billion in the first year alone as a "mischievous intervention" and "election scare tactics".

(News by Marc Hasenfuss, 122 St George's Mall, Cape Town) 8001



# As SA acquires a better image, aid and investment get go-ahead

(297) APR 30/4/94

PARIS. — The new South Africa, set to emerge from this week's elections, will be able to count on substantial aid from its old friends who once backed severe political and economic sanctions against the apartheid regime.

Its traditional partners in Washington and Brussels, along with the Japanese, have already marked their interest in the African continent's main financial and military power which now has a more acceptable image.

Investors and businesses also are getting ready to return. But, experts believe they are likely to sit out the transition period, to assess levels of violence and the skill of the country's new leaders.

"South Africa is the most attractive market in this part of the world, but it is not the gold mine it was 20 years ago," commented a French businessman who knows the country well.

There is a risk of inflation

from the high public spending needed to reduce inequalities between black and white, and from the powerful unions which could demand large pay increases, he emphasised.

In the United States, President Bill Clinton has been enthusing about the opportunities offered by South Africa and the White House is expected to announce details next week of a serious transitional aid package.

Secretary of State for Commerce Ron Brown said the US would double its economic assistance to South Africa, which he described as one of the "10 big emerging markets." Economic aid is running at \$80 million (R288 million) per annum.

The European Union is Pretoria's main trading partner, buying about 40 percent of its total exports. Countries in the EU imported goods worth 9,1 billion ECU (about R37,8 billion) from South

Africa in 1992 compared to 5,4 billion ECU (about R19,44 billion) of exports to South Africa. Investments from EU companies are worth a total 15,4 billion ECU (about R60 billion).

Since 1986, the European Union has run a special aid programme for victims of apartheid, spending a total 336 million ECU (about R1 210 million) on 671 projects by the end of 1993. Spending in 1994 is expected to reach 110 million ECU (about R400 million).

Bilateral aid from the main European powers is also on the way up. Germany is set to "increase its commitment in South Africa," according to a spokesman for the foreign ministry. In 1994, German aid increased from DM 91,6 million (R198 million) to DM110 million (R396 million).

In addition, Bonn is organising a meeting for September 6 and 7 between the 12 EU member states and the 10

countries of the Southern African Development Community (SADC), which comprises 80 million people, to look at ways of helping the region.

Britain gives an annual £15 million (R84 million) aid and on Wednesday Minister for Overseas Development Lynda Chalker said she expected co-operation to grow over the next three years.

France, under its previous Socialist administration, had taken the lead in the anti-apartheid campaign within the European Union. Now, it is piling favours on Pretoria, inviting it to the next Franco-African summit in Biarritz, southwest France, and sending experts to help train the security forces.

It is doubling bilateral aid in 1994 from Fr 25 million (R15,9 million), thanks to loans from the French Development Treasury which is working in South Africa for the first time. — Sapa-AFP.

## JOBS

# Strive's efforts gets township business working

(297) S/Times (Bus) 11/5/94 (297)

WHEN former Liberty Life employee Sam Alexander led a delegation of black businessmen to the US two years ago, he experienced the commercial equivalent of a religious awakening

In the four weeks he addressed the media, White House staff members, black advancement organisations and universities on the need for jobs, not a single one was generated back home

"I realised that talking about job creation would get us nowhere," says Mr Alexander, 51, a Christian and activist for a free market "I had to do something"

In October 1993, he formed the Strive Foundation. It has since created 1 800 jobs and provides work for 200 people a week — all in economically depressed townships. Within three months, Strive members can earn R1 500 a month, equivalent to the starting salary for a post-matriculation student.

Strive operates on the simple premise that spending patterns are influenced by ethnic and group affiliations, a concept known as "oppression turn-over". Research in the US shows that each dollar earned in the Jewish community turns over 11 times within it. Among whites the figure is seven times and for blacks once.

"This means that blacks in the US are spending their money in the white community," says Mr Alexander. "The same applies in SA. Blacks do not spend in their own communities and this deepens their poverty."

Strive is a self-help organisation which tries to reverse this spending pattern by creating mini-businesses in a community. By pooling the buying power of hundreds of small retailers, bulk discounts enable Strive retailers to compete with chain stores. Strive is driven by commercial considerations,

Less than two years after it was formed the Strive Foundation is creating 200 jobs a week; its founder believes he has found the answer to unemployment, writes **CIARAN RYAN**.

such as price and convenience rather than an appeal to racial loyalty.

Nearly 2 000 unemployed mothers, pensioners and youths — some have never known formal employment — are now devout disciples of the free market thanks to Strive, which receives virtually no outside funding. Its offices in central Johannesburg are sponsored by Liberty Life, where Mr Alexander worked for 21 years as a manpower planner. Nampak, JCI, Rand Mines and Sentrachem also help.

There are more than 180 Strive groups, comprising 10 members each, in Soweto. Groups are being established in Pretoria and Brits and on the East Rand.

Because Strive groups offer prices equal to or better than those in the supermarkets, township spending patterns will gradually shift from chains in "white" areas. In addition to their bulk-buying muscle, Strive traders keep overheads low by operating from home. Each member of the group sells a different product range to avoid competing with others.

One member sells eggs and cheese, another fruit and vegetables, another canned food, and so on. By buying basic consumer items from other members of the same group, the oppression turn-over factor is multiplied and prosperity is repatriated to the community, says Mr Alexander.

Strive groups have expanded their work range to include welding and small-scale clothing and furniture manufacture.

Members pay a R50 annual fee to

Strive and receive basic training from the Small Business Development Corporation (SBDC) as well as advice on marketing and pricing. Each group elects a chairman who attends regular training in advanced business methods at Strive's head office.

The SBDC provides start-up capital of R5 000 for each group. It does not have a single case of default on its books. SBDC application forms were simplified and the waiting time for loans cut from several weeks to 10 days.

The trader receives 60% of the net profit generated from the mini-business. The balance is fed back into a central pool to repay the SBDC loan. Based on 10% net profit a week, this R5 000 is converted into a total of R24 000 for the year. In practice, traders earn more than this. Stock turns over every two days in some businesses. Strive takes between 3% and 5% of each group's initial buying order for introducing the trader to the supplier. A community developer signs up members and assigns them to groups.

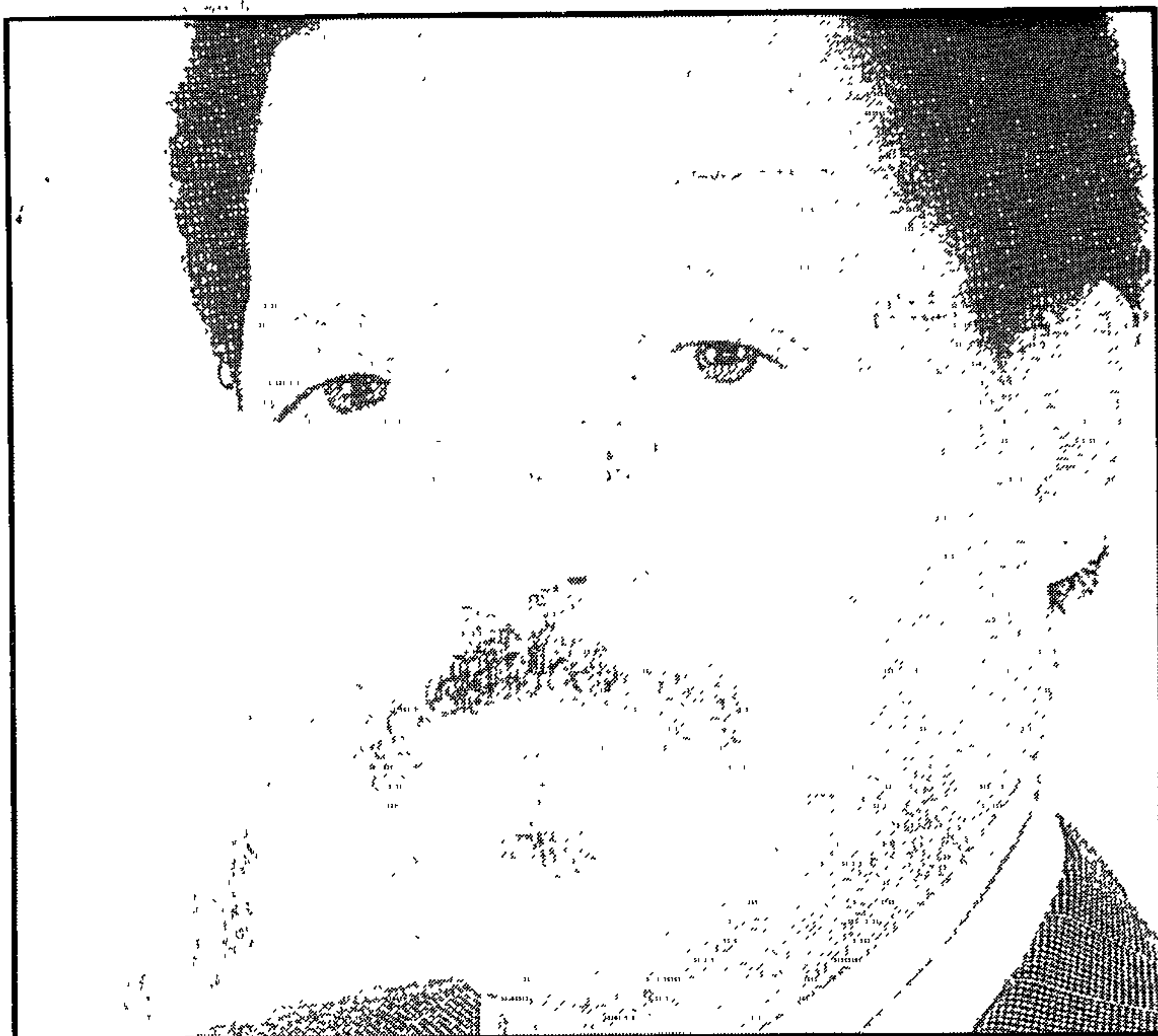
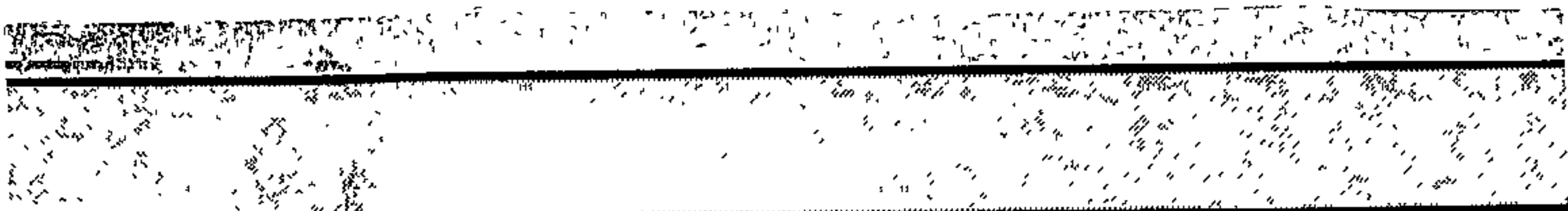
So successful is the concept that township spazas and corner cafés are queuing to join the scheme. In spite of its initial scepticism, the SBDC has thrown its full weight behind Strive.

"I could provide jobs for 500 people a week if the SBDC could handle the workload," says Mr Alexander.

After a Radio 702 talk show, Mr Alexander was inundated with calls from unemployed whites eager to join Strive.

"Poverty knows no racial boundaries. We will soon launch our first Strive group in a white area."





UPLIFTING . Sam Alexander, free-market activist and founder of the Strive Foundation.

# Clinton announces R612-m package for SA

■ BY PETER FABRICIUS  
STAR BUREAU

Washington — President Clinton has announced he will unveil an aid package, expected to be \$180 million (R612 million) a year or more, this week to boost the new South Africa.

The "substantial" increase in funding would help SA "navigate a

course for all its people", Clinton said in his weekly radio broadcast.

He cited the South African transition as why it was vital for the US to remain engaged in world affairs. ~~(FIVE)~~

The US government is spending \$93 million (R316 million) on assistance to SA in the current fiscal year. This annual figure is expected to roughly double for at

least two years to help the new government get off the ground by addressing massive socio-economic backlogs.

US government sources told The Star that of the approximately \$90 million (R306 million) extra, \$60-\$70 million (R204-R238 million) would be in loan guarantees to encourage finance houses to lend money for black housing.

Of this, only about \$6 or \$7 million (R20,5 million or R23,8 million) would be an actual budget charge. The rest would put up by private financial institutions.

This is what the US Agency for International Development means when it says it intends to use US government money to "leverage" greater financial assistance for SA.



## Aid pledged to new SA

PARIS — The new SA set to emerge from last week's first nonracial elections will be able to count on substantial aid from its old friends, who once backed severe political and economic sanctions against the apartheid regime. *BIDON 215194*

Its traditional partners in Washington and Brussels, along with the Japanese, have already indicated their interest in SA.

Investors and businesses are also getting ready to return. But experts believe they are likely to sit out the transition period, to assess levels of violence and the skill of the country's new leaders. *(297)*

In the US President Bill Clinton has been enthusiastic about the opportunities offered by SA, and the White House is expected to announce details next week of a serious transitional aid package.

Since 1986 the European Union has run a special aid programme for victims of apartheid, spending a total of 236-million ecus on 671 projects by the end of 1993. Spending in 1994 is expected to reach 110-million ecus.

Bonn is organising a meeting for September 6 and 7 between the 12 EU member states and the 16 countries of the SADC, which groups 80-million people, to look at ways of helping the region. — Sapa-AFP

# NEWS

*R540-m likely over 3 years*

## Britain pledges millions to SA

■ BY GARNER THOMSON  
STAR BUREAU

London — Britain is to provide more than £100 million (about R540 million) worth of aid to South Africa over the next three years, Foreign Secretary Douglas Hurd announced in parliament yesterday.

The pledge includes £60 million of bilateral aid, investments by the Commonwealth Development Corporation, and the UK's share of European Union assistance.

In making the announcement, Hurd

praised the South African people for their "example of peaceful democratic change" and congratulated Nelson Mandela on his election victory.

He also hoped to give a positive response to the TEC's recent request for British assistance with the integration of the National Defence Force.

Britain's aid programme to South Africa, which began in 1979, has so far peaked at around £15 million a year.

Overseas Development Minister Baroness Chalker has confirmed that Britain will be seeking to direct its financial

assistance to several main areas.

These include the promotion and development of disadvantaged groups and individuals, the strengthening of public services, the encouragement of good governance — including political accountability and sound economic management — and the enhancement of productive capacity.

An Overseas Development Ministry spokesman said particular emphasis would be given to programmes targeted at poverty reduction and the improvement of the position of women.

## Clinton defends Africa aid

■ BY PETER FABRICIUS  
STAR BUREAU

Washington — President Clinton has justified his plans to double US financial assistance to South Africa by saying a prosperous South Africa will boost development in the region.

Clinton was asked at a CNN foreign policy forum whether other African countries would feel slighted by Washington doubling aid.

Some of the money will be diverted from aid to other African countries.

He said they might. But the government of national unity held great potential for restoring South — and southern — Africa's economy in a multiracial environment



# Massive aid pledge for SA

FOREIGN governments yesterday pledged nearly \$900m in aid to SA over the next three years. *B1 Day*

The European Union (EU) is to grant SA 100-million ecus (about \$128m), Britain £100m (\$150m) over three years and the US plans to double its aid to about \$600m over three years. *S1 S194*

EU ambassador Erwan Fouere said in Johannesburg that the union would give SA reconstruction and development aid as soon as the government of national unity was installed. Details of the aid package would be announced by EU commissioner and former Netherlands foreign minister Hans van den Broek at the May 10 presidential inauguration. *(297)*

In London, Foreign Secretary Douglas Hurd told the House of Commons that the UK had pledged £100m in aid over the next three years. Details of £60m in bilateral

DEBORAH FINE  
and LINDA ENSOR

aid would be discussed with the new SA government when he visited next week.

In addition, Britain contributed £11m annually to the European aid programme, and the Commonwealth Development Corporation (CDC) also planned to invest in SA. The British government has already indicated that its aid programme would be based on the ANC's reconstruction and development programme.

Sapa-Reuter reports that US President Bill Clinton, who is to announce details of US aid today, said: "We're going to have a big increase in our aid, and I hope we'll be able to sustain it for some time."

US officials said he intended to double to \$206m the aid to SA in the current fiscal

□ To Page 2

## Aid

year ending in September. But some of this would be "indirect" aid. *(297)*

Fouere said the EU aid would be channelled to areas of need as established by the new government. It would be channelled through non-governmental organisations, as well as institutions set up by government.

The EU also proposed including SA in Europe's generalised system of preferences, which would allow SA to export products to Europe at preferential tariffs.

The EU would encourage its investment partners to provide grants, loans and training programmes to medium and small enterprises in SA to further stimulate economic growth. The European Investment Bank would also be asked to expand its activities to SA.

Fouere said the aid package reflected the EU's commitment to SA's transition and social and economic reconstruction.

Hurd said Britain's aid would aim at promoting human development, with priority being given to helping with policy formulation and to education and health projects. It would also focus on encouraging good governance and sound economic management.

□ From Page 1

He hoped, while in SA next week, to give a positive response to the Transitional Executive Council's request for British assistance with the integration of the new national defence force. Britain has expressed its willingness to help with restructuring and training the police and public service should it be asked to do so.

Other objectives of the aid programme would be to enhance productive capacity and employment, particularly with support for small businesses.

The CDC is keen to develop a substantial programme in SA and permission by Africa Minister Baroness Lynda Chalker for it to invest in SA has already been given. The CDC expects to open an office in Pretoria later this year.

Meanwhile, the German government has thrown its weight behind commitments of international aid for the new SA, promising to do its best to contribute to the development of the country.

Foreign Minister Klaus Kinkel said the development of SA was of "enormous importance" for the future of the southern African region and the whole continent.

● See Page 4

*Clinton promises \$600-m assistance package*

# America pledges cash to help boost transition

■ BY PETER FABRICIUS  
STAR BUREAU

Washington — Vowing that America would not turn its back on the new South Africa, US President Bill Clinton formally announced a \$600 million (about R2,1 billion) US assistance package yesterday to boost the transition over the next three years.

And Clinton also confirmed that Vice-President Al Gore, his wife Tipper, First Lady Hillary Clinton, Commerce Secretary Ron Brown and Agriculture Secretary Mike Espy would head the official US delegation to the inauguration of the new South African president next week.

Clinton made the announcements in a formal ceremony on the south lawn of the White

House attended by about 100 senior US government officials and prominent American civil rights leaders and others.

South African ambassador Harry Schwarz and Kingsley Makhubela, deputy chief of the ANC's mission to the UN, presented Clinton with the new South African flag — a "visible symbol of the rebirth of South Africa", as Gore put it.

The US president said he had just telephoned "president-elect Mandela" and President de Klerk.

"I congratulated Mr Mandela on his victory and told President de Klerk that he clearly deserves tremendous credit for his leadership.

"Their courage, their statesmanship, along with the leader-

ship of Chief Buthelezi and others, has made this transition smoother than many thought possible."

Clinton said SA was free today because of the choices its people and leaders had made, but that America could also be proud of the role it had played in helping "to keep freedom's flame lit during the dark days of apartheid" through sanctions and other actions.

"And now we must not turn our backs," Clinton said. Aid provided by the US would help to bring the tangible benefits that would nurture a "tolerant democracy" in South Africa.

Clinton said he had also been writing to the leaders of the other G7 nations — the world's rich-nations club — to ask them

to boost aid to SA.

The \$600 million assistance package more than doubles America's present aid of about \$90 million (R318 million) a year.

It will include leveraged funds and will comprise contributions from 10 US government agencies, mainly the Agency for International Development (USAID) which will contribute \$528 million.

USAID will double its assistance in 1994 to \$166 million (R587 million) — \$136 million (R481 million) in grants and support for loan guarantees which will mobilise a total of \$166 million in public and private resources.

That will rise to \$181 million (R640 million) next year and the same in 1996.



# R2bn in US aid to SA over three years

CT 6/5/94 (297)

WASHINGTON. — US aid to South Africa will be increased to \$600 million (about R2,16 billion) over the next three years, President Bill Clinton announced here yesterday.

He also said his wife Hillary would attend Mr Nelson Mandela's inauguration as president next week.

Mr Clinton further appealed to the world's six other largest industrial countries — Japan, Britain, Germany, France, Italy and Canada — to expand assistance to South Africa.

To build and preserve a tolerant democracy and successful market economy it was essential that South Africans reached their economic potential.

US aid to South Africa would be stepped up this year from \$96m (about R346m) to about \$206m (about R742) in direct assistance and loan guarantees, with similar levels of funding for the next two years.

The US would also extend trade preferences to South Africa under the Generalised System of Preferences to allow 4 400 South African products to enter the US duty-free.

Washington would further offer to negotiate tax and investment agreements with Pretoria.

Mr Clinton said Vice-President Al Gore would lead the US delegation to Mr Mandela's inauguration and that his wife Hillary would be going as well. — Sapa-Reuter

## Japan to offer assistance to SA

TOKYO. — Japan plans to boost its technical assistance to South Africa while considering financial assistance to improve social and economic infrastructure, Foreign Minister Koji Kakizawa has said.

Mr Kakizawa said the Japanese government planned to "enhance considerably" its technical co-operation with the country and consider financial co-operation "as soon as all the conditions are fulfilled."

The foreign minister welcomed the outcome of South Africa's elections.

"These historic elections represent the culmination of the domestic reforms in South Africa, which have been promoted since 1990, marking an end to the long history of apart-

heid," he said. "The international community, including Japan, has been waiting and hoping for such elections to take place."

"The government of Japan strongly hopes that all the parties concerned in South Africa will accept the outcome of the elections with good grace and work co-operatively toward a new history of a democratic South Africa."

"Japan also expects that the new-born South Africa will achieve domestic stability and economic development through racial reconciliation and contribute to the development of the whole southern African region. Japan intends to extend its positive co-operation for that purpose." — Sapa-AFP.

(297) AM 7/5/94



# US multi-million package will aid the disadvantaged

PRETORIA (297) ARG 7/5/94 — The \$600 million (about R2 160 million) United States aid package to South Africa underscored the strong commitment and partnership America envisaged with the new South Africa, American ambassador to South Africa Princeton Lyman said yesterday.

As soon as the new government was ready, the package would be discussed and detailed, said Mr Lyman.

President Bill Clinton on Thursday announced the doubling of assistance to promote trade, aid and investment.

Mr Lyman said: "After the elections, everybody thought we were going to walk away (from South Africa), but the announcement made clear the intended strong partnership in future."

US Aid mission director Leslie "Cap" Dean said that with the agency's increased assistance, the South African programme would become "one of the most important (in the world) in terms of political commitment by the American people".

The US Aid contribution to the US

\$600m aid package represented \$528m.

The programme would focus on what the disadvantaged majority in South Africa had identified as its most pressing needs: Jobs, housing, education and other services, said Mr Dean.

"We intend to consult closely with the new government on what it sees as its top development priorities. There is a need to begin new programmes quickly to help meet urgent needs and expectations."

US Aid's expanded programme would focus on promoting black business development.

An "enterprise fund" formed part of the aid package to facilitate the entry of small and medium-sized businessmen into the mainstream economy.

Also, unemployed township youths would receive job skills training.

Housing and infrastructure would be strengthened through programmes and technical assistance.

Education and health system inequities would be redressed with emphasis on basic education, child survival and Aids prevention. — Sapa.

## SA is 'France's Eldorado'

JAMES TOMLINS

Weekend Argus Correspondent

PARIS. — France's leading weekly magazine Paris-Match has described South Africa as "the new Eldorado".

"French firms are well-placed to help the new government fulfil its absolute priority, the renovation of townships," it adds.

"These firms have a great deal of experience of working in Africa and stand an excellent chance of obtaining contracts in building construction, electricity plants, water supplies and engineering."

A French diplomat emphasised: "The ANC must act swiftly to improve living standards. That is where our know-how comes into the picture."

"We look on Nelson Mandela as a Francophile. When he went to Paris

last year, he was given head-of-state treatment at a time when he was not in power. France was the first country to extend this kind of welcome and he was extremely appreciative.

"His culture, personal reading and his impression of France as a country of human rights, can only mean that he likes us."

"This could lead to closer co-operation in training engineers and in higher education. Mr Mandela's friendship towards France could be a great help in obtaining contracts."

But, the federation of employers warned: "Let's not be too optimistic. The Americans, British, Germans and Japanese are better placed than the French. There are only 70 French firms (in SA) compared with 700 British and 700 German."

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Housing and infrastructure would be strengthened through programmes and technical assistance.

Education and health system inequities would be redressed with emphasis on basic education, child survival and Aids prevention. — Sapa.



# SA is promised aid, diplomatic ties

Star

11/5/94

Pledges of financial aid and closer diplomatic ties came from across the world yesterday as President Mandela was sworn in.

In Ottawa, Canada's International Trade Minister Roy MacLaren announced the extension of general preferential tariff (GPT) treatment to South Africa, making it easier for the country to export to Canada.

Indonesia and Morocco said they would soon establish diplomatic ties.

Bangladeshi Prime Minister Khaleda Zia pledged to strengthen ties between the countries fol-

lowing an earlier announcement that diplomatic relations would soon be established.

On Monday, China paid unusually warm tribute to Mandela and said his election victory heralded a close relationship between China and South Africa.

Mandela received a message of congratulations from one of the world's most isolated and obscure leaders, North Korean President Kim Il-Sung.

He wished Mandela luck in erasing the legacy of racial discrimination and said friendly ties between the North Korean and South African peoples

"would develop in accordance with the idea of independence, peace and friendship".

Indian Prime Minister PV Narasimha Rao told parliament: "We welcome post-apartheid South Africa to the community of nations."

Mozambique declared a national holiday to mark the day as did Tanzania. (297)

President Fidel Castro said after the inauguration Cuba was ready to establish diplomatic ties with South Africa. In a message presented to Mandela, he also offered Cuba's assistance to the new government. — Sapa-AFP.

# Now foreign aid pours in

**NEW ERA** US to give South Africa

R2,1m for business advancement: ~~279~~

By Mzimkulu Malunga ~~278~~

**T**HE NEW ERA IN SOUTH AFRICA has also ushered in increased aid packages from industrialised countries and international organisations.

The United States, Australia, Canada, Germany, United Kingdom are some of the rich countries that have pledged aid to South Africa amounting to billions of rands.

Apart from the high priority social sectors, there is another group which is waiting patiently to benefit from foreign funding. That section is black business.

When US president Bill Clinton announced a R2,1 billion aid package for South Africa, black business advancement got a specific mention.

But the captains of this sector, like Joas Mogale of the Foundation for African Business and Consumer Services, are cautious.

"It's too early to tell. We as black business

should take the initiative through the various structures that exist and approach the ministry concerned to present projects which need funding," he said.

Mogale specifically mentioned the nurturing of managerial skills of black people who are already in business and funding for those intending to start their own businesses.

Nafcoc's acting executive director, Mr Max Tlakula, says he hoped one project which would benefit from foreign funding would be the organisation's joint venture with accounting firm KPMG Aiken & Peat.

The project is aimed at playing a facilitatory role in joint ventures between black business and the big business. This venture has so far received proposals worth R50 million since its establishment in December last year.



**NEW SANCTIONS:** However well-meaning the aid pushers, our debts will have to be repaid from export earnings at the expense of future growth

# An evil in disguise

Star

14/5/94

297

NEVER before has South Africa been so inundated with offers of aid. But **SIMON JENKINS** has a warning: pouring aid into a state often wrecks its chances of survival.



**M**wages. Mr Mandela will give me a house. Mr Mandela will buy me a car." Where will Mr Mandela get the money? "Oh sir, from America." Next week, US President Bill Clinton will start giving Mandela the money.

It will be a modest bon-bon, doubling an existing aid package to \$180 million (about R655 million. This comes on top of \$850 million (R3 095 million) advanced by the International Monetary Fund (IMF) last year and promises of hundreds of millions from the World Bank and other agencies with cash to spend.

The second great sanctions campaign is about to begin. Unlike the first, this one could be devastating. The new sanctions will subvert South Africa's Budget, wrecking Africa's strongest economy, and could even topple Mandela's Government.

Like the aid poured into the rest of Africa since the 1960s, this money is designed to instil a grovelling addiction to First World help. It comes from the same paternalists who made Zambia, Tanzania, Zaire and Sudan what they are today — the killing fields of political economy.

As South Africa sits at the zenith of its political transformation, outsiders claim that it was attributable, in some part, to them. They believe ostracism, boycotts, embargoes and sanctions somehow bludgeoned Arkaner psychology. Export promotion and import substitution became a way of

made and paid all foreign bills on demand. Investment was squeezed out of industry's guts.

South Africans embraced the work ethic as nowhere else in Africa. Fly over the PWV or drive the motorways of Eastern Cape and you will witness an entrepreneurial capitalism totally absent from the rest of Africa.

Take defence. An arms embargo stopped the SADF buying prestige planes and ships. Spending was concentrated on infantry equipment and bush warfare. Now, after 20 years of sanctions, South Africa not only spends less of its domestic product on defence than any other African state, or even Britain, but is a net *exporter* of arms and equipment.

**S**OUTH-Africa is truly a Third World economy. Yet it embarks on the next phase in its history with huge advantages born of sanctions and a siege economy: the lowest ratio of foreign debt to national product of any developing country; a balance of payments positive for 10 years; inflation below 10 percent; and public finance sound, at least until the Government's pre-election splurge. Growth is resuming after drought and recession; the infrastructure is excellent.

However, all this might be at risk. To the IMF, the World Bank and leaders of the Group of Seven industrialised nations, South Africa's 25 million blacks, most employed in the "unacceptable" informal economy, are a lumpen problem awaiting their generosity.

South Africa's blacks are nothing of the sort. Millions have fled other African countries blighted by such generosity. They have come to South Africa — though nobody dares say it — because a white-run economy yielded more jobs and money than did African socialism. Every fiction is used to pretend otherwise: that apartheid was costly, wasteful, short-term and anti-growth. Perhaps it was. But every other way of running an African economy has been incomparably worse.

**T**HIS in no way justifies apartheid, but is a fact that post-apartheid reformers must face.

The World Bank has glibly told South Africa that growth will not be sustainable unless gains are "perceived to be distributed equitably by the community at large". Who says?

Redistribution has been under way hesitantly for five years but, as the ever-cautious Mandela has said, it will be a long grind. Small wonder both whites and blacks see foreign aid as a seductive "cargo cult".

The aid pushers who packed the hotels of Johannesburg and Sandton might say they will support only "productive projects", but they know that this is rubbish. They will pay for politicians to build nest eggs abroad or for politically correct spending on housing estates, mega-dams and universities.

Such loans have to be repaid from export earnings, crippling future growth. Debt, the curse of neo-imperialism, is followed by traumatic intrusion into domestic politics to secure repayment. Debt is thus the new sanction — and not the only one. South Africa is crowded with trade union and human rights observers who say wages are scandalously low, social programmes are inadequate and that employers must spend more on housing, health and education.

By African or other Third World



**MADE IN SA:** After 20 years of sanctions, South Africa is a net exporter of defence equipment.

dom into admitting it had been wrong, and since the world ended apartheid, the world must pay the price.

"If King Moshoeshoe consents to place his people under the care and protection of this God," said Victorian missionaries to the Basotho, "he will secure in his country tranquillity, order and abundance." For "missionaries", now read "World Bank".

Sanctions on South Africa have been wholly misunderstood. They partially hit the coal, steel and fruit industries. Subsequent US disinvestment threw a few thousand black workers out of formal jobs and into informal ones, and gave the apartheid government its biggest gift of fixed assets.

However, this was dwarfed by the benign effect on South Africa's economy

5/10/94

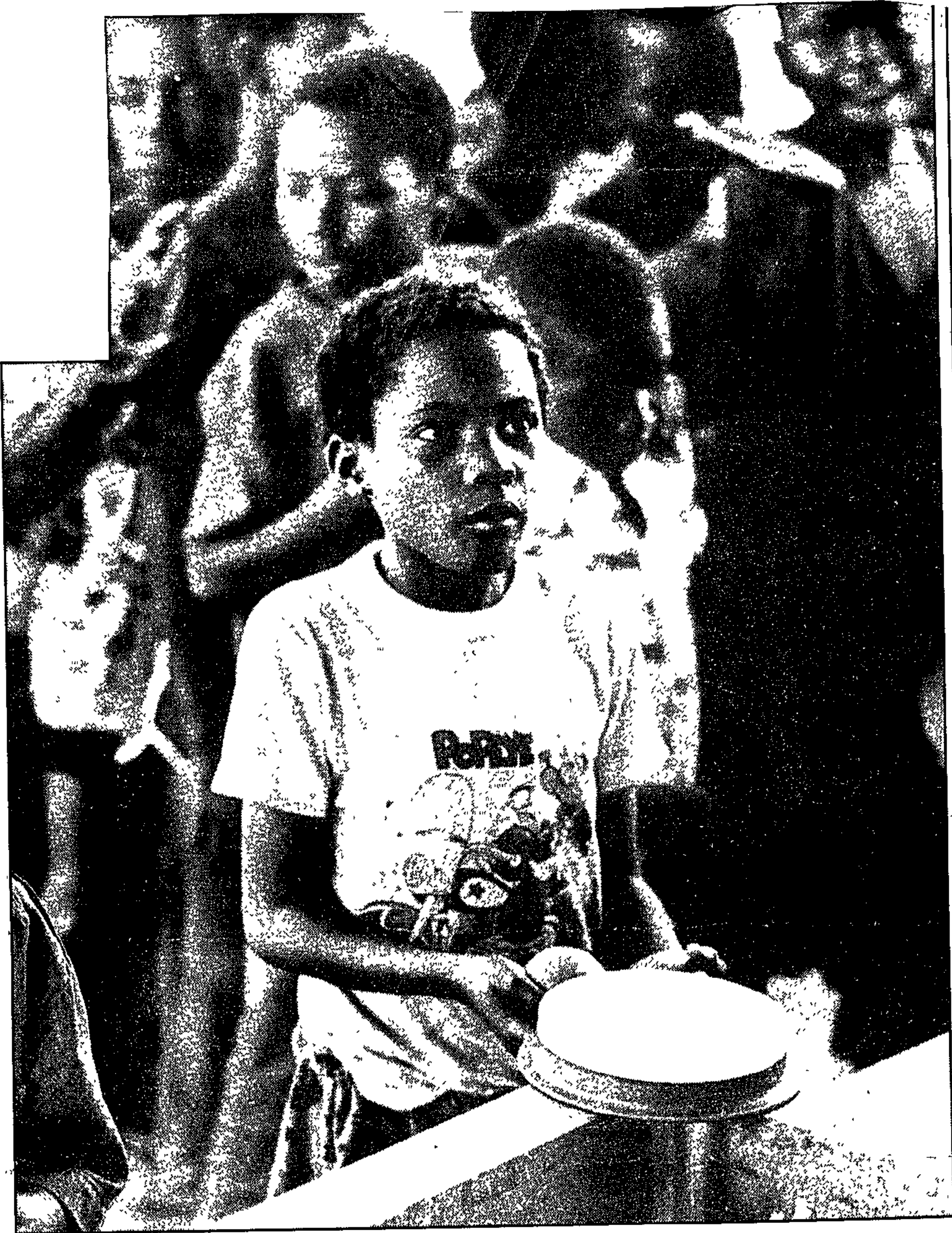
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**NATION OF BEGGARS:** Aid, poured into the rest of Africa since the 1960s, is designed to instil a grovelling addiction to First World help. It comes from the same paternalists who made Zambia, Tanzania, Zaire and Sudan what they are today. PHOTOGRAPHS (Main picture) KEN OOSTERBROEK, (top left) DEBBIE YAZBEK



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**GREAT EXPECTATIONS:** Donor groups regard South Africa's 25 million blacks as a lumpen problem awaiting their generosity

standards this is a lie. South African wage costs are not low; black incomes are higher than elsewhere in Africa.

External pressure will now be directed at ensuring that, despite the lifting of sanctions, South African exports are not competitive in world markets, posing a threat to European, US or Australian jobs. There will be a flood of television documentaries proving that "apartheid wages" are still in place in South Africa.

The truth is that aid is politically cheap to the West while trade, politically, is expensive. The European Union offers Africa subsidies and advice, but

not an open market. South African economist Michael O'Dowd wrote recently that black Africa was not intrinsically anti-capitalist. It had been turned to dependency by a colonialism worse than any empire, that of protectionism, Marxism and soft loans. Black Africa believed money grew on trees — or at least, pouring through airport VIP lounges.

The greatest test for Mandela's government will be whether it can resist such blandishments. Its spending plans are visionary, including wage parity for blacks and whites in the bureaucracy,

police and army (which will instantly increase public spending by more than 30 percent).

But there is a deep aversion to foreign debt, born partly of the years in exile in Zambia. Even the ANC's otherwise reckless economic plan states that foreign debt must be restricted to projects that "increase our capacity for earning foreign exchange".

**S**OUTH Africa is a triumph of political and economic self-help. The world shut it out. Hypocritical hectoring, not least from countries such as America and India, whose own racial conflicts remain unresolved, was from a distance.

South Africans struggled alone down the path of change. They fashioned their own revolution, face to face, race to race. When Lord Carrington and Henry Kissinger came to meddle in negotiations, they were sent packing.

The West, which did nothing to help South Africa during the past decade, is now intent, however unwittingly, on wrecking its next decade.

Nigerian author Kole Omotoso has written of post-colonial Africa's "era of disillusion" under the yoke of Western aid and intellectual interventionism. South Africa, he believes, can escape that fate. But only just. The struggle against the meddlers will be harder by far than the struggle against apartheid. Victory is far less certain. — The Times, London.



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TUESDAY MAY 17 1994

The Star

Edited by Marika Sboros



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# 'Unfriendly' to the disabled

Star 17/5/94

## RESTRICTED

Disabled people still don't find it easy to move around public buildings, cinemas, theatres and restaurants. Help is on the way, reports ZINGISA MKHUMA

**O**ne way of boosting a business is to make it "friendly" for disabled people. Disabled people are consumers, too, yet they are still overlooked at theatres, cinemas and restaurants when it comes to designing new outlets.

The frustrations suffered by people in wheelchairs were highlighted in a letter in the recent issue of the Housewives' League newsletter, Rands and Sense.

In a "letter of protest", Ruth Holz recounts the problems she encountered while taking a friend confined to a wheelchair to a cinema in Hyde Park.

She telephoned the manager in advance to tell him she would be arriving with a person in a wheelchair and specifically asked how many steps would have to be negotiated.

The manager told her there would be "about five" steps, and offered her personal assistance if she stopped by his office before the show.

Holz went to book at Computicket but found that the layout of the cinema was not displayed, so she had no way of knowing if any seats were suitable.

However, she was advised that seats G1 and G2 would be easily accessible to her and her disabled companion.

When she arrived at the cinema she found to her dismay that there were more than 13 steps leading up to the seats and, in addition, another step going down to the ground.

What was worse, there was no way the wheelchair would fit on the step, she says.

Housewives' League past-president Jean Tatham says Computicket confirms that seats designated for people in wheelchairs at certain theatres are not marked on Computicket cinema plans.

Steps are also not indicated and could also pose an obstacle for people on crutches, she says.

It should be easy to establish which are the most suitable places in each cinema. And once recorded on the seating plan, the problem need never be repeated, she points out.

## Cost little

It should not be left to a Computicket assistant to give advice, says Tatham.

Adequate information about cinema plans would be a small step towards improvement and would cost little in time and effort, she says.

And the gesture would generate a lot of goodwill.

"It is shameful that facilities for the disabled in South Africa lag so far behind other countries," she says.

The Association for the Physically Disabled commissioned the Independent Living Centre to do

an accessibility survey for the Johannesburg area.

Centre spokesperson Anker Eggers says many buildings, whatever their intended functions, are "disproportionately inaccessible" to disabled people.

Although building regulations stipulate that all new buildings have to be made accessible, the centre still gets reports of new buildings being put up without consideration for people confined to wheelchairs.

"The study covers the greater Johannesburg area, and generally we have seen bad things. Most people, especially restaurant owners, are ignorant and unaware about these problems," she says.

Owners of private buildings are not legally bound to make them accessible, says Eggers.

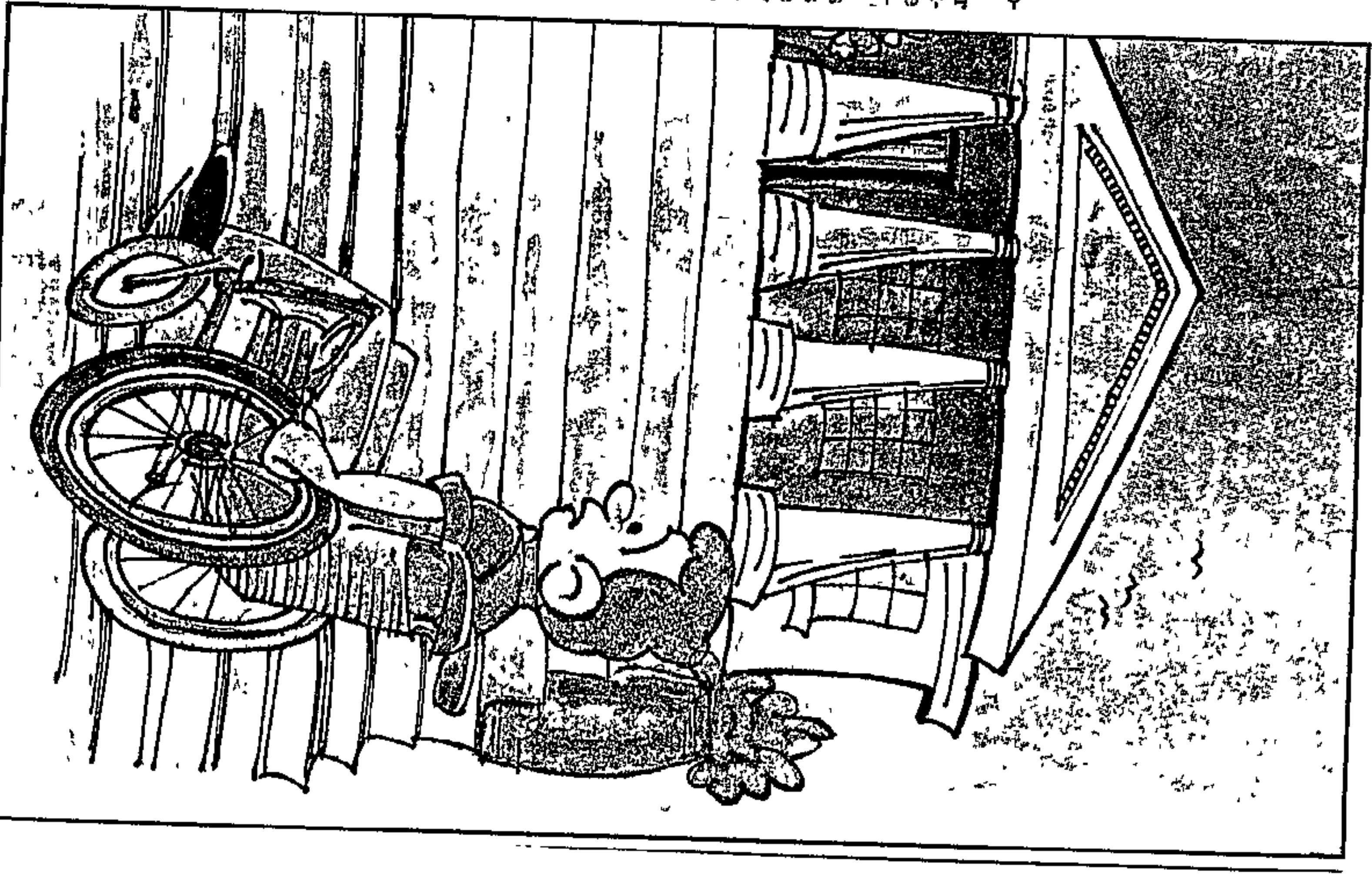
The problem starts with public transport, she says.

"Many disabled people stay at home and don't go out because of this very problem."

"Disabled people are also taxpayers, and it is up to society to solve the problems of accessibility."

As soon as the survey is completed the names of accessible and inaccessible places will be made public in booklet form.

Eggers believes the only way to improve the situation is to adopt non-aggressive strategies by protesting to people and pointing out ignorance.



**TOMORROW**  
If the dreams of chess officials come to pass, on-line computer networks will connect thousands of players across the globe



## ◆ Party's over

Star 14/5/94  
which offers an attractive platform for launching products into sub-Saharan Africa.

■ Even without the post-apartheid benefits that are about to accrue, the economy has been emerging from recession. The major indicators are pointing up and, given a heightened level of foreign and domestic investment, they are poised to point yet higher.

■ Inflation remains in single-digit territory. While many fear that the huge social upliftment expenditure targeted by the new Government will before long jerk inflation back into double digits, the substantial excess production capacity in the economy and the Reserve Bank's continued vigilance are notable ameliorating factors.

■ International capital markets are now, as seldom before, ready to lend to South Africa. Although they involve a cost in the form of interest payments, if the funds thereby raised are used to expand the nation's productive base, the interest bill can be covered many times over by heightened exports and import replacement.

■ Much local and foreign money is destined for education and training. Some dividends will be garnered only many years into the future. But some, particularly in the training arena, will accrue in the near term. In concert with the will to work hard, those dividends will help lubricate South Africa's economic engine.

■ Interest rates are scheduled to decline in the near future as the balance of payments constraint is rendered less onerous by capital inflows. Cheaper money implies more investment in productive capacity and increased spending — vital ingredients for growth.

■ The global economy is expanding. This is bound to benefit all exporting na-

tions, including South Africa. In addition, the upturn is coinciding with a revival in the commodities cycle. And South Africa is among the world's leading exporters of gold, platinum, diamonds, coal, manganese and chrome.

Too optimistic a scenario? Are there no flies in the economic ointment?

Earlier in the year, the gloom and doom merchants predicted that the election would bring chaos; that the Left-leaning elements in the ANC would drive the country down the communist precipice. Today they're silent.

Businesspeople are positive. The Johannesburg Stock Exchange continues to scale new peaks, pointing to a future more prosperous than the recent past. (297)

Even so, flies, among them exchange control, are by no means absent from the ointment.

International investors are invariably reticent about placing their money in a country which prevents its unfettered repatriation. They're wary of a country which aims to attract foreign capital via a discounted financial rand.

Why not, then, abolish exchange controls and scrap the financial rand?

Because vast sums of funk money would leave our shores, plundering our scarce foreign exchange reserves. At least that's been the reason for the past decade or so.

It's a reason which could evaporate if confidence is restored — confidence that South Africa does indeed have a bright future; confidence that capital seeks to flow into the country rather than out of it; confidence that democracy will bring with it responsible government of responsible citizens.

Ultimately, South Africa will row its own boat. Its oarsmen's determination, wisdom and strength will determine its destiny.



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# Reconstruction CT18/5/94 (297) 'to cost R80bn'

Own Correspondent

JOHANNESBURG — The ANC's think-tank, the National Institute for Economic Policy, has completed research showing the full cost of the Reconstruction and Development Programme will run into R80bn to R90bn over five years.

The figure includes central government and parastatal spending.

Before the election, ANC officials said the cost to central government would be R39bn over five years.

Institute head Mr Max Sisulu confirmed the full programme would cost at least R80bn, but declined to say what portion would be financed via the budget. He said spending in the fifth year was estimated at R39bn (including parastatal expenditure). Private sector expenditure, for instance on housing, was not included in the

estimate. Housing would be financed mainly via the budget.

He said the institute's task had been to identify savings within the existing budget and the scope for further spending, given conservative assumptions. These assumptions meant in the short-term there was little that could change. As the programme went on, the assumptions could be relaxed.

Key assumptions for the first two years are that there would be no foreign grants, no major taxation changes and no further selling of strategic stockpiles.

The Development Bank has drawn up a model costing programme similar to the RDP, and found that overall spending (government and parastatal) of almost R57bn over five years would cause government debt to explode. Such a programme could not be sustained even if the economy grew at six percent by the end of the period.

 IEC over-spending

# RDP R80-bn 'no cause for alarm'

Star 18/5/94

■ BY KAIZER NYATSUMBA  
POLITICAL CORRESPONDENT

The Government conceded today that the ANC's Reconstruction and Development Programme (RDP) will cost more than R80 billion, but has insisted that a large portion of the programme will be funded through restructuring and rationalisation of the present Budget. (297)

Reacting to reports today, Minister-without-Portfolio Jay Naidoo, who has been charged with the responsibility of seeing to the RDP's implementation, said the Government would seek to make savings within the confines of the present Budget, and only a small portion of the RDP would be financed via the Budget. (297)

Naidoo confirmed, however, that the ANC's think-tank, the National Institute for Economic Policy (NIEP), had found that the full cost of the programme would run into R80-90 billion over five years, as opposed to the ANC's earlier estimate of R39 billion.

Naidoo said that the NIEP study had now been submitted to the Government of National Unity through the ANC. The multiparty Cabinet would discuss it

when it sits down to formulate a Budget for the 1994/95 financial year.

Naidoo says it will not be until the 1995/96 fiscal year that the RDP will come into full effect.

"I don't think there is a need for any alarm bells to be ringing now," Naidoo told The Star.

He said the Government would "organise around new priorities", and would adopt a budgetary strategy that would link budgeting to "a set business plan". Performance auditing would also be implemented.

Naidoo said the Government expected the economy to continue to grow, and that other possible sources of revenue would include getting people in the townships to end rent boycotts and pay for services.

According to a Johannesburg business daily, NIEP head Max Sisulu said his institute's task had been to identify savings within the existing Budget and the scope for further spending, given conservative assumptions.

He said key assumptions for the first two years included that there would be no foreign grants, no major taxation changes and no further selling of strategic stockpiles.



# 'SA not spending enough on R&D'

BIDeay 19/5/94

PRETORIA — South Africa was not spending enough on research and development (R&D), new Arts Culture Science and Technology Minister Ben Ngubane told staff of the Human Sciences Research Council yesterday.

In a developing society, it was inevitable that the state should shoulder a substantial part of the national research and development budget, Ngubane said. (297)

"I would like to see a greater involvement by the private sector, however, and will be consulting organised business and others to explore effective ways of encouraging private sector research and development."

He said at roughly 1% of GDP, SA might be spending relatively more on R&D than most developing countries, but the country was way behind the developed world, which on average spent more than twice as much as SA, in relative terms.

Ngubane said SA did not have to compete with the industrialised nations in all areas. It was often more cost effective to wait for them to come up with new insights and developments, and then exploit them.

"However, we have to come up with home-grown solutions to the tough problems which confront our political economy."

"We have to do our own R&D. The R&D

STEPHANE BOTHMA

of the developed countries may not be appropriate to our particular needs."

Ngubane said the development of a mechanism for determining priorities and guidelines would be a first step in any revised science and technology policy.

National priorities had to be developed on the basis of interaction between all stakeholders, and the research community would have to play a prominent role.

"My task will be to see that it happens, and in such a way that the full complexity of our situation is reflected," he said.

On affirmative action, Ngubane said it would be defeating the object if affirmative action took the form of symbolic appointments.

"The emphasis must be on appropriate human resource development — on training, internships and on forms of co-operation which will spread our existing pool of experience as rapidly as possible."

Ngubane said he was committed to more focused and effective science and technology, and more generally-based and empowering art and culture.

"In exploring the issue of co-ordination, however, I will at all times try to avoid throwing the baby out with the bathwater," he said.

# Council plan to pump aid into townships

Municipal Reporter

(222) 297 AUG 19/5/94

A PLAN to delay redrawing municipal boundaries while pumping aid into crisis-hit Peninsula townships is to be proposed at metropolitan talks by the Cape Town City Council.

The plan, known as the "enhanced service delivery model", was adopted by 14 votes to six at a special behind-closed-doors council meeting last night.

A bid by dissenting councillors to give notice of a motion to review and rescind the decision — which would effectively suspend it for a month — did not draw sufficient support.

Supporters of the plan say it will enable short-term support to be given to townships where services have collapsed, while satisfying transitional local government legislation.

The model proposes that existing councils be kept in place instead of new "metropolitan substructures" being set up.

A transitional metropolitan council will be established, with representatives from statutory and non-statutory groups.

This council will supersede the Western Cape Regional Services Council, which along with management committees, will be abolished.



**T**he spread of concern for victims of apartheid led to the creation of no fewer than 54 000 movements known as NGOs. The Urban Foundation spells out advice on new roles the survivors should play in a post-apartheid era. Michael Chester reports

**T**he number of private sector volunteer movements in operation in South Africa — most of them created under the banner of socio-political reform — has exploded to 54 000.

The donations pouring into their combined funds had reached a new peak at R6 000 million a year by a recent count taken by researchers at the Development Resources Centre (DRC) in Johannesburg.

Known as NGOs (non-government organisations), the movements attracted at least R4 000 million of the annual total in private donations, R1 000 million from various overseas agencies and the R1 000 million balance from corporate social investment funds run by business well-wishers.

Disclosures of the phenomenal spread of NGOs in recent years has underscored the scale of the mobilisation of active public support that was generated behind efforts to bandage the wounds caused to black society in particular by apartheid policies.

The NGOs that emerged varied in size and mission from Operation Hunger, sending food shipments out to the destitute, to the Get Ahead Foundation, creating jobs and micro-businesses for the unemployed, to hundreds of small church groups that stirred impoverished communities into action with do-it-yourself projects.

Researchers at the DRC found that no fewer than 20 000 of the NGOs aimed specifically at development initiatives — often via the promotion of social change.

## Attacks, applause

The dramatic birthrate of so many NGOs, plus the size of the cash flow into their funds, made it inevitable that several of them came under sniper attack, especially from sceptics who noted how many brand new Mercedes and BMWs were now on the road.

All in all, though, few observers would miss out on a round of applause for the tremendous contributions made by the NGOs when they were needed most.

However, the question now arises: What happens to the NGOs now?

The apartheid regime — the *raison d'être* of many of the operations — has been deposed. South Africa now has a democratic government of national unity that intends to use State resources to tackle most of the jobs that were on their agenda. So have most of the NGOs become redundant?

The question has been asked by the Urban Foundation, itself one of the formidable NGOs that stayed a thorn in the flesh of the old apartheid regime. A special report released today carries the title: "NGOs after apartheid: A luta continua?"

Executive director Ann Bernstein writes: "The question of survival (of NGOs) is now firmly on the agenda." Among the main challenges:

■ Will various departments of the new government see the NGO sector as a competitor or a crutch, or an important role player in

new approaches?

■ Will international funds continue to back the NGOs, or switch support to programmes launched by the new government?

■ Will local business funds, under pressure from the State, need to redefine their role as NGO supporters?

■ Will NGOs be able to develop new leadership, now that so many have departed to jobs in the new government or else regional politics?

■ Will NGOs be able to adapt, expand and still maintain their community links and independence of government?

Bernstein comes down heavily in favour of the survival of NGOs — once they find new ways to relate to the State, funding sources and communities. She lists four reasons:

■ "It is very difficult for the State, as provider and guarantor of services, simultaneously to ensure quality of outcomes. Inevitably, some people and some needs get overlooked, underplayed or ignored, and it is in these gaps that NGOs have a critical role to play."

■ "Frequently, the State cannot keep up with the demand of rapid urbanisation, involving large new urban settlements with enormous social and physical needs. NGOs can play an important part in this vacuum, helping to harness community and individual energies."

■ "Large government departments seldom have the resources, flexibility, detailed knowledge or imagination needed to reach the diversified, highly specific, individual and community needs of the poor. NGOs can play a unique and innovative role, experimenting with new ways of getting things done."

■ "The existence of NGOs provides citizens with a protective mechanism against too powerful a State. They can encourage diversity, flexibility and pluralism in the political field."

Bernstein goes on. "In thinking about a new role for a democratic state we will need a far deeper conception of what a decent welfare and development system should look like. The 1990s will be a new and tougher environment for NGOs. It will be a time of great opportunity nonetheless. If these creative and innovative organisations are to survive, they will have to be accountable — both to their funders and their clients."

"South Africa is a richer, more effective, more democratic and more compassionate society because of the intricate network of NGOs. We must preserve their innovation, pluralism and diversity."

"Joint ventures and partnerships are essential between all sectors in order to maximise our chances of effective reconstruction and development as we build a democratic society for the first time in our history."

There the Foundation rests its case. The jury may well be won over — with perhaps a proviso about the shakeout of a few skelms who jumped on the bandwagon. The slip of the halo when a spanking new BMW roars into the drive is a dead giveaway.

red species

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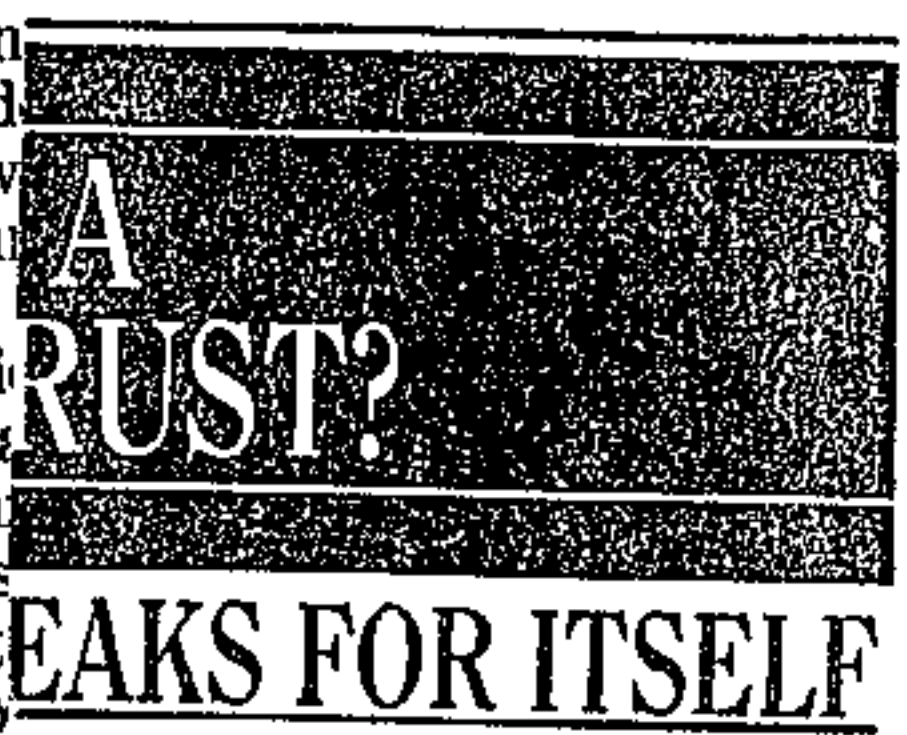
# NGOs - an endangered species

The spread of concern for victims of apartheid led to the creation of no fewer than 54 000 movements known as NGOs. The Urban Foundation spells out advice on roles the survivors should play in a post-apartheid era. Michael Chester reports

has exploded to 54 000. The donations pouring into these funds had reached a new peak at a million a year by a recent count. Researchers at the Development Centre (DRC) in Johannesburg. Known as NGOs (non-governmental organisations), the movements attract R4 000 million of the annual total donations, R1 000 million from overseas agencies and the R1 000 million from corporate social investment by business well-wishers.

550	-50	2.0	4800	18
20		2.1	25	
700	-75	1.7	4.5	1800
350		4.6	11.5	400
650		8.3		675
95	SUSP			
700		4.3	14.4	700
1500		1		17500
95	10	6.7		100
45		4.4	9.9	55
180		3.8	11.5	210
160		6.9		220
200	300	1.8	4.0	2100
700		4.6		700
425		1.5	7.2	460
700		1.5		700

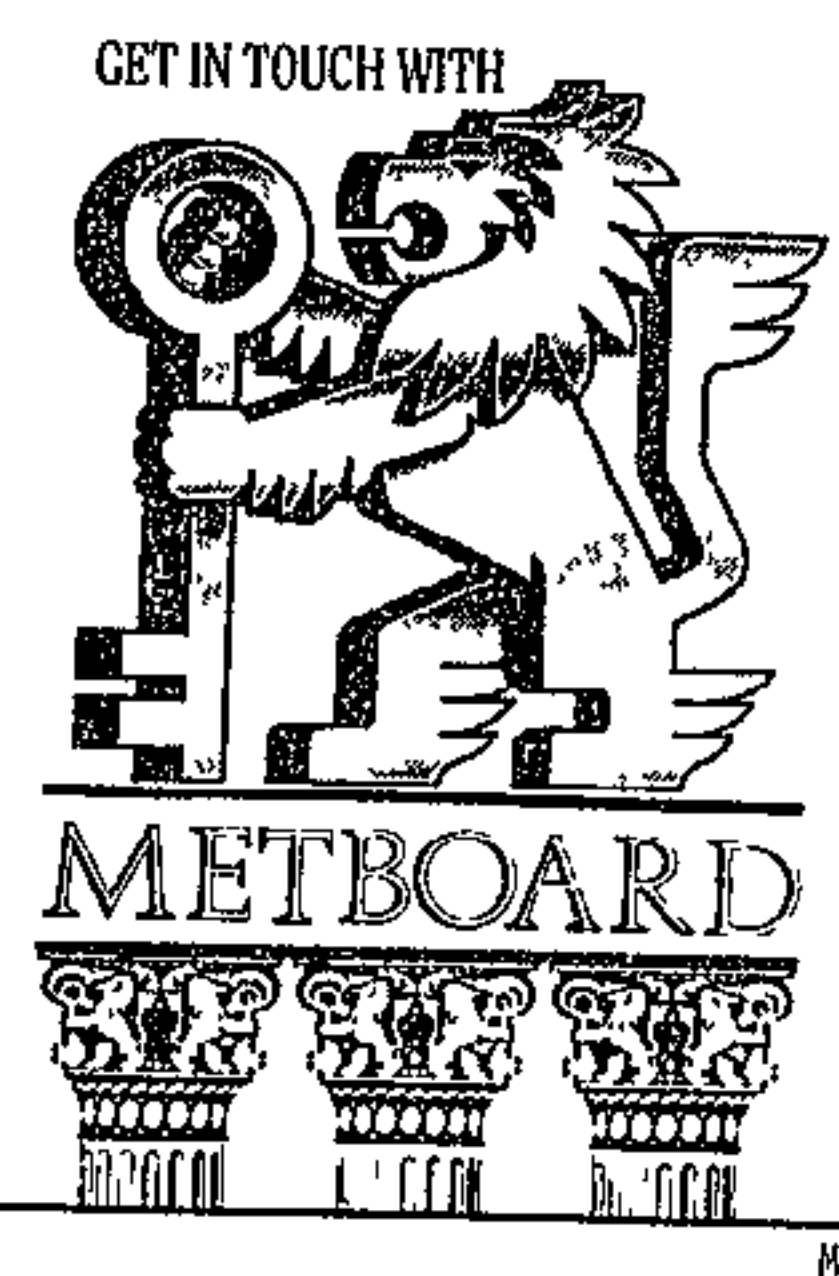
Disclosures of the phenomenon of NGOs in recent years has underscored the scale of the mobilisation of activity that was generated behind the bandage the wounds caused to the nation in particular by apartheid policies. The NGOs that emerged were a mix of and mission from Operation Hunger, food shipments out to the destitute, Get Ahead Foundation, creating micro-businesses for the unemployed, small church groups that transformed impoverished communities into self-help projects.



Researchers at the DRC find fewer than 20 000 of the NGOs actually at development initiatives, the promotion of social change.

## Attacks, applause

The dramatic birthrate of NGOs plus the size of the cash flow made it inevitable that several NGOs were under sniper attack, especially those who noted how many brands and BMWs were now on the streets. All in all, though, few could miss out on a round of applause for the tremendous contributions made when they were needed most.



However, the question now is: what happens to the NGOs now? The apartheid regime — the last of many of the operations — posed South Africa now in the government of national unity to use State resources to take the jobs that were on their most of the NGOs become relevant. The question has been asked: "The question of survival of the fittest: A luta continua?" Executive director Ann Amos says: "The question of survival of the fittest: A luta continua?" Amos says: "The question of survival of the fittest: A luta continua?" Amos says: "The question of survival of the fittest: A luta continua?"

190	14	64	210	16
3100	17	43	3100	230
4400	16	16	4500	103
200		5.7	200	9
4000	14	54	4000	250
1275	12	7.1	1300	54
1725	15	8.5	1725	95
400	6.9		400	40
105	6.7	19.1	115	8
125	5		125	21
1225	25	1.4	10.9	1200
4000		1.4	11.0	4000
110		3.5	10.7	110
90		5.8	17.7	165
50		4.6	15.1	50
2750		2.6	6.1	2900
800				950
850				975
2800	-100	1.8	5.1	2900
327	-9	.9	6.1	360
78	-2			240
33		3.0	10.0	40
60		5.0	14.8	65
1325		3.4	9.9	1325
90				325
160				300
50				100
800		1.6	4.4	900
295		1.6	4.8	390

Star 19/5/94



News in Brief

## 'Write off debt to UN' (297) ~~144~~

JOHANNESBURG. — Finland and the Nordic countries are spearheading attempts to have South Africa's \$100-million (about R360m) debt to the United Nations written off, Finland's President Maarti Ahtisaari told the specialist publication Engineering News. CT 20/5/94

# Call to use non-govt bodies

Staff Reporter

THE Urban Foundation expressed anxiety yesterday about the survival of Non-Governmental Organizations (NGOs) and appealed for them to be allowed to contribute to the developing nation.

Its executive director, Ms Ann Bernstein, questioned whether a fully accountable government would see NGOs as "competitor, crutch or an important role player in a multi-faceted approach to delivery and accountability".

She said properly used, NGOs could contribute to "a richer, more effective and more democratic and compassionate society"

(297) CT 20/5/94



# Mandela's speech 'will allay fears about finance'

The Argus Correspondent

JOHANNESBURG. — Fears about the financing of the Reconstruction and Development Programme (RDP) would be allayed by President Mandela's state of the nation address to the national assembly in Cape Town next Tuesday.

This was said by Minister without Portfolio Jay Naidoo at a media briefing in Pretoria yesterday.

Mr Naidoo, who has overall responsibility for the RDP, said Finance Minister Derek Keys would be making a budget presentation to the president and the cabinet on Monday, which would spell out key aspects of fiscal policy, many of which would be contained in the president's speech.

Mr Naidoo was speaking in the wake of jitters in the financial markets, which saw overseas and domestic investors off-loading gilts and dumping equities on Wednesday, in reaction to a doubling of the esti-

ARG 20/5/74  
mated cost of the RDP to almost R90 billion over five years.

Mr Naidoo said the cabinet meeting on Monday would discuss setting up appropriate mechanisms to implement the RDP, which would focus on delivering goods and services.

"As President Mandela said, the people have demanded change, and change is what they will get."

Special adviser to the minister of finance Japie Jacobs said the crisis over the balance of payments was easing. He said the RDP was not expected to exert additional pressure.

"The reaction of the market has been based on erroneous assumptions. The spending on the programme will increase as the economy grows"

Dr Jacobs said there had been an outflow of capital, but that the condition had been reversed in the course of last week.

"The fears which were pre-

sent in the markets are gradually easing," he said.

Dr Jacobs said the RDP was not simply a question of addition, but of the rearrangement of spending.

In a mainly off-the-record briefing, Mr Naidoo said the approach to the RDP would be a team effort on the part of the government of national unity.

"The principle of the RDP has been adopted by all parties and there is consensus about maintaining macro-economic balance, fiscal discipline and reducing the public debt."

There was also no wish to raise the general level of taxation.

Mr Naidoo said the RDP's implementation depended on re-organising existing government expenditure

"It will be a very careful process of going through individual programmes of different departments to bring them into line with priorities."

*National Assembly to hear reassurances*

# Mandela to calm fears over RDP

Star 20/5/94

**MONDAY'S Cabinet meeting will discuss setting up appropriate mechanisms to implement the RDP, which will focus on delivering goods and services to the people**

■ BY CLAIRE GEBHARDT

Fears about the financing of the Reconstruction and Development Programme (RDP) would be allayed by President Nelson Mandela's state of the nation address to the National Assembly in Cape Town next Tuesday, Minister without Portfolio Jay Naidoo told a media briefing in Pretoria yesterday.

Naidoo, who has overall responsibility for the RDP, said Finance Minister Derek Keys would be making a Budget presentation to the President and the Cabinet on Monday, which would spell out key aspects of fiscal policy, much of which would be contained in the President's speech.

Naidoo was speaking in the wake of jitters in the financial markets, which saw overseas and domestic investors offloading gilts and dumping equities on Wednesday, in reaction to a doubling of the estimated cost of the RDP to almost R90 billion over five years.

Naidoo said the Cabinet meeting on Monday would discuss setting up appropriate mechanisms to implement the RDP, which would focus on delivering goods and services to the people.



Jay Naidoo. . . the people have demanded change, and change is what they will get.

(297)

"As President Mandela said, the people have demanded change, and change is what they will get."

Special adviser to the Minister of Finance, Dr Japie Jacobs, said the crisis over the balance of payments (BoP) was easing.

He said the RDP was not expected to exert additional pressure.

"The reaction of the market has been based on erroneous assumptions."

"The spending on the programme will increase as the economy grows."

Jacobs said there had been an outflow of capital, but that the condition had been reversed in the course of last week.

"The fears which were present in the markets are gradually easing," he said.

Jacobs said the RDP was not simply a question of add-on, but of the re-arrangement of spending.

"The message we are giving is that fiscal and monetary controls will prevail."

In a mainly off-the-record briefing, Naidoo said the approach to the RDP would be a team effort on the part of the government of national unity (GNU), he said.

"The principle of the RDP has been adopted by all parties and there is consensus about maintaining macro-economic balance, fiscal discipline and reducing the public debt."

There was also no wish to raise the general level of taxation.

Naidoo said the RDP's implementation depended on re-organising existing government expenditure.

"It will be a very careful process of going through individual programmes of different departments to bring them into line with priorities for fiscal 1994/95 as well as fiscal 1995/1996."

Over the last few months the ANC had been working very closely with members of the Finance Ministry, who included Director-General Dr Estiaan Calitz, special adviser to the Minister of Finance, Dr Japie Jacobs, and Hannes Smit, Director-General of State Expenditure.

The parties felt very comfortable working together, said Naidoo.

"All parties agreed that much work must be done in spelling out concrete policies in a coherent way and there is discussion among the appropriate ministries on a practical programme of implementation."

"It is not a simple accounting exercise, because it is not simply add-on expenditure," he said.



# 'RDP won't cripple SA'

CT20/5/94 (297)

**PRETORIA.** — The new government moved quickly yesterday to calm fears that its' R80bn Reconstruction and Development Programme (RDP) will cripple South Africa.

Against a background of sliding markets, Finance Minister Mr Derek Keys, his deputy, Mr Alec Erwin, Minister without Portfolio Mr Jay Naidoo, Finance Special Adviser Dr Japie Jacobs and state expenditure chief Mr Hannes Smit, told a media briefing that fiscal discipline would not be sacrificed on the altar of the RDP.

Although they would not give details, it is understood that President Nelson Mandela will make a similar commitment in his State of the Nation address on Tuesday when announcing details of the RDP.

Less than two weeks after taking over, the new government has to contend with nervousness among investors, and anxieties that the RDP could turn South Africa into an economic basket case in its rush to undo the social and financial disparities of the past.

But SA's new fiscal policy team presented a confident and united front at the press conference with Mr Keys introducing his new colleagues.

Mr Naidoo said that while the RDP would definitely be implemented it would happen "within the existing principles of macro-economic balance and fiscal discipline. We shall maintain the objectives of reducing public debt and government consumption while delivering goods and services to our people."

Research by the ANC-linked National Institute for Economic Policy, which put a price tag of R80bn on the RDP, was not

## Move to calm fears

necessarily ANC policy. A five-year plan setting targets for the RDP was being finalised.

Mr Naidoo acknowledged the ANC's pre-election figure of R39bn for the RDP referred only to the final year of the five-year project. The entire cost was more than double that.

In an interview after the briefing, Dr Jacobs said financial markets had overreacted to concerns over the RDP and its financing.

"It's inclusive in the Budget. You're re-directing expenditure, you're refocusing expenditure. That is the approach we're adopting," he said.

He emphasised the RDP was not an add-on in terms of expenditure.

Yesterday's briefing by the Keys, Naidoo team came after long-term interest rates had scaled more than 70 points as fears of government profligacy and a crushing state debt burden sent the bears on the rampage in the gilts market. The

market was still bearish yesterday, with long bonds rising a further nine points in a flurry of selling at the end of the session to 13,42%.

The rise in interest rates presents a major headache to the new government, whose interest bill is already the second largest spending item. Analysts said the Reserve Bank was battling to sell stock into a market where buyers were sitting firmly on the sidelines.

The commercial rand has also been under pressure, despite the dollar's softness on international markets. The local unit failed to benefit from the US currency shedding about two pfennigs this week against the DM, weakening instead to R3,6708 to the dollar from below R3,67 earlier this week.

Some economists said the RDP's cost may be the least of the government's problems.

"One has got to be concerned with other aspects — specifically the delivery system," said Mr Bill Lacey, an economist at the South African Chamber of Business. "For example, they mention building so many thousand houses a year and the creation of land reform programmes which are going to establish small farms — but do we have the engineers for the creation of this infrastructure? Do we have the land surveyors?"

In addition, Lacey predicted the land reform plan alone would swallow the entire R80bn budgeted for redevelopment if white farms were purchased at market prices — Own Correspondent, Reuter.

● US investors 'won't be deterred by RDP' — Page 11

● Boost to housing subsidies — Page 2

● 150 000 houses for PWV region — Page2

# Boost for disabled workers

By TWEET, GAINSBOROUGH-WARING

or buildings in the city centre.

JOBs for the disabled will get a boost once plans to set up an information bureau in Waterkant Street get off the ground.

The kiosk will be the first of a series that will be manned by the disabled

The project is being run by Info-guide, started a year ago by Marne van den Heever, who decided to fight discrimination against the disabled by initiating a project that would help them better their own lot.

"The idea of an information kiosk arose to cater to the needs of visitors who are looking for business premises

"The kiosks would be able to supply information related to its immediate locale," he said. 22/5/94

The project has the support of Cap-tour, other large organisations and the Mayor of Cape Town (297)

Mr van den Heever said the kiosks would be manned in shifts and that arrangements were being made to provide transport to and from places of work for the staff

"In addition to supplying information we are hoping that we can carry stamps and provide access to emergency services," he said.



# RDP: Slabbert urges business

ALIDE DASNOIS

Business Staff

(297)  
ARLT 21/5/94

BUSINESS should be trying to implement the Reconstruction and Development Programme sensibly rather than "sitting back with a smile to see if it runs into the sand", political analyst Frederik van Zyl Slabbert warned this week.

In a speech at the opening of ISM's new Waterfront offices, Dr Slabbert said it was difficult to argue with the Programme's goals.

"The question of course is, is this achievable?"

Business should be trying to make it work, he said.

Development was one of five major challenges facing the country in the short term.

These were:

- Stability
- The need to limit expansion of the bureaucracy.
- Local government transition, and
- The danger of a populist revolt.

Tackling the challenge of stability implied the creation of an impartial

and legitimate security system. The new government would also have to develop a consistent attitude to civilian access to arms and to private militias.

Dr Slabbert said there was a danger that the bureaucracy would be expanded. This often happened in newly democratised societies.

"The old bureaucrats welcome new bureaucrats into old habits. This increases the pace of inertia."

Fortunately, he said, the government of national unity seemed to be aware of this danger.

Stabilising the constitutional transition at local level was critical.

"This is where communities take delivery of election promises."

He said there was a risk that the slow pace of change would provoke a populist revolt, with masses of people demanding instant redress of their grievances.

Any financial concession to populist demands would mean less money for the reconstruction and development programme.



# Provinces put on pressure for money

SITHES (Buss)

22/5/94

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By SVEN LUNSCH and JEREMY WOODS

THE ambitious aims of the ANC reconstruction and development programme (RDP) are shared by the National Party and Inkatha provincial governments of the Western Cape and KwaZulu-Natal.

But the finance ministers of both provinces will seek greater financial independence once negotiations in the Financial and Fiscal Commission get under way.

Western Cape Finance Minister Kobus Meiring says there is "no fat" in his budget of R6,9-billion to implement the RDP and "we will need the help of central government and foreign investments to achieve our aims".

He believes financial help from central government will be forthcoming.

"The right to have funds for the needs of the Western Cape is protected by the constitution," says Mr Meiring.

The Western Cape can finance only 10% of its budget from hospital fees, vehicle licences and horse-racing taxes.

"But we can help ourselves in other areas. Our tourism potential is enormous. Every 10 extra tourists create a job.

"We also have a strong agricultural industry and a good manufacturing base. These have to be strengthened and promoted."

Mr Meiring says the new provincial authority will pay special attention to housing, employment, education and health services.

KwaZulu-Natal IFP Finance Minister Senzele Mahlangu sees investment as the key to economic growth in the province.

He will press the Financial and Fiscal Commission for money to be channelled from the central government to the provinces.

Mr Mahlangu says: "In the past few decades we have been SA's Cinderella province. We have been bypassed by economic development. Key infrastructure projects earmarked for the province have been shelved.

"We want to correct this." Admitting that he has not studied the RDP in detail, he says its aims are laudable. "The basic needs of most people in KwaZulu-Natal are greater than anywhere else.

Mr Mahlangu says: "We have a huge rural and urban squatter population. It is this segment we will focus our resources on."

Mr Mahlangu says housing is the most pressing need in the region.

The SA Communist Party's PVV general secretary, Jabu Moleledi, who has

been catapulted into the province's financial hot seat, believes that serious implementation of the RDP can start only in the 1995-96 fiscal year.

Mr Moleledi says: "We are putting together a strategic management team of academics, economists, businessmen and trade unionists who will outline economic priorities."

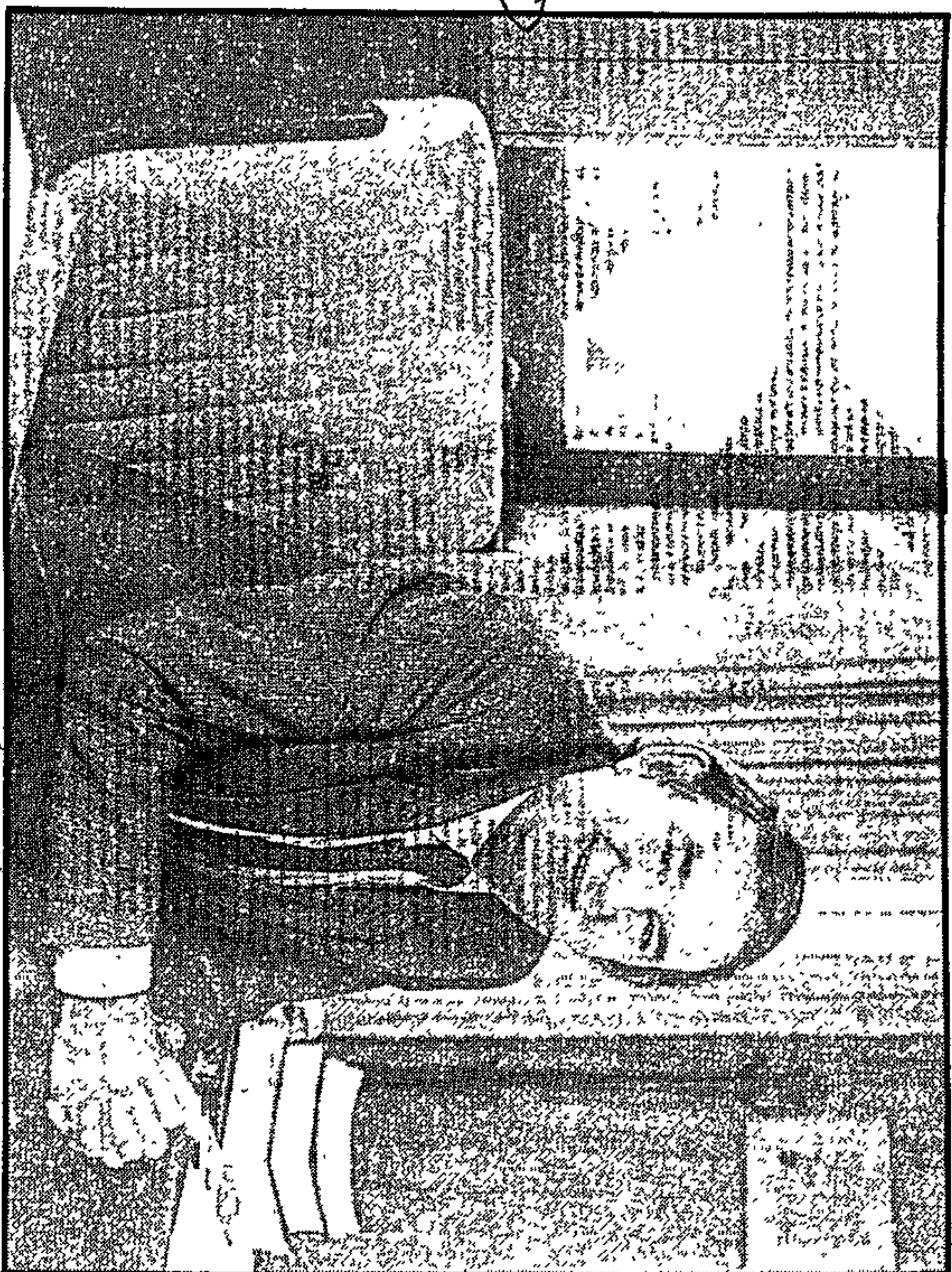
He views the RDP as a national enterprise, the provinces being the main implementing agents.

"The provision of money from the national government will be fairly well defined. My job will be to ensure that it is allocated to the appropriate financial structures.

"I will also act as a watchdog to ensure that the implementation proceeds as planned and financial stringency is maintained," says Mr Moleledi.

He believes that much of the required money will have to be raised by the provinces. Using housing as an example, he says building of 150 000 houses over the next two years will require R6-billion.

Half of this is expected to come from central government, the rest being raised from foreign investment and business.



LEAN AND MEAN... Western Cape Finance Minister Kobus Meiring says there is "no fat" in his budget



**D**EBATE about the costs of the ANC's reconstruction and development programme (RDP) have begun to take on a surreal quality, with estimates differing by tens of billions of rands.

By now, the disagreements reflect the idiosyncrasies of economists more than a real discussion of budgetary needs. The debate should thus be irrelevant — but the various estimates seem to have a wholly disproportionate impact on the stock market and, of course, on leader writers.

A major part of the problem is a failure to define terms. The R39bn figure used by ANC spokesmen during the campaign referred to the increase in costs over and above the current budget for the whole five years of the RDP.

The National Institute for Economic Policy's R80bn estimate reflects all the resources needed for reconstruction and development. It includes expenditure from the existing budget and the private sector, and increases in state spending. All in all, it is probably a lower net estimate than the one the ANC used.

In both cases, most of the spending would occur in the last three years of the RDP, by when the economy and the budget will have grown. As a percentage of GDP, then, the increase should be sustainable.

Clearly, however, conflicting estimates of reconstruction and development costs no longer function as economics. They have become part of the political discourse. As such, they fall more and more into Mark Twain's categories: "lies, damn lies and statistics."

# Asking the right questions about reconstruction

NEVA SEIDMAN MAKGETLA

More importantly, the uproar over excessive costs seeks mostly to kill the messenger who brings the bad news. Everyone agrees that sustainable growth and development in SA require an improvement in living conditions for the majority.

That will, in turn, depend on substantial changes in state spending, mostly at the expense of the more prosperous.

According to the UN Development Programme, despite a GDP per capita equal to that in upper-middle-income developing countries, social conditions in SA — as measured by the human development index — lag behind those in Thailand, Botswana, Cuba and even Albania.

Violence and economic uncertainty ultimately reflect the unacceptable circumstances many South Africans now endure. Indeed, the World Bank now stresses that the most prosperous third world countries all started with measures to reduce income inequalities.

Improving social and economic conditions in a sustainable fashion must involve

- Human resource development, which will enhance productivity in the long run;
- The creation of productive employment opportunities through land reform, support for small enterprise and public works programmes; and
- Improvements in social and economic infrastructure, both to improve efficiency and to bring about social peace.

No one can deny that these programmes will cost substantial amounts. But looking only at the costs without also assessing the benefits is a very lopsided way of evaluating policy proposals.

**G**iven these needs, the RDP seeks not to dictate future policy, but to indicate:

- Policy priorities, with some ideas about actual targets and programmes; and
- The fiscal constraints within which interest groups must bargain around those priorities.

Specifically, the RDP concludes that "in the long run, the RDP will redirect government spending, rather than increasing it as a proportion of GDP". For this, it gives two reasons: government expenditure is already at a level that in other countries has secured adequate services;

and the fiscus cannot sustain much greater spending, given limited new sources for revenue and the heavy cost of debt service.

Rather than continuing the battle of the estimates, people interested in reconstruction, development and the economy should turn to the actual budget process. The financial constraints mean the RDP will take place through, in effect, a series of negotiations: between ministries, between programmes, and between economists worried about excessive debt and those concerned with raising living standards for the majority.

For the past two months or so, ANC policy departments such as health and education have explored ways to redirect individual budget votes to meet the needs of the majority. As a rule, they have managed to find programmes that could be cut to finance RDP priorities.

Furthermore, these departments have been notably modest in asking for more money. They all emphasise that the real obstacle to improving services for the majority is the lack of efficient and effective delivery mechanisms. A 5% cut in the defence budget would pay for most of the increases proposed.

The challenge remains to ensure that, for the first time, state expenditure focuses primarily on the low-income majority.

In the end, the people purportedly most wedded to fiscal discipline seem the ones most likely to sabotage it. The politicians who seek to preserve government spending on relatively prosperous minorities; the companies who evade taxes; the bureaucrats who refuse to modify current budget commitments — these are the groups who could drive the government to borrow excessively.

A further fiscal problem has already begun to bedevil us: the extraordinarily high transition costs. Two factors alone — the elections and the integration of the army — may cost more than R4bn. These bills threaten all the changes in government expenditure proposed to support the RDP.

**C**urrently, the only proposal for meeting these expenses is to cut back on all departmental budgets. The political and social dangers of this course could ultimately outweigh the economic benefits. Before we adopt it, we should at least explore the relative costs of other options. They include more borrowing, which would spread repayment out over a period of several years, or some kind of one-off tax surcharge. We assume that the transition will not recur next year, so the increase in borrowing and/or taxes should not prove permanent.

Resolving these dilemmas is the real challenge facing the country. Empty debates about the potential cost of the RDP do not bring us further forward. Rather, to ensure growth and development, we have to seek policies that will lead to better and sustainable living conditions for the majority.

□ Makgetla is a senior researcher with the National Labour and Development Institute and was economics co-ordinator for the draft RDP. This article reflects her personal views.

# NEWS

*Bid to cancel debt to UN*

## West set to lend its support to SA

Star 23/5/94

### ■ PRETORIA CORRESPONDENT

With money already pouring into the country, the international debate on aid to the new South Africa is intensifying.

Leaders of the world's top seven economic powers, the United States, Japan, Germany, France, Britain, Italy and Canada, will focus on this subject at their summit in Naples in July.

They are expected to agree on a multilateral conference in support of the new South Africa, the Kyodo News Service cited official sources as saying in Tokyo.

Germany is already organ-

ising a conference in Berlin in September between the 16 members of the European Union members and the Southern African Development Community (SADC) which South Africa is expected to have joined by then.

### Distributing

US Aid officials are already at work distributing their package of \$600 million (about R2,16 billion) over the next three years.

This year's component will entail allocating more than a \$1 million a day before the end of the US government's fiscal year on September 30

Most of this will be used to leverage private sector investment in South Africa.

The Nordic countries have launched a bid to scrap South Africa's \$100 million (about R360 million) debt to the United Nations. (297)

Finnish president Maarti Ahtisaari, better known here as the UN High Commissioner in pre-independence Namibia, is arguing that the new government had nothing to do with incurring this debt to the world organisation and should not have to pay.

South Africa stopped paying its dues to the UN after its 1974 expulsion from the General Assembly.



# Pensioners build a better future in Alex

BY ANNA COX

While most senior citizens relax in their retirement, a group of pensioners in Alexandra don overalls every morning and set about making 5 000 bricks a day for their new community centre (297)

The group, which attended the Puthadichaba Care for the Aged feeding scheme, decided to use their time constructively while waiting for their meals.

Last year, they started making bricks for a new clinic on the premises. It took a year to complete but the clinic is now

operational and three times a week a nursing sister attends to patients. (173)

The O'Connor Foundation, a private welfare organisation which sponsors food and empowerment projects in the township, provided the brick making machine and the materials for the clinic.

The pensioners have now started producing bricks for a new project — a community centre, library and offices.

Puthadichaba organiser Linda Twala said the projects kept the elderly busy and made them feel young



Back-breaking work — these Alexandra pensioners are up early each day making bricks. PICTURE ANNA COX

ARG 23/5/94

# Wealth gap could prove tricky as SA vies for UN aid 297

The Argus Correspondent

JOHANNESBURG. — Depending on how the United Nations views the disparity in wealth among sectors of the population, South Africa could be in line for a slice of the annual R8 billion UN Development Programme (UNDP) budget.

Representatives of the UNDP are already here to research the most pressing needs and are to hold talks with the government within weeks.

But aid will only be forthcoming if the country is classified by the UN as a net recipient on the grounds of its sharp disparities in wealth, says UNDP liaison office chief Alioune Sall.

UNDP, the world's largest multilateral grant development assistance organisation, with a network of offices in 130 countries, channels 87 percent of its aid to countries with a per capita gross national product (GNP) of R2 700 or less. Accordingly, more than half of the annual budget goes to Africa.

South Africa's average GNP

is roughly R24 500 a head, but the average GNP of the black population is close to the R2 700 mark, making that sector eligible for grants.

Whether the country is classified as a net recipient or a net donor is to be decided at a central UN meeting next month.

Mr Sall says that UN aid, although not likely to be as large as the \$600 million (nearly R20 billion) development, trade and investment package which US President Bill Clinton recently offered South Africa, comes with relatively few strings attached.

Typically, aid to foreign countries requires that contracts for implementation of the programmes go to companies from the donor country. Sometimes as much as half of the original aid goes back to the country of origin, says Mr Sall.

UN aid does not favour contractors from any country, although South Africa might be expected to get further involved in other UN activities in Africa.



# R150-m aid for water projects

■ BY ANITA ALLEN  
SCIENCE WRITER

The Mvula Trust has R150 million that it is trying to move as quickly as possible to disadvantaged communities for water and sanitation projects, according to executive director Piers Cross.

Cross is conducting a series of presentations throughout the country to publicise the trust's new initiative, which is aimed at services for individuals in a community rather than organisations like schools, clinics or community centres.

The Mvula Trust was founded in July last year by the Development Bank of Southern Africa, the Independent Development Trust and the Kagi-so Trust, which has secured its contribution from the European Union.

Mvula has been mandated to improve the health and welfare of disadvantaged communities through increasing access to safe water and sanitation services.

## Financing

The trust will support community projects where there is no adequate access to water and sanitation, and those communities that do not have access to normal institutional channels.

"The fundamental problems of communities is not the technology," says Cross, "it is institu-

tional. This is an attempt to improve that situation and make it more cost effective."

The financing comes in the form of a grant, backed by a contract with the community, which has to be responsible for managing the project and has to pay a small percentage of the capital cost — either in cash or labour. The trust also funds pre-project costs for projects that are approved (297)

"The private sector works at its own risk and we would like to minimise that risk," Cross explains. "The primary relationship is direct to communities. The trust then buys in expertise to manage the project."

## Applications

"We expect that communities will establish a committee, an association of users, and elect a representative."

"The community is responsible for requesting help. The application form is filled in and signed by the communities and the money is paid over to the community."

"The project also includes project management training and education."

Applications and inquiries should be addressed to the executive director, Piers Cross, Mvula Trust, Box 32351 Braamfontein 2017. Telephone: (011) 403-3425, fax (011) 403-1260.

# Feeding scheme for needy children

ARG 24/5/94

(297)

A FEEDING scheme will be established in needy primary schools and children under six and pregnant women will get free medical care in state hospitals and clinics within the next 100 days, says President Mandela.

Addressing parliament today, he said these were some

of the projects that should be seen as signals of serious intent to address the desperate needs of society.

The government would take steps to provide clean water for all and to introduce proper sanitation sensitive to the protection of the environment.

Mr Mandela said the government was determined to address the housing shortage vigorously in collaboration with the private sector and needy communities.

It would also address the needs of the aged and disabled, upliftment of disadvantaged

sectors such as women and the young and improve the conditions of rural communities and informal settlements.

There should be substantial investment in education and training and the government would try to meet its commitment to introduce free and compulsory education for at least 10 years.

"We must combat such pathologies as widespread poverty, the breakdown of family life, crime, alcohol and drug abuse, the abuse of children, women and the elderly and the pitiful reality of streetchildren.





May 25, 1994

5

## IDT donation *Biday* to farmers

PRETORIA — An amount of R450 000 has been donated by the Independent Development Trust for the training needs of black farmers' associations in the Eastern Cape. 25/5/94

IDT consultant Bonile Jack said yesterday the money would be made available over a period of three years.

The Progressive Farmers' Union of SA would be the budget holder. (297)

Jack said every association would receive an amount of R500 for training needs identified by the associations themselves. (297)

Jack stressed that the R500 amount was strictly for training. Each farming association would be accountable to the union whose bank account would be audited annually. The union would report to the IDT. Sapa.

(297) ARG 24/5/94

# 'Higher taxes to be avoided'

PRESIDENT Mandela said the government would seek to avoid "a permanently higher general level of taxation" and would try to keep real government spending at present levels.

"Precisely because we are committed to ensuring sustainable growth and development leading to a better life for all, we will continue existing programmes of fiscal rehabilitation.

"We are therefore determined to make every effort to contain real general government consumption at present levels and to manage the budget deficit with a view to its continuous reduction.

"Similarly, we are agreed that a permanently higher general level of taxation is to be avoided.

"To achieve these objectives will require consistent discipline on the part of both the central and provincial governments."

This approach would ensure that the government would "integrate the objectives of our reconstruction and development plan within government expenditure and not treat them as incidental to the tasks of government, marginalised to the status of mere additions to the level of expenditure".

● Speaking at a briefing today, Finance Minister Derek Keys said that if the only way to maintain present levels of government spending was through increased taxes, taxes would have to go up. But in the long term, the government was committed to avoiding a higher general level of taxation.

A disciplined approach to the deficit would remain in place and he predicted that the deficit, as a percentage of the gross domestic product, would be lower this year than last year.



# Financial feet firmly on the ground for reconstruction

OBSERVERS have noted caution in President Mandela's economic policy statements.

The long-awaited unveiling of the Reconstruction and Development Programme was coupled with repeated references to fiscal discipline, steady monetary policy, the maintenance of firm anti-inflation measures and an assurance — a vital signal to foreign and domestic investors — that reconstruction and development would occur within a broader economic policy aimed at promoting and sustaining growth.

Indeed, contrary to preconceptions in some quarters that billions of RDP rands would be scooped up in fresh taxes, the R2,5 billion announced yesterday — about three percent of the total anticipated amount of about R80 billion — was gleaned from departmental savings identified in a week-long budget review.

Furthermore, the African National Congress, as the senior partner in the government of national unity, appears to have adopted a sympathetic attitude to amendments suggested by its cabinet partners.

Minister without portfolio Jay Naidoo — whose primary task is to implement the RDP — was completely unabashed at a briefing yesterday in acknowledging that the programme had already been changed as a result of the influence of other parties.

*1/16 25/5/94*  
"Absolutely," he said. "We cannot go into government assuming ANC policy is government policy."

"We accepted from the beginning that the RDP was a framework for an effective, integrated delivery in the context of a growing, sustainable economy. And we do not have the last word on that." A White Paper setting out the details

## Key government planners

moved yesterday to dispel fears of a tax-driven Reconstruction and Development Programme (RDP), presenting it more as a strategy for marshalling funds and shaping spending patterns within and outside government, reports Political Correspondent

*297*  
MICHAEL MORRIS.

of reconstruction and development projects — expected some time after the June 22 budget — would differ markedly from the original RDP.

Deputy minister of finance Alec Erwin noted at the same briefing that the responsibility for the RDP lay with the cabinet and that if there had not been an agreement in the cabinet, the presi-

dent would "not have been able to say anything" in his speech.

Both ministers emphasised the RDP as the cornerstone of a fresh spending strategy rather than merely as a multi-billion-rand fund.

Mr Naidoo cautioned that the government on its own "will not be able to deliver on the programme" and that it would necessarily be a collaborative effort with the private sector, unions, civics, non-government organisations and others.

"We are looking at a total management strategy, so there is cohesion."

But RDP planners would avoid "creating masses of duplicated bureaucracy", and spending would be only on specified, designated projects, rather than recurrent departmental expenditure. Projects would be tackled according to available resources.

The department of finance would have an overall co-ordinating function, but the RDP office under the direction of Mr Naidoo would, in consultation with the cabinet, target and approve spending.

Mr Erwin said the focus was on devising a strategy rather than "an add-on, heavy-borrowing approach".

The initial sum was to get the RDP going, but its over-arching goal was "to bring about changes in funding patterns and to bring spending patterns in line with the RDP goals".

Extensive discussions were in progress with the private sector — which Mr Naidoo believed represented "an important area of experience that we can draw on" — on what contributions it could make to reconstruction and development.



## Key points in Mandela's address

SANDF to comprise  
60 000 members



Free medical care  
for kids, pregnant  
mothers



R2.5-b on RDP  
during 1994/95



Free education for  
the first 10 years



350 000 homes to  
be electrified



# Sowetan

Building the Nation

All areas 80c  
(incl VAT)

# R12,5-b to rebuild SA

Sowetan 25/5/94

## Themba Molefe Political Correspondent

**S**OUTH AFRICA'S FIRST BLACK-LED government is in place and President Nelson Mandela yesterday launched a 100-day plan to reconstruct the country's social and economic foundations.

In his historic address to the country's first nonracial Parliament, Mandela announced that R12,5 billion would be allocated over the next five years to the Government's Reconstruction

and Development Programme. It would be kick-started this year with a R2,5 billion allocation.

Spelling out the new policy to be implemented in the next 100 days, Mandela said: "Government will use its own allocation of funds to the Reconstruction and Development Programme to exert maximum leverage in marshalling funds from within South Africa and abroad.

"In this regard I am pleased to report that we have been holding consultations with some of the principal leaders of our country." There were assurances that big business "can and will make a significant contribution towards the structuring and management of such reconstruction funds"

One of the most important announcements the

new President made was that a programme was already being implemented to electrify 350 000 houses during this financial year.

Another was that children under the age of six and pregnant mothers would receive free medical care in every State hospital and clinic (297)

Addressing issues close to the heart of the majority of South Africans, Mandela also launched a war on poverty, the housing shortage, lack of a health policy, inadequate education planning, unemployment, drug-trafficking, racism,

youth development and employment programmes and environmental neglect. "We are determined to address the dire housing shortage in a vigorous manner, acting together with the private sector and the communities in need of shelter.

"Health also remains a fundamental building block of the humane society we are determined to create through the implementation of the Reconstruction and Development Programme."

● See pages 6 and 10.

Mississippi Blues Cruise

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President Nelson Mandela and his eldest daughter Princess Zenani Dhlamini take the national salute on the steps of Parliament in Cape Town before he opened an historic joint sitting of the National Assembly and the Senate yesterday.

## GAGGED

Winnie Mandela  
silences Xoliswa  
Falati with court  
order

See page 3





# NEWS Union condemns Melamet report ● Seven victims burnt beyond recognition



Rwandan children wait for water to be distributed at Benaco refugee camp in Tanzania yesterday. Thousands of Rwandans have fled their country and settled in Tanzania as a result of the ongoing bloody civil war. The camp is now at capacity with 272 000 inhabitants. The United Nations yesterday announced the construction of two new camps nearby to hold another 150 000 refugees. PIC: AP

## Principal's death trial

THREE policemen yesterday denied in the Rand Supreme Court to torturing a Soweto businessman who had allegedly hired two men to kill his wife more than three years ago.

Mr Simon Sekwale (43), of Diepkloof Extension, has pleaded not guilty to a charge of murder.

His wife, Tryphina Sekwale, a school principal at Seweding Higher Primary School in White City Jabavu, Soweto, died of bullet wounds in her home on December 21 1991.

One of the alleged hired killers, Mr Sipho Msweli, was later shot dead by the police during investigations. The other, Mr Welcome Tyali (35), has turned State witness.

Mr JA Smit, for Sekwale, said his client was beaten and threatened with a live snake during police investigation into the murder.

Smit told the court that Sekwale also made a confession under duress.

Sergeant Harry Pretorius told the court that the 15cm-long snake referred to by Sekwale was in a glass container and was never used to threaten him.

Another witness, Sergeant Joseph Mofo, said Sekwale was never assaulted but had agreed freely to lead policemen to the places where the two alleged killers lived. The case continues today.

## News in brief

### Magistrates' oath

FORTY-NINE Regional Court magistrates yesterday took the oath of allegiance before Judge-President of the Transvaal Mr Justice C Eloff.

Magistrates are required to take the oath of allegiance within 30 days of the election of a President.

The magistrates who took the oath represented the Southern Transvaal region of the Directorate of Justice. The first to take the oath was Southern Transvaal Regional Court president Mr PAJ Kotze.

### Benny still in office

PAN Africanist Congress general-secretary Mr Benny Alexander yesterday denied he had resigned.

He had resigned, however, as the PAC's third candidate for the National Assembly because he wanted to concentrate his efforts in the PWV legislature. Alexander is the PAC's sole representative in the regional parliament.

### Annual search is on

NOMINATIONS have opened in the search for the annual Four Outstanding Young South African award.

The 29-year-old award is open to all citizen between the ages of 21 and

40. Nominees must have been involved in any activity which improves quality of life for people in South Africa. The award has no limitations regarding academic, social or political activities.

### Trains run late

TRAINS operating on the Mabopane, Pretoria and Mamelodi routes were late again yesterday morning, leaving commuters stranded.

A spokesman said the trains were late because of power problems.

### Police hunt killer

A MASSIVE police hunt is under way in the Cape Peninsula for a gunman who shot dead four youths and a man in a robbery near Kuils River on Monday night.

Police spokesman Lieutenant Ben Theron said yesterday the gunman, who was armed with a shotgun, shot 43-year-old hawker Mr Abduragman Hassan and his 18-year-old assistant, Johannes Jakobs. The bodies of Hassan's three other assistants, Fabian Alexander, Martin Mohammed and Mervin du Plessis, all aged 17 years, were found about 50m from the scene.

Briefs: Sowetan Reporters and Sapa.

# Cosatu hits out at gravy train salaries

Sowetan 25/5/94  
■ HUGE GAP 'Deep concern' felt

at inflated pay of Parliamentarians:

By Bongani Mavuso and Sapa

THE Congress of South African Trade Unions yesterday condemned the proposed salaries of President Nelson Mandela, his two Deputy Presidents and Members of Parliament.

In a statement, Cosatu said the recommendations of the Melamet Commission of payment of MP's salaries raise "a number of issues of deep concern".

"The Government was elected on an overwhelming popular mandate, which, inter alia, included the promise of a clean and open government as opposed to the nepotism, secrecy and corruption of previous apartheid governments," Cosatu said.

"It is unacceptable to perpetuate the huge gap between Parliamentarians and workers in the public service. Public service is orientated to the efficient delivery of services to people and involves sacrifice."

"Ordinary public sector workers continue to be buffeted by wage cuts, while fat cats in the bureaucracy have continued to milk the public coffers. Public

sector workers are expecting a flattening of hierarchies and a closing of wage gaps, not their entrenchment," the union said.

"The unfortunate impression has been created that the Melamet Commission was guided more by pressure from those wanting to retain their accumulated privileges than by the need to make a clean break with the past."

The main aim of the public service, Cosatu added, was not self-enrichment and it was spurious to base civil salaries on those paid to executives in the private sector.

### Pre-election promises

"It is therefore wrong to compare salary structures in democratic and legitimate institutions with exploitative and unrepresentative companies."

Referring to pre-election promises of clean and open government and an end to "the gravy train mentality", the union said it welcomed an African National Congress decision to probe the issue.

The union said it was "dismayed" that proper attention was not paid to principles entrenching an accountable, efficient and responsive culture among public servants and elected politicians.

## Funeral of murdered SDU 14

FOURTEEN members of the self-defence units who were massacred in Tokoza on the East Rand a week ago are to be buried in a mass funeral in Katlehong today.

The 14 victims, aged between 13 and 20 years, were killed in a house when gunmen mowed them down with AK-47 rifles on May 13.

East Rand police believed at the time that the massacre was as a result of intense fighting between SDU groups in the area.

The service starts at 9am at DH Williams Hall in Katlehong and the cortege will proceed to Vosloorus Cemetery at noon.

Our telephone number: (011) 474-0128

Political comment in this issue by Aggrey Klaaste and Joe Tholoe. Newsbills, sub-editing and headlines by Mike Tissing and Sy Makaringe. All of 61 Commando Road, Industria West, Johannesburg. The reproduction or broadcast without permission of articles published in this newspaper on any current economic, political or religious topic, is forbidden and expressly reserved to Argus Newspapers Limited under Section 12 (7) of the Copyright Act 1978.

## 'Our President is very wonderful'

Sowetan & RadioMetro  
Talkback

By Bongani Mavuso

CALLERS to the Sowetan/Radio Metro Talkback Show last night lauded President Nelson Mandela's State of the Nation address, describing it as reconciliatory and reassuring.

The callers expressed optimism about South Africa's future under Mandela's presidency.

Show host Tim Modise's studio guest, Mr Joe Matuna of the Institute for Multiparty Democracy, said the speech was "historical".

Matuna said Mandela's speech had addressed past imbalances which affected black South Africans.

S'busiso of Mamelodi, Pretoria, said he was impressed.

"The President mentioned almost

everything that adversely affected blacks. He covered what the ANC had promised before the elections," S'busiso said.

Congratulating Mandela, Sello of Vereeniging said he was concerned about affirmative action.

"This should be legalised and Mandela should have addressed this matter as well," Sello said. "Binding legal powers on affirmative action should be put in place to look into past discriminatory practices."

Sipho of Umlazi, Durban, described the speech as "very wonderful".

"When he addressed us, you could see that he was the President of the people. We're going to have a prosperous and very wealthy country with Mandela as president," Sipho said.

"With such a speech, it is about time

that all South Africans assist the president," said Busi of Mofolo, Soweto.

"Ordinary South Africans will have to play an important role in assisting our President to implement what he promised. We must begin to pay for services rendered to make the Reconstruction and Development Programme to work."

Kagiso of Alexandra Township said he was satisfied with the speech.

"But the President did not mention how the Government was going to deal with illegal immigrants," he said.

"I think free medication for pregnant women will encourage pregnancy and a population explosion. There is a high pregnancy rate in the townships. How is the Government going to deal with this matter?" Santo, Dobsonville, Soweto

"The medical aspect will help address the problems of the poor."

Jeff, Hillbrow, Johannesburg

## Talkback

The Ingonyama Trust land controversy and disagreements over Cabinet posts have stirred anew political rivalry between the ANC and IFP in KwaZulu/Natal. The Sowetan-Radio Metro Talkback Show has invited representatives of both parties to address the various issues. Share your view by phoning between 7pm and 8pm. Dial the hotline (011) 714-8063.



with Tim Modise



## Feeding schemes 'will save lives'

PRESIDENT Nelson Mandela's announcement of nutrition programmes for pregnant women and young children would save the lives of many children and significantly reduce disease over time, the Medical Research Centre said yesterday.

The black infant mortality rate was 10 times higher than the rate for whites, and the nutrition pro-

**KATHRYN STRACHAN**

gramme was aimed at reducing these inequalities, centre spokesman Dr Spinie Benade said. (297)

Out of a total of 4 million children under five, nearly 500 000 were underweight and 800 000 were anaemic. These children were not only susceptible to disease, but also suffered long-term effects such as impaired

cognitive development and stunted growth.

The planned school feeding scheme, also announced yesterday, would enhance learning.

The centre would be forming a task force to help the RDP identify communities at risk.

Operation Hunger said it welcomed the fact that school feeding would become a state responsibility



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# Health care plan

Sowetan 20/5/94

By Mzimkulu Malunga

GET Ahead Foundation has added the provision of primary health care to its list of projects.

The project will focus on squatter camps.

The programme is already running in some regions and progress reports show that there has been a 76 percent success rate.

The organisation says this project provides support systems to the formal health sector.

The project's co-ordinator, Ms Marina Clarke, says community health workers in the targeted areas are being trained in the basic principles of primary health care.

The framework and function of the community health workers follows the objectives stated by the World Health Organisation, she says. (297)

Water sanitation, first aid, nutrition, basic medication, family planning and immunisation are some of the areas in which the community health workers will be trained.

Also, Get Ahead plans to employ professional nurses to manage regional health projects and to train local facilitators.

"The programme contributes to the restoration of the community's sense of self dignity and well being," says Clarke.



Edited by Mike Sittuma

**T**he aid agencies are lining up. Their help will not be charity but linked to conditions and supervision, reports John Soderlund

# Donors in wings with their strings

whose liaison office chief, Alphonse Sall has been looking around the country for two months and is now arranging such government meetings.

The UNDP, the world's largest multilateral grant development assistance organisation with a network of offices in 150 countries, oversees all the aid which would be administered by 34 specialised UN agencies.

Most of the assistance would come in the form of technical assistance or grants — money with few or no strings attached, so long as it is responsibly administered by local agents, explains Sall.

By contrast, US aid such as the \$600 million (about \$2.2 billion development, trade and investment package) which President Clinton recently offered South Africa usually comes with an array of conditions. Often, foreign country donors require that contracts for the implementation of the programmes, including construction contracts and financial management, go to companies from the donor country, effectively reducing as much as half of the original aid back to the country of origin, says SAL.

Although US aid is unlikely to be as substantial as the bilateral aid of the UK or Clinton's, it tends

to go further for the benefit of the recipients, he says. Basem UNIP spokesman in Geneva Knäuper announced in Geneva last year that the amount would probably exceed the \$700 million South Africa was then receiving from the US and the European Community together.

There's little disputing the desirability of the UNIP aid — the problem is how to get it.

More than 80 percent of the agency's development monies goes to projects in countries where per capita GNP (the broad measure of the total value of goods and services produced by a country) is below \$700. Accordingly, more than half of the

UNDP's annual \$1.5 billion (\$2.5 billion) aid budget goes to African countries.

But Said points out that although South Africa's per capita GNP of \$6 800 (\$24 900) precludes it from UNDP assistance, this high figure belies the vast disparities in GNP between different population sectors.

Average per capita GNP for the black population here is close to \$700 (\$2 560), qualifying the majority of South Africans for aid.

Whether South Africa receives the policy status of a net recipient or a net donor is a decision to be made by the UN General Assembly next month.

It is successful in being guided a net recipient, a "consumer" programme is structured with the Government and implemented under supervision of UN specified sectors with the appropriate sectoral competencies. In some cases, the Government itself if it is deemed competent.

Although Sali won't be drawn to speculate on our likely assessment, he mentions that we will probably be staying in the country for three to five years, and comments that several of the 84 agencies are "quite keen to come here".

These include the United Nations Children's Fund (Unicef); United Nations Conference on Trade and Development (UNCTAD); United Nations Fund for Population Agencies (UNFPA); Food and Agricultural Organisation (FAO); International Bank for Reconstruction and Development (IBRD or World Bank); International Finance Corporation (IFC); the International Monetary Fund (IMF) and United Nations Educational, Scientific and Cultural Organisation (Unesco).

But the UN assessment has more far-reaching implications. Other independent agencies and organisations use that as a measure of our eligibility for money and, more importantly for me, for partnership contributions they will

require in return for membership.

Contributions to the Organisation of African Unity (OAU), for example - to which South Africa was admitted on Monday - depend on the assessment, which could mean the difference between paying annual contributions of up to R25 million and a more modest contribution of a couple of million.

The OAU has a history of non-payment of contributions by member states and South Africa could become a financial OAU prep for poorer member countries if it is assessed as being able so to do.

The OAU has a history of non-payment of contributions by member states and South Africa could become a financial OAU prop for poorer member countries if it is assessed as being able so to do.

# Naidoo spells out RDP priorities

Star 27/5/94

■ BY ESTHER WAUGH  
POLITICAL CORRESPONDENT

Cape Town — Health, education, electrification and the provision of infrastructure have been identified as this year's priorities in the Reconstruction and Development Programme.

Minister without portfolio Jay Naidoo said yesterday the departments of Health, Education, Provincial Affairs and Finance should meet to co-ordinate the implementation of these aspects of the RDP.

Speaking in the no-

confidence debate, he said the greatest challenge facing the RDP was the building of townships.

This required a co-ordinated approach. The provinces had been asked to identify programmes related to the reconstruction of townships, Naidoo said.

The rebuilding of townships required an integrated approach by urban and rural development task forces which had to be linked to the national public works programme in order to ensure maximum job creation.

The RDP's importance was that it provided an integrated growth and development strategy and constituted a partnership between the Government and the public, Naidoo said.

(297)

Deputy Finance Minister Alec Erwin said the Government would not spend its way to reconstruction. It had adopted a strategy to redirect a greater share of its spending to the RDP. An amount of R2,5 billion would be allocated to the programme in the Budget.



2 Cape Times, Friday, May 27 1994

# RSC pledges full support

CT 27/5/94

Staff Reporter

THE Regional Services Council yesterday pledged its full support for the government's Reconstruction and Development Programme (RDP) and said it would do anything possible to help achieve the goals of the programme. (297) (213)

This was said in a statement following a meeting of the Execu-

tive Committee of the Association of Regional Services Councils of the Cape Province called to discuss the role of the RSC in the implementation of the RDP

The statement said the RSC had over the years implemented certain elements that the RDP was striving for.

Mr James Kleyhans, chairman of the association, said that "for

the past seven years regional services councils were busy trying to improve and develop as well as provide services to the less privileged communities".

"Since the inception of RSCs in 1987 this was their primary goal. In the Cape Province all the councils were always striving towards achieving this goal within the limits of their budgets," he added.

# Bid to cut US aid to SA defeated

WASHINGTON. — Fighting off attempts to drastically reduce aid to South Africa and Russia, Congress approved a \$13,6 billion (about R49bn) foreign aid bill yesterday

Supporters called the legislation, which goes to the Senate, a "carefully crafted" effort to help alleviate hunger and poverty worldwide. Opponents said it put other nations

needs ahead of the US.

The biggest items, as in past years, are aid to Israel, recommended at \$3bn (R10,8bn), and Egypt, at \$2,1bn (R7,6bn)

The 337-87 vote on the bill followed an angry confrontation over an attempt by Republican Mr Dan Burton to limit aid for South Africa to the current level. He justified his

stand by saying some members of the new South African government were communists

"If you don't like people in the South African government, so what!" shouted appropriations committee chairman Mr David R Obey, who guided the bill to final passage

Mr Burton accused Democrat Mr Obey of using "veiled,

slandorous remarks" in opposing his amendment, which was defeated 103-321

If passed, the bill would allocate South Africa \$140m (R504m) in the next fiscal year and \$50m (R280m) in insurance for new US investments.

● The bill would give \$2,2bn (R7,9bn) in total aid to Africa.  
— Sapa-AP



## ILO will assist reconstruction

GENEVA. — South Africa has pledged to respect workers' rights and has been readmitted to the International Labour Organisation (ILO) after a 30-year absence.

An ILO spokeswoman said yesterday the move paved the way for the United Nations agency to advise on how to create jobs.

About 47.9 percent of the workforce of 14.9 million is unemployed.

South Africa withdrew from the ILO in 1964 amid a mounting campaign against its racist policies.

The Geneva-based agency was told on Thursday South Africa was rejoining and would respect the ILO constitution, spokeswoman Madeleine Moulin told journalists.

"South Africa has become a mem-

ber of the ILO. It's official since yesterday," she said.

"This will pave the way for an ILO programme of assistance during South Africa's period of reconstruction."

Foreign Minister Alfred Nzo notified the ILO on Thursday that South Africa would honour the organisation's constitution, according to the agency. ARG 28/5/94

"South Africa has pledged to respect workers' rights in all their forms and consequences," an ILO official said.

"These include the right to have trade unions, and rights to free association and collective bargaining," he added. (297) (138)

## 'Research must aid economic growth'

JOHANNESBURG. — The new Arts, Culture, Science and Technology Ministry would direct technological research towards achieving the goals of the government's reconstruction and development programme, says Deputy Minister Winnie Mandela. (297)

Speaking at the fifth plenary meeting of the Science and Technology Institute (STI) in Midrand on Thursday, Mrs Mandela said the new ministry had been established because of a widespread perception that South African science and technology were having a crisis of purpose and direction. ARG 28/5/94

Because more than four decades of apartheid had produced a nation divided between those with houses, education and access to health care, running water and electricity, and those without, it had been said science and technology would be bottom of the list of national priorities.

But science and technology had an important role to play in addressing these priorities, Mrs Mandela said.

"The policy path we are likely to follow will direct research towards economic growth and addressing social needs."

Because of the legacy of the past there was a skewed approach to education and the development of human resources. This had resulted in scientific illiteracy and a grave shortage of technical expertise which could strangle economic development.

"Today 96 percent of all engineers and 89 percent of scientists in South Africa are white. I am very pleased to see that the STI has commissioned a study on employment composition and the affirmative action programmes of the science councils. I hope this study will contribute to addressing these imbalances." — Sapa.



South 27/5 - 31/5/94

# R2,5 bn for RDP

By Waghiel Misbach

**T**HE FIRST pieces of the plan to address the basic needs of the country was shifted into place by president Nelson Mandela when he committed R2,5 billion to the ANC's Reconstruction and Development Programme (RDP).

The money will be set aside in the new budget announced on June 22 and will increase to over R10 billion after five years, Mandela said in his State of the Nation address at the parliament in Cape Town.

Speaking at a press briefing, Minister of Finance Mr Derek Keys said the R2,5 billion was only three percent of the government's spending, and would increase over the next five years to R5 billion in 1995; R7,5 billion in 1996; R10 billion in 1997 and over R10 billion in 1998.

The amount will be used to "kickstart" the RDP, said minister without portfolio Mr Jay Naidoo, who is responsible for the implementation of the RDP. (297)

Speaking at a press briefing, Naidoo emphasised the money was the government's contribution to the RDP and further savings from departments was still expected as well as contributions from the private sector and international grants.

Mandela also hinted at the needs for greater "efficiency and productivity" in the public sector to allow savings to be made.

The President also outlined the programmes that would be implemented within the first 100 days. They include:

- Children under the age of six and pregnant mothers will receive free medical care in every state hos-

pital and clinic.

- A feeding scheme will be implemented in all primary schools.

He said a programme to electrify 350 000 homes during the current financial year had also been started.

There will also be a public works programme designed to create jobs. details of the programme were before the Cabinet for discussion.

"We shall carry out this plan within the context of a policy aimed at building a strong and growing economy which will benefit all our people," Mandela said.

South Africa will also begin talks with the European Union, the Southern African Customs Union and "neighbours" in the Southern African Development Community.

He said the government will also fight racism in the country.

"We must end racism in the workplace as part of the common offensive against racism in general. No more should words like Kaffir, Hotnot, Coolie, Boy, Girl and Baas be part of our vocabulary," he said.

Mandela also committed the government to providing clean water and sanitation, housing, and education for a period of at least 10 years.

In addition to providing amnesty for certain prisoners, Mandela said he had "issued instructions" to remove children from prisons.

"We must rescue the children of the nation and ensure the system of criminal justice is the last resort in the case of juvenile offenders."

South Africa was now assured of membership of the Organisation of African Unity (OAU). The United Nations will lift the last remaining sanctions against the country this week and the cabinet will apply for membership of the Commonwealth.



## THE WEEK IN BRIEF

**Deals galore on Diagonal Street**  
**■** CORPORATE finance deals galore have taken place at the Johannesburg Stock Exchange over the past two months, including major players Investec's acquisition of Sechold and Gencor acquiring control of Keeley and Kelgran. This week the Fenner Group proposed to buy all its minority interests. The engineering company is prepared to pay R34.2-million or 456 cents a share, a 56c premium on the present price of 400 cents a share. Another company to declare its intentions to "go on the acquisition trail", is Tomkor, a property company. The company plans to restructure into three loan stock companies. First National Bank may have a share split. The ratio of the split is expected to be 5 to 1, but more definite information will be released by the bank after a meeting scheduled for June 24.

**Russia rattles diamond investors**  
**■** FEARS about the future of the De Beers diamond cartel were raised by the Russian announcement — which breached a secrecy agreement — that a Moscow diamond market would be set up. At stake is the agreement whereby Russia sells 95 percent of its diamonds through the De Beers' Central Selling Organisation. Russia's increasingly pushy stance is played down by De Beers, but if the former Soviet state went its own way this would have serious consequences for the CSO.

**Anglo earnings up 23 percent**  
**■** GIANT conglomerate Anglo American Corporation reported a 23 percent increase in total net earnings to R2 984-million, for the year ended March 31 1994, or 1 282 cents a share compared with last year. The total dividend of 395 cents a share is an increase of 14 percent. Positive divisional earnings came from Mining Finance (up 22 percent to R754-million), diamonds (21.5 percent to R642-million), gold & uranium (44 percent to R400-million) and industry & commerce (39 percent to R529-million). Divisions which showed declines in earnings included coal (down 44 percent to R134-million) and platinum, base metals and other mining (down 18 percent to R127-million).

**Moving into Africa**  
**■** IT was reported SAA African Airways and the national airlines of Uganda and Tanzania had agreed to launch a new international airline. The new airline, African Joint Air Services, has been registered but has no aircraft, said an SAA spokesman. A final decision on what SAA will contribute is expected by the end of June.

★ TOP JOBS: Turn inside for a feast of professional appointments

# BUSINESS MAIL

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**Economic policy:** Finally, the costs of reconstruction becomes clearer

## The R135-bn RDP shock

WM 3-9/6/94 (297)

The Reconstruction and Development Programme is likely to cost a lot more than R39-billion — in fact, R96-billion more than estimated, reports **Simon Segal**

**T**HE ANC's Reconstruction and Development Programme is more likely to cost R135-billion over five years than the R39-billion banded about before the election, according to the ANC's own economic institute

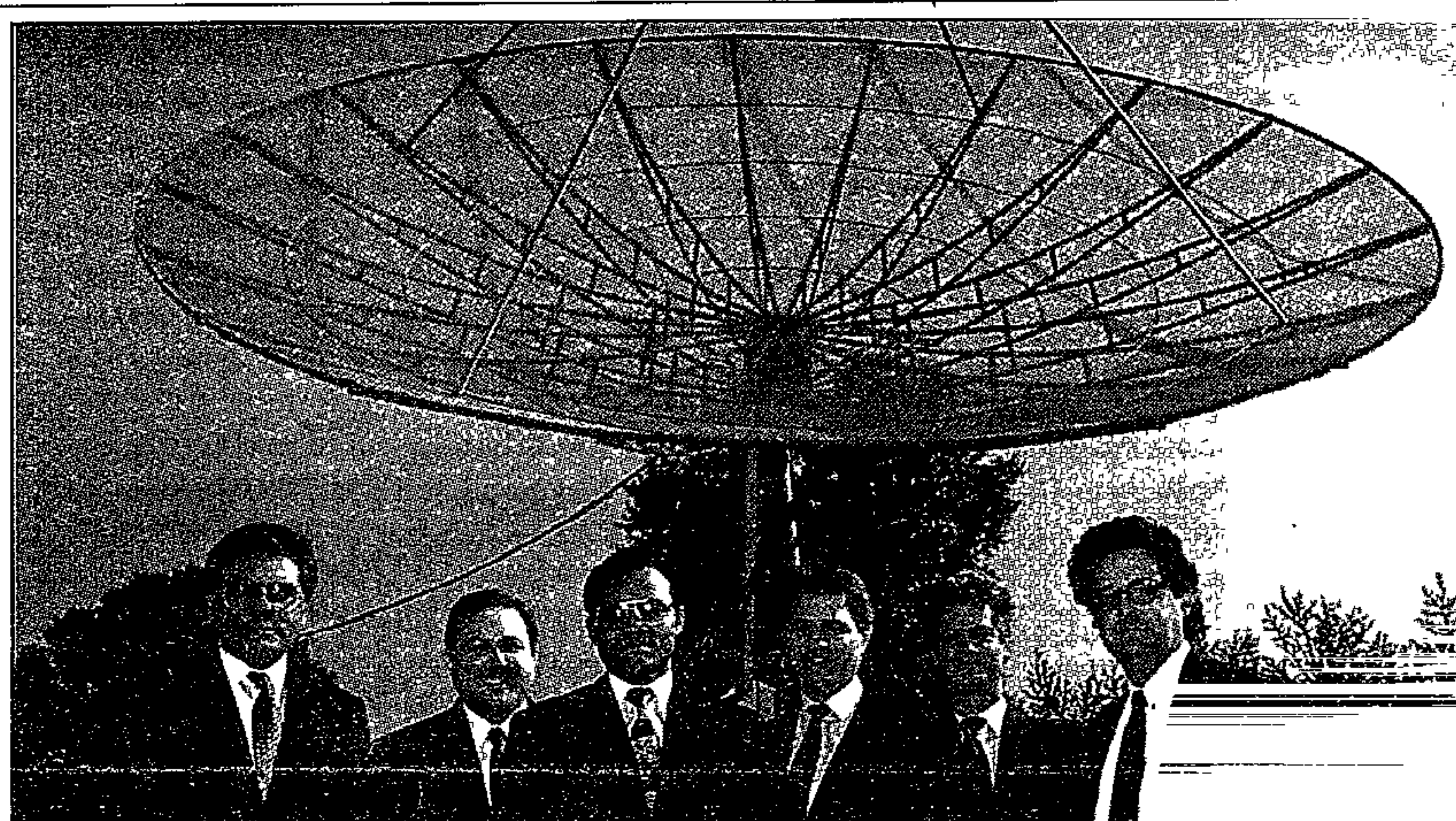
This is based on the estimate of the National Institute for Economic Policy (NIEP), formerly the ANC's Macroeconomic Research Group

The NIEP has released its first report on the quantification of the RDP. The report only details the seed money needed for the next four years. It puts this figure at R96.2-billion.

The cost in the fifth year alone will be R39-billion — and perhaps this is where the confusion arose. Add this to the R96.2-billion for a total cost of R135-billion

The 227-page report details for the first time — and thus opens to public scrutiny — budget estimates for launching a RDP kick-start programme. President Nelson Mandela drew on parts of this research in his opening of parliament speech last week.

■ To PAGE B2



Tuning in ... (From left) Sudhir Pragjee, representing Anant Singh, Publico's Reuben Shapiro, KT Investments' Fani Dr Jack Shapiro of Publico, and Mike Martin and Anton Harber of the WM&G

PHOTO STEVE HILTON-GARDNER

## This is the BBC — on FM in SA

**SOUTH AFRICAN** listeners will be able to hear top-quality BBC World Service programmes on FM — as well as up-to-the-minute local popular programmes and news.

The *Weekly Mail & Guardian* has put together a powerful team of media, business and development partners to launch a new FM radio station, in association with the BBC World Service.

This will happen as soon as the consortium put together by the *Weekly*

*Mail & Guardian* gets the go-ahead from the Independent Broadcasting Association. The IBA is still being set up, but the consortium hopes to be operating by early next year.

The partnership comprises:  
 ● The *Weekly Mail & Guardian*  
 ● Publico Ltd, South Africa's largest specialist publishing group  
 ● Anant Singh, producer of *Sarafina!* and other major films  
 ● KT Investments, the investment

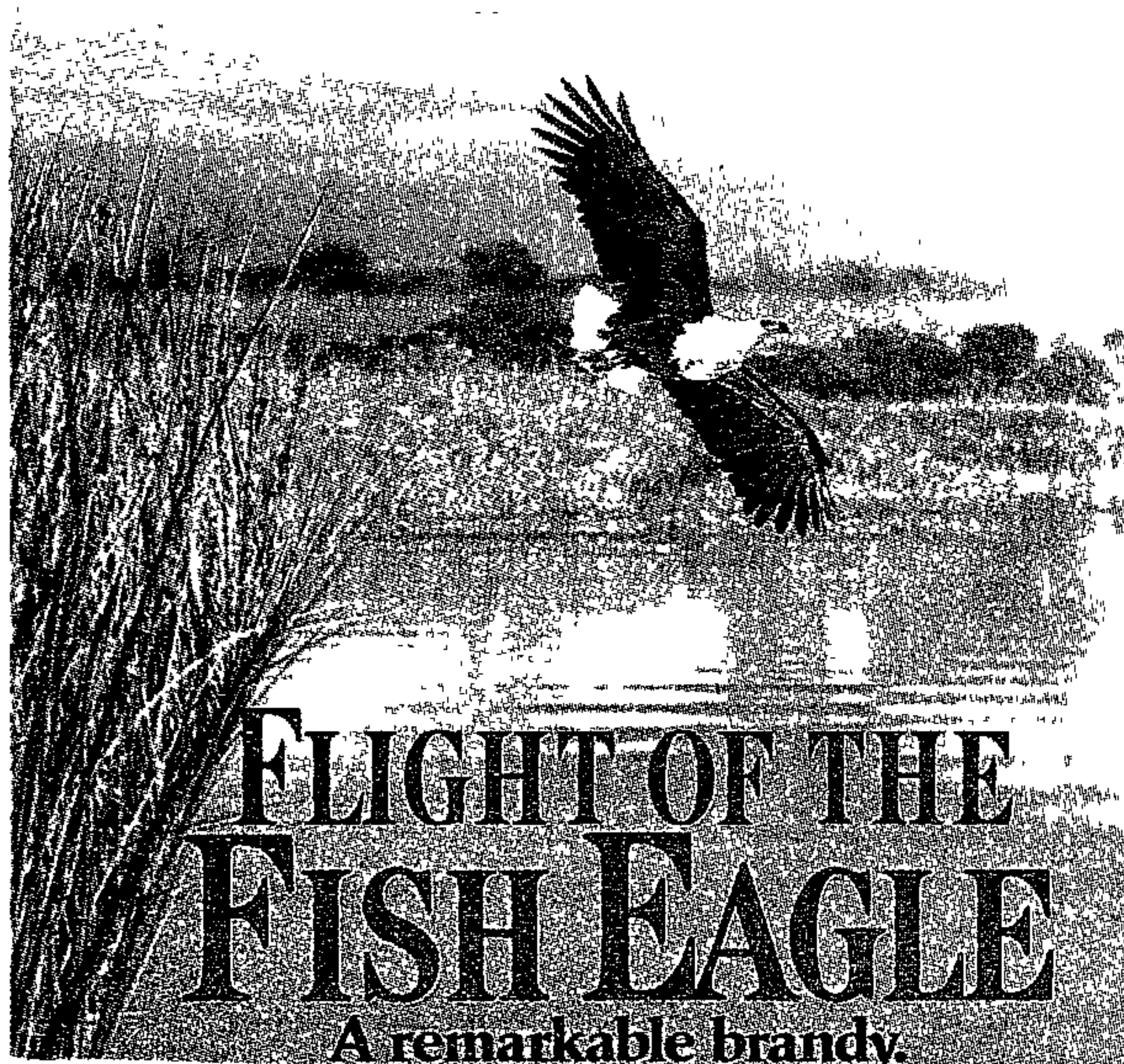
arm of development agency K... Trust.

Publico, with around 31 percent, be the largest shareholder. The consortium members will own 23 percent of the radio station

Through the involvement of Investments the venture broadening active black participation in electronic media, a development vital to the vibrancy and credibility

■ To PAGE

★ TURN TO THE BACK PAGE FOR SPORTS



This brandy represents a complete break with past tradition.

Flight of the Fish Eagle is made the natural rather than the scientific way — every drop is pot-stilled and wood-matured

The young wine which we carefully select for the distillation of this unique brandy, is completely unmarred by any additive or preservative

In our quest for purity and smoothness only traditional handmade red copper potstills are used. Twice we distill our brandy and twice we rely on the personal judgement of our distiller. Scientific measurement is never the deciding factor. Our single request is for purity and lightness. So we follow only one method: Art, not science.

Once in the cellar, nature takes over and completes the process in vats of European oak. Here the brandy rests unharmed and untouched, with nothing added. Finally,



when it flows from the wood, every drop is nature's expression of pure perfection

Naturally, this brandy does not conform to traditional tastes. Being a natural brandy, it merely requires a little springwater to release the bouquet. Natural fruit juices, especially fresh orange, create an appealing drink.

Should you wish to know more about our brandy, please write to: The Production Director, Distillers Corporation, Private Bag 5001, Stellenbosch 7600

Flight of the Fish Eagle

*Natural Brandy*  
A remarkable brandy

This brandy is a tribute to the African Fish Eagle — the remarkable bird which possessively guards the wild waterways of our continent



# What the RDP will really cost

From PAGE B1

With widespread support, even among business, the RDP has become part of the country's lexicon.

The problem is the RDP has been so broad and vague, opposed by virtually nobody, that it means different things to different interest groups, heightening expectations and sowing credibility concerns in the process.

The NIEP's report, which co-ordinator and acting director Jayo Josie says has been seen and informally endorsed by many bodies including the World Bank, Jan Lombard at the Development Bank and Jan Dreyer at the Central Economic Advisory Services, does some way to address this.

Lombard says he "likes the NIEP's approach which effects savings within the constraints of sound public finance". It has not crunched the figures.

The NIEP's starting points is that the RDP "is not just a wish list of programmes to overcome the legacy of centuries of apartheid oppression. It is essentially a framework for setting in motion a sustainable and dynamic process of growth and development based on reconstruction, redistribution and restructuring the economy. Therefore the quantification of the RDP cannot be based on the costing of a list of programmes which has to be added onto the national accounts."

## The cost in the fifth year

Annual resource requirements while RDP reaches maturity after five years (Rbn)

	RECURRENT	CAPITAL	TOTAL
EDUCATION	6	0.4	6.4
TRAINING	2	2	
HEALTH	1.6	0.4	2
HOUSING	7	7	
ELECTRICITY	1.5	1.5	
WATER	3.2	3.2	
SOCIAL SECURITY	10	0.1	10.1
OTHER (TRANSPORT ETC)	2.4	4.4	6.8
<b>TOTAL</b>	<b>22</b>	<b>17</b>	<b>39</b>

Despite what the NIEP might wish, it is the numbers that grab the headlines and form perceptions.

Working within the existing macro-economic constraints and budget cycle the NIEP identifies savings, resources and capacity on a line by line examination of 38 departments.

First results show R96.2-billion of "seed" money — R57.8-billion from efficiency/productivity improvements and R38.4-billion from cuts on apartheid-serving programmes — can be mobilised to kick-start the RDP over the next four fiscal years. This includes R9-billion in this fiscal year (R3-billion from productivity improve-

ments) the figure mentioned by Mandela when he opened parliament. Lombard feels this excessive.

In today's rand value this grows to R20.9-billion next year of which R12.9-billion is from efficiency/productivity improvements R31.3-billion (R18.8-billion) in 1996/97 and R35-billion (R20.1-billion) in 1997/98.

"After the fifth year it would only be necessary to keep the RDP expenditure growth more or less in line with population growth."

The magical R80-billion that had caused such concern, especially after it appeared to be a doubling of the R39-billion RDP bill on which the ANC fought the election, is the savings from productivity/efficiency over five years to the fiscal year 1999/2000.

The R39-billion as detailed in the table, profiles the annual spending needed in five years time (to 1999/2000) if the backlog is to be "significantly advanced" by 2005.

This year's R3-billion productivity dividend is based on cuts or savings of eight percent in real terms in existing programmes through, among others, a four percent productivity improvement in administration resources, cuts in strategic stockpiles, professional services and building costs.

The R9-billion seed money, suggests the NIEP, should be spent on local government (R3-billion), housing (R2-billion), transport black hole

removal (R500-million), security extension (R1-billion), skilled labour acceleration (R700-million) and a NGO supplement (R500-million).

The NIEP's total expenditure for 1994/1995 comes to R124.1-billion. This includes the R9-billion RDP bill. The department of Finance's pre-election spending estimate was R115-billion.

Of the R35-billion to be spent in 1997-1998, R5.5-billion is allocated to education, R1.5-billion to training, R2-billion to health, R6.5-billion to housing, R1.3-billion to electricity, R3-billion to water, R1-billion to industry development, R6-billion to social security, R5.2-billion to regional infrastructure and R3-billion to transport.

RDP spending will rise from seven percent of total central government expenditure in 1994-1995 (R6-billion) to 16 percent next year (R12.9-billion), 22 percent in 1996-1997 (R18.8-billion) and 25 percent in 1997-1998 (R20.1-billion).

This means, says the NIEP, that for the next three fiscal years (including this year) an extra R10-billion a year will have to be found to support the RDP.

The revenue sources identified to help fund this include:

● Enhanced taxation collection — R300m in 1994-1995, R1-billion in 1995-1996 and R1.5-billion in 1996-1997.

● Private sector contribution to housing — R400m, R1-billion and R2.5-billion over the same period.

● Parastatal financing — R500m, R1.5-billion and R2.8-billion over the three years.

● Affirmative action targeting of existing programmes — R400m, R1-billion and R1.5-billion.

Thus, over the next three years R1.6-billion, R4.5-billion and R8.3-billion of additional revenue is "found."

Add to this efficiency improvements that account for R3-billion this year and will grow to R6-billion by 1997-1998.

The NIEP's estimates are reasonably premised on the tax base growing

2.5 to 3.5 percent annually (similar to GDP growth), small bracket creep with an annual 8.5 percent inflation rate, user charges in water and electricity services, foreign aid and establishing local government legitimacy and its revenue-raising authority.

On this premise revenue will be boosted by R15-billion to R20-billion a year, a growth from 26.5 percent of GDP to 29.2 percent.

Total expenditure between this fiscal year and 1997-1998 will grow by a mere R14.4-billion (R124.1-billion to R138.5-billion). The NIEP suggests "this allows for some scope for tax concessions to be introduced by the central government. For example, the terms of VAT exemptions on certain products."

Reliance is placed on the private sector taking up some of the burden. There is an ominous warning: "Government will need to signal to the private sector that it will restrain its claim on resources provided the private sector meets its responsibilities and fully exploits the opportunities available to it."

The NIEP's scenario is based on the conservative assumption that government's non-interest current outlays will be under 25 percent of GDP (R130-billion by 2000). The present 6.6 percent borrowing requirement will be maintained "without increasing the interest cost to expenditure ratio."

On the capital side the NIEP scenario accommodates a rise in the share of government investment in GDP from 1.4 percent to 3.3 percent.

The current account balance will move from a surplus of 1.4 percent of GDP in 1993 to a deficit of 1.2 percent by 2000.

Annual inflation will average 8.5 percent to the turn of the century, real wages will grow 0.4 percent, real interest rates will average five percent and the real exchange rate will drop by 2.5 percent/year.

It is no longer valid to criticise the RDP as broad and vague. Criticism should now centre on its assumptions, methodology and estimates.

## How wages will be affected

THOSE looking to the new government for a narrowing in the racial income gap should note the NIEP's scenario. The projection is that the average annual growth of real white wages is 1.7 percent from 1993 to 2000. Over this period blacks will realise "negligible" real wage growth.

"In part this reflects the large numbers of blacks involved in labour market training programmes which have a strong work dimension but will offer only a training wage in the short

term."

The average skill level of blacks, however, should rise by two percent compared to whites as a result of RDP projects. "Unfortunately, the absolute skill differential will mean that demand and supply conditions will push up white wages relative to blacks as economic recovery gains momentum."

At its peak the RDP's targeted affirmative action labour market programmes will involve up to half a million participants.

**CBDP**



CBDP, a Project linked to Wits University Faculty of Management, is a developmental and change agency committed to building organisation and human resource capacity in support of the on-going transformation to a just, democratic, sustainable SA free of racism, sexism and other forms of oppression. CBDP is currently seeking applications for the following positions:

### FINANCE/ HR CO-ORDINATOR

**Position:** To manage the financial, administrative and human resource functions of the CBDP programmes, including: overall financial and HR management and control, budgeting; reporting, HR administration & policy development; salaries; board member liaison; computer, technology & general office management.

**Requirements:** Tertiary qualification in financial management with 3 - 5 yrs experience in a senior administrative position. Financial and HR management experience essential, preferably with some experience of working in the NGO sector. Driver's license essential.

Excellent financial, personnel management and planning skills with above average interpersonal, supervisory and communication (written and verbal) skills. Applicants should have a participatory management style, be mature, reliable and self-motivated with initiative, confidence, flexibility, sensitivity and be able to work without supervision and under pressure. Applicants should be computer literate and be committed to development.

Package: App R6000 pm, excluding benefits.

Applications, including a full CV should be sent to the Administrator CBDP, P.O. Box 32679, BRAAMFONTEIN, 2017 by no later than 15 June 1994.

### MARKETING ASSISTANT

**Position:** To market and recruit for CBDP services.

**Responsibilities:** Overall co-ordination and recruitment for training courses, assisting the unit in designing and implementing marketing strategies for CBDP products & services, networking and publicity and monitoring trends in the environment.

**Requirements:** Matric with tertiary qualification and/or experience in non-profit marketing with 5 - 10 yrs organising/field work experience. Knowledge of the NGO/CBO sector and a driver's license essential.

Applicants should have excellent communication, presentation and report writing skills, preferably with an African language. Planning and organising skills are essential. Applicants should be self-motivated, independent, responsible, have initiative, and be able to work under pressure without supervision. Applicants should be prepared to travel and work outside normal hours.

Package: App R4200 pm, excluding benefits

## It's the BBC on FM in SA

From PAGE B1

the South African media in the new South Africa.

The coverage of the station, its size, and how much will be spent depends on whatever licence the IBA may grant the consortium, but the members are looking at spending around R5-million to get the station going.

The consortium combines extensive media experience, international contacts, financial muscle and the backing of a respected development agency.

Its long-term agreement with the world's best international broadcaster secures commercial broadcast rights for BBC World Service and BBC Africa Service programmes. This will allow the new station to lead the way in international news and current affairs and offer a rich variety of top-drawer sports, business, music, science, comedy and drama programmes.

The station will add to this material popular programmes produced in South Africa.

The formation of the consortium is the culmination of a year's research and planning.

"We will be ready to launch an exciting, top-quality station as soon as the IBA allows us. From the BBC World Service we have a rich pool of the best material in the world and we plan to match this with excellent

■ To PAGE B6



Almost half the children born in Cape Town have unmarried mothers, but raising a child alone is not easy. Three single mothers spoke to VICKY STARK:

# WITHOUT FATHERS

**WHEN** her daughter was five, Miss Fatima Jacobs, 26, of Manenberg ended her relationship with the child's father.

"She's 12 years old and I haven't received more than R500 from him since the day she was born," said Miss Jacobs

She lost her job as a cashier in a supermarket 17 months ago and has not found another job

"I went to Coloured Affairs but they told me that I didn't qualify for a grant so we rely on the money my mother brings in from sewing. But that's very little and sometimes there's no food in the house"

At times she became so desperate she thought about committing suicide.

"I feel my mother and my daughter, Nadia, will be better off without me. It will be one less mouth to feed," she said.

Miss Jacobs has even considered leaving Cape Town and giving her daughter up for adoption.

"She's a young lady now, we many things — until I find work, I can't give Nadia the kind of life



**ONE LOVE:** Sadly, half of the children in Cape Town are reared by single mothers.

she deserves.

"What I can give her is lots of love and I'm scared that if I give her away, her foster parents may treat her badly."

Ms Jacobs' relationship with her daughter's father is strained

him to court and the magistrate told him that if he didn't pay maintenance he would go to jail.

"That didn't bother him, he still doesn't pay me. Two weeks ago I went to the police and told them to arrest him. I think he deserves it for

making us suffer."

Miss Jacobs said although her child's father is unemployed, he drives a car up and down the neighbourhood.

"Where does he get the money for petrol? If he can afford to maintain a car, why can't he support his own child?"

Nadia never has contact with her father.

"When he passes her in the street, he looks the other way.

"I know she is hurt by the way he treats her. And she dreams of the day he will give her money to buy a mountain bike. I keep telling her that maybe one day he will."

Miss Freda Peterson of Fackretton has an 18-year-old son who was left fatherless when her partner

died of cancer in October last year.

"Things have been tough since Philip's father died. We weren't married so Coloured Affairs has insisted I produce proof that the man I've been living with for 20 years is his father before giving me a grant," Ms Philips said.

At home with her two young grandchildren, the 47-year-old woman looked exhausted.

"I'm so worried about my son, he wants to do a computer course which costs R250. It's a good opportunity but I can't afford it.

"His school fees for the year are R70 and I've paid half. He's in standard 9 and I want him to finish school but I don't have the money.

"If he wants a good life one day, he must have a good education

"I hope the state will help me. I'm desperate to keep my child in school."

Ms Crystal Marks was separated from her son for over a year because she couldn't find work in Cape Town

"Being away from my child was terrible but I had to work. I didn't think that it was fair to rely on my parents to support my child," said the 22-year-old mother.

She had job interviews in Cape Town but was turned away when employers found out she had a baby out of marriage.

"I found a job in Johannesburg," she said. "Everytime I called home, my parents would tell me about the new things my baby was doing and I'd get depressed because I was missing out on his development."

When he was old enough to go to a day care centre, Ms Marks sent for her baby. They lived together in Johannesburg for five months before she returned to Cape Town where she finally landed a job.

"No matter how exhausted I was after a gruelling day at work, I always looked forward to being with him," she said.

She also has difficulty in getting the father to pay child support. "Initially I took him to court because he refused to pay. Now I get a cheque every three months if I'm lucky," she said.

Her son is now two years old and she believes the system should make fathers realise they are responsible for their children.

"They should be forced to pay. The state is far too lenient on them," Ms Marks said

● The names of the mothers in this article have been changed to protect the children



## CITY OF CAPE TOWN MITCHELLS PLAIN CASH OFFICES

### Lentegeur

Due to necessary building alterations this office will be closed to the public from 30 May to 4 June and will re-open on 6 June.

Payment of accounts can be made at the Westridge and Rocklands Cash Receiving offices or your nearest Housing Estate office.

### Westridge

Due to necessary building alterations this office will be closed to the public from 6 June to 11 June and will re-open on 13 June.

Payment of accounts can be made at the Lentegeur and Rocklands Cash Receiving offices or your nearest Housing Estate office.

### Rocklands

Due to necessary building alterations this office will be closed to the public from 13 June to 18 June and will re-open on 20 June.

Payment of accounts can be made at the Lentegeur and Westridge Cash Receiving offices or your nearest Housing Estate office.

G R HOFMEYR  
ACTING TOWN CLERK

9194



**TO THE RESCUE:** Helen Barnard outside the Parenting Centre in Athlone.

## Pain of single mothers

**SINGLE** mothers often feel guilty, frustrated and inadequate as parents, said a parenting expert.

"In most cases, the mother blames herself for the absence of the father so she tries to make up by seeing to all material demands of the child," said Parent Centre social worker Ms Helen Barnard

"She is usually exhausted when she returns from work and does not have the energy to spend time with her child."

Fathers often can't be depended upon for emotional or financial support because they usually cope with guilt by breaking all contact with the children, Ms Barnard said.

"Court action against the father is often the only path for single mothers to gain financial support from the father. This is a tedious process

which disillusioned many women," Ms Barnard said.

She said although it is difficult, women should try and rise above these problems.

"The mother must learn to recognise the good things she does as a parent. She must identify what she is doing wrong and realise mistakes are an opportunity for learning.

"Most importantly, she needs to learn to recognise the resources in her community or within her reach and make use of them.

She must read up on the difficult issues so that she can make informed decisions for her family. And she should attend workshops where she can be helped to deal with the difficulties of her situation," said Ms Barnard

● For guidance, contact the Parent Centre in Athlone at 696-2166.



# SA must close huge social gap — UN

AKG 116 94

NEW YORK — South Africa must address the huge gap in living standards between blacks and whites if the country hopes to succeed in the post-apartheid era, according to a UN report released today.

"These are not just two different peoples. These are almost two different continents," said the report issued by the United Nations Development Programme (UNDP)

South Africa ranks 93rd on the Human Development Report 1994's index which tracks

life expectancy, education and consumer buying power (297)

But whites in the country alone would rank 24th, while blacks alone would rank 123rd.

"The major challenge for policymakers will be to promote social integration without provoking racial violence," warned the report prepared by independent researchers.

The report also notes enormous regional gaps in standards of living and cites Nigeria, where the state of Bendel

ranks with progressive Sri Lanka, while the state of Borno has a life expectancy of only 40 years and a 12 percent literacy rate.

And in spite of social spending in China, there is a 100-point gap between Tibet and Beijing in the report's human development index.

"These disparities contain the potential for major social, economic and political unrest and deserve the urgent attention of policymakers," warns the report. — Sapa-AFP.

# Special rape and children's court

BY VICKY STARK

A SPECIAL rape and children's court will be established by the Department of Justice in Mitchells Plain this year.

"In the new court, victims will no longer feel that the legal process was almost as dreadful as the act of violence itself," said the advocate

general of the Cape, Mr Frank Kahn, who started the process of establishing the special court in the area earlier this year.

While victims of rape and child molestation are dealt with in the present court system, the new court aims to ease the trauma at trials involving sexual offences.

"We need to treat the victims in such a way that they are not further damaged by the court process," Mr

Kahn said.

"Victims are entitled to more sophisticated treatment than they are getting. We must try to allay suspicion of the system.

"Where people are suspicious of the police, we liaise with private groups to whom these people might turn.

"They might, for example, approach an advice officer who will then contact us at the court.

"The victims will then be dealt with by a team of people who have become sensitised to their needs. They will ask, 'How do you feel? Tell me about it,' and be talked through the incident until they have overcome the initial trauma."

A team of medical professionals, prosecutors and social welfare officers will be employed at the Mitchells Plain court.

"If cases are dealt with as they

should be, the Department of Justice will, in time, be able to establish the real prevalence of the offence, give better sentences and eventually, if they do not stamp out the problem entirely, at least deal with it adequately," said Mr Kahn.

Problems with accommodation are delaying the establishment of the special court in Mitchells Plain. The first court like this opened in Wynberg last year.



# RDP bonds could be way to pay for future

297

APR 10/6/94

**MICHAEL MORRIS**  
Political Correspondent

RECONSTRUCTION and development bonds — similar to the old defence bonds — are in the pipeline.

Minister of Trade and Industry Trevor Manuel said at a World Economic Forum briefing today the government was keen to harness the investment of ordinary South Africans in the national endeavour of reconstruction.

He said experience across the world had shown that one way to involve the public was to draw a financial commitment from them.

When South Africa was "ruled by securocrats" many people invested in defence bonds, Mr Manuel said.

"Now we have a national endeavour and there is a sense that South Africans want to be in on reconstruction and development."

"I am very encouraged by the kind of commitment we have seen from the private sector — a senior executive addressing this conference called for a full commitment to the RDP," Mr Manuel said.

He added that this support would be expanded when ordinary South Africans could go to the post office "and buy these kinds of bonds in the understanding that they are doing it in the interest of a national endeavour."

Mr Manuel also emphasised the need for a regional strategy that concentrated on economic development.

# Sanlam urges business to support govt's RDP

297  
10/6/94

By ARI JACOBSON

LIFE insurer Sanlam's chairman Marinus Daling came out strongly in favour of the Reconstruction and Development Programme (RDP) yesterday, and urged big business to do the same in an address to the Afrikaanse Sakekamer.

Daling said it would be big business' responsibility to invest in social development projects as well as "taking the lead in new investment projects".

"... While the private sector must work closely with the government to make a success of the RDP programme, the business sector also has an obligation and must feel free to point out the possible dangers which certain actions may hold."

Daling said that the RDP would make an "important contribution to ensuring political and social stability" which in turn would help to invert the capital outflows.

However he warned that "a stronger growing economy is prerequisite for it's (the RDP's) execution."

And for this to occur, Daling said that SA must invest in its people "for total development" rather than aiming for a "sterile quota system".

"In this way the economic cake can be enlarged," he said.

He also suggested that big business could subcontract to smaller businesses to encourage "the small business culture".



# Wheelchair with a view a delight for disabled

DI CAELERS (297)  
Weekend Argus Reporter

DISABLED children can now "stand up" and look their friends firmly in the eye, thanks to a vertical wheelchair developed by biomedical technician Mike Price.

The simple, easy-to-assemble design is the product of years of research at the University of Cape Town's biomedical engineering department (mechanical laboratory), and is a spin-off of a much heavier and clumsy earlier design.

UCT sells the plans to DIY enthusiasts, but the department's biggest customers are the Red Cross Children's Hospital and the Paarl School for the disabled in Brackenfell.

Mike's real joy has less to do with demand for the wheelchairs and more with the joy and excitement on the faces of children who suddenly find themselves in a position they never before thought possible.

"They don't know what to expect when they're being strapped in. Then all of a sudden they find they're standing. It's a whole new dimension and their faces just light up with pleasure," Mike told Weekend Argus.

Explaining the benefits, department head John Ireland said "loading" the child's legs enhanced bone growth and the vertical posture reduced the chance of pressure sores and urinary problems as it allowed the kidneys and bladder to drain properly.

Psychologically, the child moves more freely and maintains eye contact on the same level as his or her friends.

"It means they're no longer 'looked down on' which makes them much more secure in re-



Picture: OBED ZILWA, Weekend Argus.

□ **FREE WHEELING:** Biomedical technician Mike Price, the mind behind the easy-to-assemble vertical wheelchair for children that has both psychological and physical benefits.

lationships with their peers," he said.

The vertical wheelchair, which caters for children up to 10 years old, does not take the place of seated wheelchairs since disabled children cannot stay upright permanently.

■ The vertical wheelchair will be on display as part of the UCT and You research exhibition at the SA Museum in Queen Victoria Street which opens to the public today. The exhibition features research reflecting UCT's community involvement.



# For disabled it's an unfriendly city

ARLS 11/6/94

(291) (294)

■ If you're able-bodied, take time out for a second thought before you drive into the parking bay for disabled people, or use the specially designed toilet, because you could be making life difficult for someone who really needs the facilities.

## DI CAELERS

Weekend Argus Reporter

CAPE Town is definitely not a friendly city when it comes to its disabled residents — they battle with transport, lifts, ramps and toilets, and where facilities do exist, their able-bodied counterparts abuse them.

That's the unhappy picture painted by Fadila Lagadien of Disabled People South Africa (DPSA), who says that with billions set to be sunk into the Peninsula to prepare for the Olympic 2004 bid, it is imperative the disabled didn't slip "lower and lower down on the list of priorities."

"If they start developing undeveloped areas like Khayelitsha and Philippi without taking into account people with disabilities there, once again we will not be part of the community."

"With the Olympics alone, we're talking about plenty of disabled spectators, but if the para-Olympics follow we've got absolutely no hope of meeting the demands," she said.

Kathy Jagoe, head of the University of Cape Town's disability rights forum, forecast that it would take between 20 and 30 years to ensure the city catered fully for its disabled population.

"In reality we probably won't ever get the job finished," she said, but added that in the interim things would get progressively better.

Dr Jagoe has for the past six years worked towards making the UCT campus accessible for people with disabilities, and said that two or three decades would be necessary if the city applied the same principles she had used for reorganising the university. These included:

■ All new buildings must be accessible (all buildings built after 1986 are legally required to provide for the disabled).

■ All old buildings being renovated for any purpose must be checked for changes that could improve accessibility at the same time.

■ Individuals must pressure the authorities and continually examine existing buildings to see where things could be changed.

■ Buildings with the largest flow of disabled people must be identified and upgraded.

"The same philosophy can easily be applied within the city council but the bottom line is that they need to employ a full-time consultant in barrier-free design. It must not be a clerk or an able-bodied professional, but rather a disabled person who must learn all the technical details."



Picture: ANDREW INGRAM, Weekend Argus

□ **OUT OF REACH:** Disabled People South Africa's Fadila Lagadien demonstrates the inaccessibility of city facilities for people with disabilities. In an emergency, she wouldn't be able to phone home from this telephone booth in St George's Mall.

Dr Jagoe said a massive education programme was necessary — planners, architects and students should be put into wheelchairs to become familiar with the problems of the disabled and commit themselves to improving access.

"Details are as important as the structure being erected, like the height of door handles and the joining of ramps with other surfaces. And if someone isn't watching at every stage of the development, then things

aren't necessarily going to turn out the way they are on the plan.

"Details for disabled people need to be measured by the centimetre, and that's the bottom line."

Ms Lagadien said inadequate facilities and planning enforced the perception that people with disabilities were "different". Instead, planning should cater for "the worst of the worst" so that it also suited everyone in between.

City council spokesman Ted Dorman told Weekend Argus that anyone submitting plans for a new building had to include access provision for disabled people before the plans could be passed.

"We have a wonderful opportunity in this country to benefit from all the development that will take place and since the whole country is crying freedom, then let us, people with disability, also be free," she said.



# \$10m injection 'in the pipeline'

By ARI JACOBSON

US-BASED International Finance Corporation would be investing \$10m in social development projects for SA in the next month, its director Tei Mante told a media briefing at the World Economic Forum summit yesterday.

Mante was not willing to comment further until all the plans had been finalised.

"The idea is to set an example for other investors to follow," said Mante.

Mante said other areas of interest to his organisation included encouraging joint ventures with local black business.

At the same conference global fund manager Alliance Finance Corporation chairman Frank Savage said that it would be looking to sponsor black-owned businesses.

Alliance controls assets of some

297 CT11/6/94  
\$27bn and has already invested about \$90m in SA.

Savage said he was "impressed" with the way black businessmen had "survived and thrived" in the apartheid era.

However he did say that finding eligible black entrepreneurs, at present, "was like looking for a needle in a haystack".

He said it was not easy to find those who had had the opportunity to develop skills and know-how.

"So we have to use a lot of creativity to try and identify people ... we are not a charity but a profit-making fund."

Mante added that his role lay "not so much in the amount of money, but in the example set in the types of enterprises and projects that investors should pursue in South Africa".

# Govt bonds to go on sale soon

By ANTHONY JOHNSON  
Political Correspondent

SOUTH AFRICANS will soon be able to contribute directly to the upliftment of fellow citizens by buying reconstruction and development bonds.

Details of the bonds — which will operate along similar lines as the old defence bonds — are expected to be announced by Finance Minister Mr Derek Keys, possibly in his June 22 budget speech.

Trade and Industry Minister Mr Trevor Manuel said yesterday "ordinary South Africans will be able to go off and buy an interest in a national endeavour". CT 11/6/94

He said South Africans across a broad front seemed keen to support the Reconstruction and Development Programme (RDP).

The new bonds would allow the public supporting the aims of the RDP to buy bonds at the Post Office.

He said trends across the world had shown that one of the most effective ways to win support for government initiatives was to directly involve members of the public.



# Social services to cost R65bn

By SVEN LUNSCHÉ

ALMOST R65-billion will be spent on social services in fiscal 1994/95, most of it coming from existing programmes, according to preliminary estimates.

The share of total state spending going to social services has risen markedly over the past few years. In the 1993/4 Budget 44% of spending was allocated to social services.

If a similar percentage is applied to this year's R125-billion Budget then social services will cost about R55-billion.

Such spending should go a long way in helping the government get its reconstruction and development programme (RDP) off the ground.

Included in the funds is money earmarked for spending on education, housing, social security and welfare, health facilities, electrification, small business and job creation.

The government has announced the establishment of a R2,5-billion RDP fund as part of the 1994/5 Budget, jointly administered by Minister without Portfolio, Jay Naidoo, and Finance Minister Derek Keys.

Money from this fund is to be used as "seed money", says Bernie Fanaroff, an adviser to Mr Naidoo.

Mr Fanaroff sees the two

## Committed spending on social services 1994/5

Government budgeting allocation to social services	R55 billion
RDP fund	R2,5 billion
Development Bank Of Southern Africa	R2,5 billion
Foreign aid	R1,5 billion
Eskom	R1,3 billion
Independent Development Trust	R530 million
Kagiso Trust	R410 million
Small Business Development Corporation	R310 million
Industrial Development Corporation	R220 million
Total	R64,27 billion

Graphic: FIONA KRISCH

main functions of the RDP fund as a kick-start for development projects and re-emphasising spending priorities within existing government departments.

He says the government will be looking at the provinces to provide "coherent and integrated projects within the RDP".

Analysts say that the key to the success of the RDP will be a shift in spending priorities within government departments.

If previous trends are maintained this year, less than 10% of this amount will be capital expenditure, but analysts point out that salaries of teachers, for example, are a key to the success of education projects.

Billions of rands in development finance have also been set aside by parastatal institutions. The largest of these, the Development Bank, financed projects valued at R1,75-billion in 1993/4 and arranged an additional R750-million from other borrowers.

A spokesman says that similar amounts could be expected this year.

Jolyon Nuttall, communications director of the Independent Development Trust (IDT), says that the IDT plans to disburse over R530-million for calendar 1994.

The provision of electricity to 350 000 homes, one of the short-term objectives of the RDP, could cost up to R1,5-billion, but Eskom has

stated that it will be able to meet this target.

The biggest question mark hangs over foreign aid. Provisional figures released by the Department of Foreign Affairs show that almost R4-billion in aid and concessionary loan finance had been guaranteed by foreign governments soon after the elections.

Most of this money will be spread over a period of up to three years and at most a third will be available this year.

Mr Fanaroff says only grant aid would be added to the RDP fund and that the government was drawing up guidelines to evaluate foreign aid.



# Survival of a place of hope

Sowetan

13 July 1994

By Joe Mdhlela

## SELF-SUFFICIENCY Helping

### a community to help itself.

**T**HE COMMUNITY OF Thembaletu, an informal settlement in the Ciskei, will forever be thankful to the Rural Support Services for providing the funding that enabled it to survive trying times.

A non-governmental organisation funded by donor organisations, including Kagiso Trust and the Rural Support Services, is doing its best to help the desperate community to set up life-sustaining projects with the hope that it will in future manage its own development programmes.

Neglected by the now defunct homeland government of Cupa Qqozo, the community now realises it has to use its own bootstraps to uplift itself from the scourge of poverty.

The community is also mindful that whatever help it can muster, poverty and deprivation will continue to be prevalent and that only hard work and dedication will in the long run pay dividends.

Rural Support Services field worker Ms Fanelwa Mhaga makes the following comment: "What is critical for the long-term growth of communities like this one, is that they be given the skills they will need to manage their own development."

She goes on to suggest that without empowering the communities to realise or identify the most pressing needs, not

much progress will be made in the field of development, and therefore the betterment of their lives.

"Equally important, these communities need the ability to manage democratic community structures, as well as the ability to use and become accountable for the money entrusted to their care," she says.

The projects, whether irrigation nature or food production, need discipline. No headway can be made if the community is allowed to operate without a measure of accountability.

Which is why Mhaga is anxious that book-keeping skills, albeit elementary, should become an integral part of the learning programme.

With book-keeping knowledge taken care of, the community can then continue with the more productive tasks of erecting windmills which will feed and transport the much-needed water to the reservoir.

With a good supply of water available, even an arid place such as Thembaletu (a place of hope) could have its own vegetable gardens.

"The spin-off of the abundance of water is that we will now be able to grow our own food, sell part of it and still have

some left for our own consumption," says Mhaga.

It is not surprising that the chairman of the local committee, Mr Exercise Makhatangana, joins excitedly in song as trench diggers happily hum the lyrics of *Love Your Neighbour* as they celebrate the R35 000 the community has received to improve its lot. (297)

There is hope that with an abundant supply of water, diseases associated with stagnant water will be kept under control. Added to this, the Independent Development Trust is funding the erection of a clinic in the area, a move that is seen to impact positively on the improvement of the quality of life.

While the work of the NGOs is crucial in communities such as Thembaletu, there is also a realisation that this society will increasingly have to look at means and ways of striving for self-sufficiency.

The leadership in the area is teeming with ideas, one of which is to work in partnership with the owners of a game reserve at Fort Beaufort.

Already, eight white rhinos are being rounded up together with 600 other types of game for translocation to the reserve.

## Talking about growth

**What is critical for the long-term growth of communities like this one, is that they be given the skills they will need to manage their own development.**

**These communities need the ability to manage democratic community structures, as well as the ability to use and become accountable for the money entrusted to their care.**

If this happens, predicts local leader Ms Louise Mahathangana, they will be able to create jobs for a sizeable number of people within the community.

Game ranger and manager of the reserve Mr Siviwe Kobokana has already indicated he is keen on the suggested partnership and will do everything to make a success of the alliance.

These ambitions are not without some complications. The political differences, especially among the youth in the area, may threaten whatever good plans

there are, if not properly managed.

However, community leaders in the areas feel strongly that the problems are not insurmountable.

"It is crucial for successful development that these differences are recognised and managed," says the leadership.

But above everything else, suggests Mhaga, is that "we need to maintain a productive relationship between the community, the NGOs and the funding organisations".

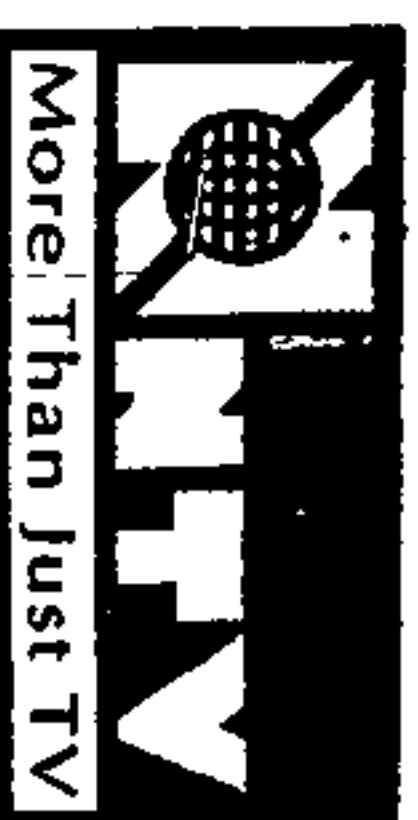
This space was made possible by the support of the Positive Development News Initiative, which seeks to document a unique development model that is evolving in South Africa where people from all walks of life — Business, Labour, Grassroots, Democratic Structures, Development Agencies and Communities themselves — are coming together in focused alliances, to play a powerful role in reconstruction and reconciliation to build a common future that will provide the foundation of a peaceful and prosperous inclusive society in this wonderful land of ours.

### Core founders of this initiative are:

Eskom  
Facet Film & Television  
Independent Development Trust

Kagiso Trust  
Murray & Roberts  
Nampak

Nedcor Chairman's Fund  
The Anglo American and De Beers Chairman's Fund  
The D G Murray Trust





# RDP to chisel SA's future

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CT 14/6/94  
By AUDREY D'ANGELO  
Business Editor

THE Reconstruction and Development Programme (RDP) will be the most important influence shaping SA's future in the coming years, Barlow Rand economist Piet Haasbroek told the Footwear Manufacturers Federation of SA yesterday.

Giving the keynote address at the federation's golden jubilee symposium at The Lord Charles Hotel, Somerset West, Haasbroek said there was a need for a far-reaching reconstruction of the economy after its deterioration over the past 13 years.

It was this deterioration which had led to political change "The fluctuations in economic activity, employment and income known as the business cycle contributed to political instability"

Haasbroek said reconciliation was necessary for the RDP to succeed. "All inter-group relations in SA were previously strained by the conviction that the winner takes all.

"Now we have to accept that we are all in the same ship together. Business, organised labour and the government must all co-operate in the reconstruction and development of the SA economy to ensure that it will be successful."

SA's declining reserves, which acted as a brake on growth, were a major constraint on the RDP "I believe that

## 'We're in the same ship'

SA will only be able to maintain a favourable balance of payments position through a managed depreciation of the rand's exchange rate."

Warning of possible dangers ahead, Haasbroek said that because the RDP was highly interventionist, "more functions imply more civil servants and more State expenditure."

It was also possible that fiscal populism, financed by lending, would cause inflation to soar and growth to fall as SA ran into balance of payments problems.

If this happened it would force SA into an Economic Structural Adjustment Programme to bring it back on the road of sound economic growth and development.

"Our main challenge will be to move from the economic recovery to a phase of sustained growth and development

"The focus should be on closing the gap between the wealthy developed core of the economy and its poor under-developed periphery

"We have shown the world how far-reaching social, political and economic change can be handled peacefully. In return SA now expects world support on the road ahead with its development"



Gordon Chamberlain (left), sales director of international leather suppliers Bevingtons Asia Co of Hong Kong and the president of the Footwear Manufacturers Federation of SA, Robert Feinblum, at the federation's golden jubilee symposium in Somerset West yesterday.

Picture: ANDREW BROWN





**HEALTH CENTRE** ... Miss Thandeka Gotyana (left) and Mrs Mbuyi Jwambi, co-ordinator of the Zibonele Health Care Centre in Khayelitsha, marked its official opening by tending to young Zintle.

Picture ANNE LAING

## Khayelitsha health care clinic opens

Staff Reporter

**PRIMARY** health care in Khayelitsha has been given a boost with the official opening yesterday of the Zibonele Health Care Centre.

The clinic, which had operated out of a converted truck, has been doubled in size thanks to the efforts of the Students' Health and Welfare Centres Organisation (Shawco), UCT's department of community health and Parke-Davis pharmaceutical company.

The multi-purpose building, in the Griffiths Mxenge area, will also serve as a community centre and the base for a community radio station capable of broadcasting over a radius of 5km.

The clinic is staffed by two nurses and nearly 20 health care workers, chosen by the community, who treat minor ailments like worms and skin infections during daily house calls.

An adult clinic is also held weekly. Sewing classes and community workshops will be held in the new wing and a soup kitchen and pharmacy have been added.



## PEOPLE WHO MAKE A DIFFERENCE

This series of profiles are sponsored by the  
Independent Development Trust

# FEEDING THE COMMUNITY

*Southeaster (Suppl to Souther)*

BY PHILLIP KAKAZA

**MOST women find it a chore to prepare food for their own families daily, but a Guguletu woman is responsible for feeding 170 000 people a month.**

Ms Popple Huna, a food technologist, is doing her best for her community by setting up kitchens for them

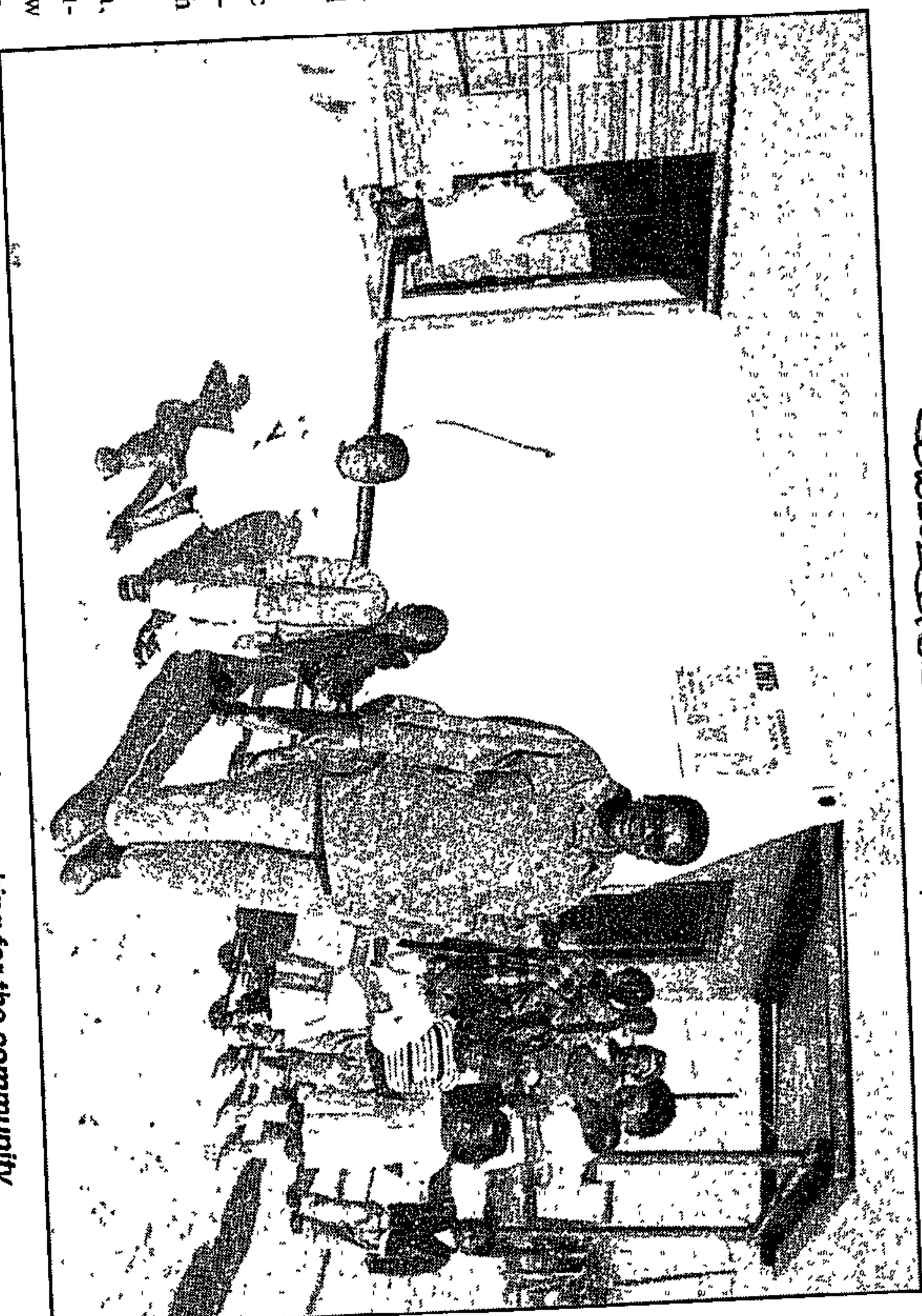
Her efforts won her the national Nestle award for her contribution to reducing malnutrition and hunger in her community

Ms Huna leads the Catholic Welfare and Development's community kitchen network, which consists of 16 kitchens.

The kitchens in Nyanga, Khayelitsha, Guguletu, Kraaifontein, Elsies River, Ocean View and Noordhoek are all run by community members.

Before the kitchens are built, Ms Huna consults with the community to find out what their needs are.

Each kitchen is subsidised by 75 percent by the Catholic Welfare and Development and the women who run the kitchens raise money to buy ingredients and for salaries.



**FEEDING THOUSANDS: Popple Huna dedicates her time working for the community**

A plate of soya-based food costs 20 cents and a cup of soup is 5 cents.

Ms Huna recommends soya-based food because it is cheaper than meat and "tastes as good".

The kitchens are also used to

1716-2116194  
demonstrate the use of soya in food and many people turn up to learn.

Ms Huna says the kitchens have become a second home to street children

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"We have to deal with many cases of street children and other

people come with their problems at home," she said

"We help where we can or otherwise refer them to social workers"

The kitchen at Maccasar squatter camp, in Khayelitsha, is run by Mrs Nondumiso Nduna

She prepares the food herself and places orders for ingredients to the Catholic Welfare Development

"We only set up the kitchens and prefer that they be run by the community," Ms Huna said.

"The process of consulting the community can take up to a year.

"I've always emphasised that the kitchens be run by people from the community.

"In the past we had soup kitchens that were run by white women and during the 1976 uprising it became difficult for them to travel to the townships.

"The other problem was communication — these women could only say a few words in Xhosa. That is why it is important to get our own people to run the kitchens."

Ms Huna's work with the community began in 1986, when she fed thousands of refugees during the Crossroads violence.

She later joined Catholic Welfare Development. She liaises between them and the community and supervises the work of the kitchens.

Ms Huna can be contacted at 25-2095.

## The IDT supports people who make a difference



# New growth phase ahead

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CT 17/6/94

By AUDREY D'ANGELO  
Business Editor

THE Reconstruction and Development Programme (RDP) could make a real contribution to growth — provided it is implemented in a responsible manner and does not land SA in a debt trap, Sanlam chief economist Johan Louw says in his Economic Survey.

And it is hoped that next week's Budget will end uncertainty about its financial implications, now troubling business and the financial markets.

Louw expects the economy to improve noticeably in the second half of this year.

"We expect that SA will achieve a growth rate of approximately 2,5% this year and that this will accelerate as the various investment programmes — especially the social programmes — get off the ground."

Although possible rises in VAT and indirect taxes that may be announced in Wednesday's Budget, together with higher property and municipal service rates, could push up inflation the reduction or abolition of import surcharges could help keep it down.

But, Louw warns, the RDP can succeed only if it enjoys the wholehearted and continued support of all sectors of the economy and if the upswing continues.

"We are therefore asking even now that regular reports be given on progress made with its implementation as well as on future objectives."

## SA must stay wary of debt trap

Louw says the RDP can hardly be faulted in its aim to improve living conditions, create jobs and expand the infrastructure.

"The apparent realisation that the total tax burden on the economy (nearly 25% of gross domestic product) is high already and that cost savings will have to be a prominent feature of the programme is also reassuring."

"We trust that the RDP will make a contribution to the more efficient application of the country's resources (the reallocation of existing funds is in fact one of the cornerstones of the financing of this programme) and to creating a better balance between current and capital expenditure by the government."

"However, there is a danger that the implementation of the RDP could lead to increasing government involvement in the economy, which could have an adverse effect on longterm growth."

"Too much emphasis is being placed on the role that government-supported socio-economic and work programmes could play in the promotion of growth in the longer term."

"In view of this we believe that insufficient attention could be given to resolving structural problems."

"In addition considerable uncertainty surrounds the financial implications of the programme — both in respect of the cost and the sources of financing."

"Although there is understanding for the complexity of these aspects of the programme it must be remembered that a lack of quantification creates great uncertainty for the business community and the financial sector."

Louw says Sanlam supports the idea of trying to reconcile the aims of the RDP and those of the previous government's Normative Economic Model.

"They do in fact correspond in a number of areas — the two programmes actually supplement each other in important respects. Consequently we believe that a refined programme could be established which will address both the backlogs in the economy and the structural problems in a co-ordinated way and with the maintenance of monetary and financial discipline."

He points out that although the RDP could stimulate the economy "on the other hand a strongly growing economy which will increase the tax base is a prerequisite for the successful implementation of the programme."

"And bearing the exceptionally low levels of gold and foreign exchange in mind, it is clear that foreign investments are of the utmost importance to strengthen the balance of payments."



# Making a difference to social investment

WMM

(297)

The Weekly Mail & Guardian plans a whole new approach to recognising social investment and responsibility, reports **Reg Rumney**

**W**HICH has been the "best" social investment project in South Africa over the past three years? Which company is the most open and communicative in detailing its social investment programme?

In attempting to answer those questions, *The Weekly Mail & Guardian* is adapting and improving its Investing in the Future Awards which accompany the annual special supplement on social responsibility and investment.

For the past three years the *Mail & Guardian* has recognised individual companies at an annual awards ceremony. In line with the changing circumstance and some feeling among social investment managers of major corporations, we are changing tack slightly.

We will investigate projects in the fields of educare, job creation and rural development, and give an award to the companies which have supported the most successful projects in the fields of educare, job creation, rural development and housing, according to criteria decided by our Investing in the Future panel.

So we are asking concerned companies themselves and people, particularly in the NGO sector, to help us identify "projects that make a difference" in terms of innovation and impact on the society.

The awards were originally inspired by the need to encourage disclosure, not only of social investment spending but also of other internal aspects of companies' social responsibility — what is known as "good corporate citizenship" in the United States.

These range from family benefits through to environmental awareness and the general approach to gender issues.

For the sake of continuity and to ensure these issues remain in the limelight, we are also launching awards for corporate reporting of social investment, responsibility and involvement.

**T**hese will be based on the reports — not necessarily annual — of social investment, as well as reporting on a number of aspects in the annual report. We will be soliciting social investment reports from companies, as well as their annual reports, for these awards.

Recognition of small business involvement in the community has been lacking.

So we are also giving a special award for small business involvement.

And once again this year, our special supplement will probe the themes that underlie the awards and are encapsulated in the phrase "Investing in the Future".



# focus on the RDP

Sowetan 2016/94

**N**OBODY can quantify the actual cost of the Government's Reconstruction and Development Programme, says the head of the PWV region's RDP Commission, Professor Ben Turok.

"I think the whole attempt to put a price tag on the RDP was a mistake.

"It is too big a programme for anybody to try and quantify," he says, arguing that the RDP should be treated in the same way as the Marshall Plan which Western countries put into place after the Second World War to help Western Europe recover from the war.

He is adamant that determining the cost of the RDP does not allay investors' fears either, particularly when there is no consensus on the actual cost.

Turok is confident that the programme can be financed through savings in both the national and provincial budgets.

There are a number of items that have been included in the previous budgets which can be safely ignored and resources directed elsewhere, he argues.

## Saving strategy

At national level, every single Government department is being scrutinised to identify possible areas where money can be saved to finance the RDP.

One saving strategy will be to cut down the bureaucracy and increase efficiency. However, he goes on to say that watering down the bureaucracy will not amount to large-scale dismissals of people as there are already a lot of jobs left vacant by people who quit when South Africa's new era unfolded.

"These jobs that I am talking about are in the budget so we do not need additional money to pay people who will fill them, we just need to advertise them, that's all," says Turok.

"The problem is not as big as we thought. For instance, I was in a meeting with other government officials a few days ago and we identified R1 million within minutes," he says.

Turok says there is money that could be found within government structures as well, an organisation like the Transvaal Provincial Administration has a budget of R6 billion and that money will be going to the PWV government.

It is estimated that the eventual budget for the PWV will be about R12 billion.

He says the TPA is likely to be charged with new responsibility so that it falls in line with the RDP.

## Initial funding

Turok says the R2,5 billion which President Nelson Mandela announced as initial funding for RDP came from savings.

This long-time Pan-African economist is in favour of duties on luxury goods such as tobacco and liquor, arguing that the money coming from such tariffs could create many more jobs elsewhere.

As for tax increases, Turok believes the forth-

PWV Reconstruction and Development Programme commission head Professor Ben Turok argues the RDP can be financed through savings in provincial and national budgets, reports

**Mzimkulu Malunga:**



**Professor Ben Turok ... The RDP is too big a programme to be quantified.**

coming budget will not see any hikes in taxes.

"The key lies with the expansion of the economy not in tax increases," he says.

While many expect a public works programme to "kickstart" the economy, Turok says the main focus in the PWV will be on stimulating productive capacity.

## Key role

Many of the projects will be based in and around the townships, and black business will play a key role in ensuring that this programme bears fruit.

As for the role of multilateral institutions such as the International Monetary Fund and the World Bank, Turok says the emphasis of the new government is not on borrowing but on investment.

He says he is happy to see a new sense of realism among economic commentators in the country. Prior to the elections the mass media were beating the drums of borrowing, but now



**"I think the whole attempt to put a price tag on the RDP was a mistake. It is too big a programme for anybody to try and quantify"**

everybody is aware of the consequences of such a move. (297) (47)

In the 1970s many African countries went on a borrowing spree and the debt-accumulated interest rates steadily climbed to the extent that by the mid-eighties Africa found itself in a deep debt crisis.

## Africa's debt

Today Africa's debt is about a trillion rands. In some countries debt repayments swallow up to 40 percent of the total value of goods and services produced in any given year.

However, this country cannot ignore these powerful financial institutions. South Africa could still benefit from the analytical studies that these organisations conduct from time to time, he says.

"At times their recommendations make a lot of sense," says Turok, pointing to the fact that in one of its recent studies on this country, the World Bank suggests a redirection of resources to disadvantaged areas.

The study, according to Turok, says that the re-allocation of resources from white to black areas will mean that no additional money will be needed to finance the reconstruction of the townships.

On foreign money generally, he says: "We are quite happy with grants, but a bit cautious with loans."

**"The key lies with the expansion of the economy not in tax increases"**



# NGOs tackle unemployment

Sowetan 21/6/94

WITH the April elections in South Africa only one month away, the atmosphere was electric: radio and TV sets appeared on office desks, shop counters and in various public buildings.

During the hourly news bulletins small groups gathered to catch up on the most recent statements by politicians, the latest incidents, or on progress in voter education.

The talk was all about the elections.

One of the issues which almost all South Africans of whatever colour or political affiliation agreed on, was that after the elections there would have to be a major effort to tackle the huge problems of unemployment among young people.

Estimates of the number of young South Africans without jobs vary considerably — perhaps hardly surprising when even the size of the electorate was not known with any accuracy. (297) (188)

But most of those working with and for the non-governmental organisations (NGOs) active in youth work were agreed that a figure of eight to nine million unemployed young people was a sensible estimate.

And it is these NGOs which are at the forefront of practical attempts to tackle the problems faced by unemployed young women and men.

As the elections drew nearer, so the activities of these NGOs gathered pace — a sense of urgency and determination characterised their work.

One of the major NGOs active in the field of youth worker training is the Southern African Association of Youth Clubs.

## Acronyms

Like their counterparts throughout the world, they delight in a bewildering array of acronyms.

They recently brought together 35 youth workers from other NGOs throughout South Africa for a workshop designed to enhance their skills in some key areas and to assist their attempts to tackle the pressing issues of young people.

The workshop, held in the sleepy town of Rustenburg in the Transvaal, was intensive, active and — judging from the loud shouts and roars of laughter which continually emerged from the training room — highly enjoyable.

Bewildered hotel staff looked on in amazement as grown men and women applauded — or tried to disrupt — each others' attempts to throw sweets into cardboard boxes.

But this was no frivolous distraction, rather it was an important component of the programme run by John Fowler from the Commonwealth Youth Programme of the Commonwealth Secretariat in London.

He was one of the team of facilitators put

**Learning about taking risks is hugely important for anyone wanting to develop enterprise skills**

together by SAAAYC.

Fowler explained the significance of the "sweet-throwing" exercise.

"An important feature of the strategy to increase employment opportunities for young people in South Africa must be the stimulation of self-employment and small business development.

"Of course, that is only likely to play a small part in the overall attempt to generate jobs but it is vital for youth workers to understand the principles of entrepreneurship and to be able to pass these on to the young people with whom they work.

"That way they will be able to assist young South Africans to become enterprising citizens and take advantage of all the opportunities that may come their way."

He added: "Learning about taking risks — and assessing your own ability in this area — is hugely important for anyone wanting to develop enterprise skills.

"This exercise, throwing sweets into a box from a variety of distances, with extra points given for the longer distance throws, is one we've developed in CYP to get people thinking about risk taking."

A heated argument broke out between two groups of participants after one group removed the wrappers of the sweets in order to make them easier to throw.

"Well, that's an opportunity to decide whether we're dealing with breaking the rules or simply adapting to the circumstances — like any good entrepreneur".

Throughout South Africa NGOs are engaged in intensive programmes of training for youth workers. Their activities are invariably innovative, exciting and energetic and make a vital contribution to tackling the problems of young people.

If, as some assert, the health of a community is indicated by the health and dynamism of the NGOs within it, then South Africa, despite its enormous problems, is in good health.

And, whether the wrappers stay on the sweets or not, the young people of the townships, the rural communities and the towns are set for some innovative training to help them to tackle some of their more pressing problems. An important feature of the strategy to increase opportunities for employment for young people in South Africa must be the stimulation of self employment and small business development. — *Commonwealth Feature.*

**Centre for deaf  
in Newlands**

RRG 2216/4  
THE Western Cape's  
first community centre  
for deaf people opens to-  
day at the Bastion in  
Newlands. (297)

Kobus Pienaar, re-  
gional director of the  
South African National  
Council for the Deaf,  
said the 34-roomed  
building would be re-  
stored by unemployed  
deaf workers as part of  
a job creation project.

— Staff Reporter.



# Fight is on for RDP funds

23/6/94

DAVID GREYBE

CAPE TOWN — Government departments are squaring up to fight for their slice of the R2,5bn reconstruction and development programme fund that is to be used to tackle poverty.

While Finance Minister Derek Keys announced that spending on projects financed by the RDP fund had still to be finalised, the Budget increased social spending across the board, ranging from 7% on health to 15,6% on housing.

Spending on social services (education, health, social security and welfare, housing, and recreation and culture) increased to 45% of the Budget from last year's 44,1%. Education spending increased 11,5% to R29,2bn, including R4bn in the former TBVC states. Health was allocated R14bn. Provision for primary health care services increased substantially to 25% of

the total health budget, which was achieved by "restricting growth" in secondary and tertiary health care.

Housing Minister Joe Slovo was allocated R2,2bn for housing and related infrastructure. But this excludes housing-related spending in the former homelands.

The Water Affairs and Forestry Department was allocated R468m, an increase of 13,9%. Surveys of water needs in rural communities are to be undertaken in consultation with provincial authorities. Mapping of ground water sources has been identified as a priority.

About R417,6m was made available for a "general increase" in welfare grants.

An amount of R292m was allocated to

□ To Page 2

## RDP

BIDAY 23/6/94

□ From Page 1

job creation, including R247m to be rolled over from the Manpower Department's last budget. The National Economic Forum has approved about 450 projects, making up R222m of the job creation budget. The forum has also finalised allocations for a further R28m to non-governmental organisations and development corporations for the small business development support programme.

Three additional, but related, allocations were also announced: R72,8m for an expanded scheme for training unemployed people including a new on-the-job training scheme; R80,4m for the Small Business Development Corporation and other institutions; and R601,4m for the regional industrial development programme.

Deputy Finance Minister Alec Erwin told a news briefing that RDP priorities included feeding schemes for primary schools, free health care for the young and upgrading townships.

Keys estimated that the RDP would cost R37,5bn over the next five years, beginning with R2,5bn this year and increasing by that amount each year — up to R12,5bn in the fifth year. The Budget Review put the cost at R40bn.

But Keys said further speculation on the RDP's cost was unnecessary. "There is no further need to pursue calculations regard-

ing the ultimate cost of its completion. Instead we have a process in which we can have confidence and which will develop as we progress."

This process was made possible by a vision "of where we are heading, and how we want to get there".

Government was committed to a three-pronged approach: the RDP, fiscal responsibilities and economic growth.

Erwin praised Keys for having achieved a "remarkable" balancing act between these priorities, and said he could not foresee any difficulty selling the Budget package to the ANC or its constituency.

Keys said the RDP estimates would be supplemented by contributions from other governments and the private sector.

The Budget Review said the RDP fund could be boosted by proceeds from the possible sales of state assets.

The fund will be administered by the Finance Department. Allocations would be made by Minister without Portfolio Jay Naidoo and the Cabinet, helped by the central Economic Advisory Service. A special Cabinet committee would assume broad responsibility for the RDP.

Co-ordination would also require co-operation with donors, business, labour, government departments, institutions and development agencies.

# R2,5bn for reconstruction

(297)

CT 23/6/94

## Political Staff

THE allocation of R2,5 billion this year to the Reconstruction and Development Programme Fund represented "slightly less than three per cent" of the current level of spending by central government, Finance Minister Derek Keys, told the National Assembly yesterday.

The R2,5 billion would be put into the fund, which would be created by legislation shortly.

Delivering his Budget, Mr Keys said that the funds would come from decreases within the budgeted level of departmental expenditure — without increasing the planned level of total spending.

Mr Keys said further amounts could be diverted through the

## RDP 'will not raise spending'

same means in future years and the figures of R5, R7,5, R10 and R12,5 billion had been "pencilled in" for transfer to the RDP fund in the next four years.

All other departments would be required to adjust downwards in order to accommodate this.

This steady build-up allowed both the existing government machine to plan the adjustments needed and for the new spending directions to be organised effectively.

Mr Keys said he believed the amount provided was "ample ammunition for this long-term campaign".

"There is no further need to pursue calculations regarding the ultimate cost of its completion. Instead we have a process in which we can have confidence and which will develop as we progress," he said.

The biggest departmental budget cut was in Defence, which contributed some R650 million to the RDP, while R200,3 million came from Education, R200 million from Police, and R158 million from Regional and Land Affairs.

A contribution of R606,7 million came from the TBVC homelands and self-governing states, and R220 million from the four former provinces.



# Social spending <sup>(297)</sup> CT 23/6/94 upped by 10,4%



By BARRY STREEK  
Political Staff

SOCIAL spending on education, health, housing and water is to increase by 10,4% during the current financial year for a total of R46,6 billion.

This is considerably larger than the overall 6,5% increase in the budget and is also above the inflation rate.

It includes R29,2bn for education (11,5% increase), R2,2bn for housing (15,6%), R14bn for health (about 7%) and R468m for water provision (13,9%).

Social grants payments will increase by R417,6m and an additional R45m will be voted for job creation, which together with ap-

proximately R247m, will provide an amount of R292m.

The Department of Finance said the aggregate of R29,2bn, including R4bn on education votes for the former TBVC states, demonstrated education continued to be a high priority for the government.

The budgeted allocations included provision for continuing expansion of the college and school sector, while the funding of universities and technikons worked on the same basis.

In health, the provision of health care services had increased substantially to some 25% of the total health budget and was accommodated by restricting growth in secondary and

tertiary health care.

The department said the R2,2bn allocation for housing and related infrastructure excluded housing-related expenditures in the Budget allocations to the former TBVC states.

Considerable progress had been made in the design of a government subsidy instrument for the promotion of low-income housing development, which would in due course replace various existing schemes.

This would inject substantial government spending into home-building and would at the same time enable a much larger proportion of households to invest in their own homes, the department said.

# Top earners to pay for transition

By PETER DENNEHY **ET** 23/6/94

THE new five percent levy which will affect thousands of taxpayers, will be taken off Pay As You Earn (PAYE) by employers from the end of next month — and it will continue for 14 months.

Everyone earning under R50 000 is exempt from the levy, as are married women earning under R175 000.

The effect of the new tax is that someone who earns R100 000 a year will, for the next eight months, have to pay an extra R208 a month in PAYE tax. For the remaining six months, the payments decline to R139 a month.

Five percent of the difference between R50 000 and your salary is to be taken off in two phases. In the eight months from this July to the end of February next year, a total of 3,33% of everything above R50 000 will be taken by the taxman.

These figures are given in the "annual increase" column on the adjoining table of numbers. The next column, "monthly PAYE increase", is simply that figure divided by eight.

After these eight months, instead of charging 3,33% on everything over R50 000, the taxman will take a total of 1,67% of next year's difference between R50 000 and your taxable income — this time over six months.

The 3,33 and the 1,67 add up to the "5% levy".

Taking just three examples of what will be payable next year: Someone earning R70 000 next year will pay R56 a month; at R100 000 it will be R139 a month; at R150 000 it will be R278 a month.

The levy will pay for the costs incurred by the transition, which amount to about R4 billion.

● Price tag for transition — Page 8

TAXABLE INCOME	NO CHILDREN		ANNUAL INCREASE	MONTHLY PAYE INCREASE
	1994	1995		
R	R	R	R	R
50 000	9 975	9 975	0	0 *
52 000	10 795	10 862	67	8 *
54 000	11 615	11 748	133	17 *
56 000	12 435	12 635	200	25 *
58 000	13 255	13 521	266	33 *
60 000	14 075	14 408	333	42 *
62 000	14 915	15 315	400	50 *
64 000	15 755	16 221	466	58 *
66 000	16 595	17 128	533	67 *
68 000	17 435	18 034	599	75 *
70 000	18 275	18 941	666	83 *
75 000	20 375	21 208	833	104 *
80 000	22 475	23 474	999	125 *
85 000	24 625	25 791	1 166	146 *
90 000	26 775	28 107	1 332	167 *
95 000	28 925	30 424	1 499	187 *
100 000	31 075	32 740	1 665	208 *
110 000	35 375	37 373	1 998	250 *
120 000	39 675	42 006	2 331	291 *
130 000	43 975	46 639	2 664	333 *
140 000	48 275	51 272	2 997	375 *
150 000	52 575	55 905	3 330	416 *
160 000	56 875	60 538	3 663	458 *
170 000	61 175	65 171	3 996	500 *
180 000	65 475	69 804	4 329	541 *
190 000	69 775	74 437	4 662	583 *
200 000	74 075	79 070	4 995	624 *
225 000	84 825	90 653	5 828	728 *
250 000	95 575	102 235	6 660	833 *
275 000	106 325	113 818	7 493	937 *

**HITTING THE POCKET . . .** This is the effect the new one-off levy will have on what you pay in tax. Everyone with a taxable income of less than R50 000 a year is exempt from the 5% levy. Married women with taxable earnings below R175 000 a year are also exempt.



# Transition

297

## levy finds

23/6/94

## no support

THE Budget would stimulate economic growth while making substantial provision for social services, the National Party said yesterday.

NP spokesman Mr Danie du Plessis said the Budget contained sufficient elements to promote growth.

However, he expressed reservations about the one-off levy to cover the costs of the transition.

"The functioning of the Independent Electoral Commission and its lack of financial discipline which the taxpayer now has to account for is an example of how state expenditure should not occur."

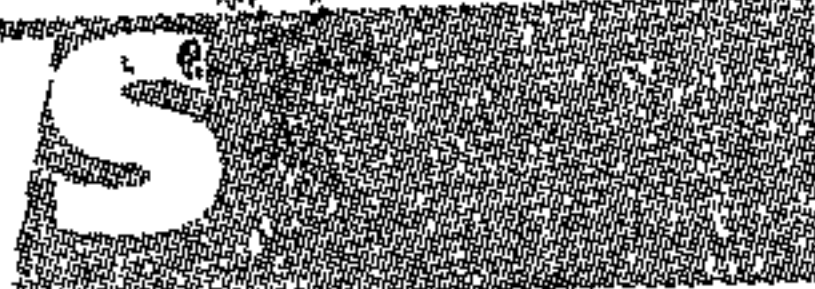
"Extravagant promises by some ANC ministers have already made the danger lights flicker. Ministers must realise they can only make promises within the framework of the Budget."

● In its reaction the CP strongly objected to the five percent levy.

"The CP strongly objects to the squandering of R4bn by the TEC and the IEC."

The insufficient increase in social, military and civil pensions would result in a further lowering of living standards in a sector of the community which, in some cases, was already below the breadline, it said.

● The Freedom Front said most of the transition expenditures had been unnecessary. The failed National Peacekeeping Force had cost the taxpayer R395m and the Independent Electoral Commission had overshot its budget by R700m. — Sapa



*'Remember the poor, hungry and sick'*

# Operation Hunger *Star 23/6/94* faces cash crisis

■ BY SHIRLEY WOODGATE

Operation Hunger, the country's oldest and largest independent feeding and rural development scheme, is in crisis and may have to curtail its services to millions of destitute people unless public donations are stepped up.

This announcement by acting director Mpho Mashinini comes ahead of the launch of a major fund-raising drive dubbed "Give more than a thought", which is aimed directly at private individuals and organised business.

"We cannot afford expensive advertising and gimmick promotions at the expense of a meal for a child. Therefore we

**URGENT appeal to individuals and business to prevent aid body's coffers from running dry**

are appealing to each and every citizen of our new, free country to remember those shackled by hunger and poverty, and sick with malnutrition in this bitterly cold weather," Mashinini says. (297)

His appeal follows the demise of the once-lucrative Gold Rush contest which was forced to close down after increased competition made it unprofitable.

Mashinini says that after a six-month investigation it has been decided to overhaul administrative systems, cut back staff and, while continuing the essential feeding operation, to change the organisation's focus to that of a developmental welfare body.

Operation Hunger will focus on issues which undermine the health of communities.

"Issues that will now be tackled, in addition to the feeding projects, include programmes to correct food diets from birth, make possible clean drinking water, and working with communities in developing health standards through community income generation," he says.



CT 23/6/94

## Feeding group needs help

JOHANNESBURG. — Operation Hunger, perilously close to closing down its feeding and support programmes, appealed for help yesterday.

Acting director Mr Mpho Mashinini said recent political developments had in no way changed the fortunes of the hungry and the homeless. (297)

"I appeal to South Africans to give this more than a thought. We are not the sort of organisation that can afford expensive advertising or gimmick pro-

motions, certainly not at the expense of a meal ticket for a child."

The group has had to reduce its staff and administration considerably.

Mr Mashinini said Operation Hunger would become a developmental welfare group and would focus on feeding projects, programmes that correct diets from birth, make possible clean drinking water and develop community health standards — Sapa

# Keys budgets for the RDP

(297)

The Budget will be the key source for RDP funds, Finance Minister Derek Keys insists. **Mondli waka Makhanya** reports

**A**LTHOUGH still buried in political speak, the shape of the Reconstruction and Development Programme is clearer following this week's Budget.

At the heart of the programme will be the RDP Fund, which was kick-started by President Nelson Mandela in May with a R2,5-billion injection. Run by the Department of Finance, this fund will receive money from both foreign and domestic sources. Minister without portfolio Jay Naidoo will head a cabinet committee that will have charge over the use of this fund and will liaise with the Central Economic Advisory Office.

The government will table a white paper within weeks, spelling out in detail RDP structures, policies and priorities.

What Finance Minister Derek Keys emphasised in his Budget speech was that the RDP Fund, which will grow to R40-billion over the next five years, was only supplementary to the Budget itself.

"The primary source of finance for reconstruction and development is the Budget itself and the RDP Fund is intended as a mechanism to leverage priority changes," Keys said.

However, a matter that is still of concern to the business sector and potential investors is the exact means of financing the RDP.

The Budget is still woolly on the subject, only listing options. Until such time as this is clarified and specified, a lot will be left to speculation and doomayers will continue having a field day.

"It's regrettable that there wasn't more information about this because this is what the market and investors are looking for," says Sanlam economist Johann Louw.

Since the primary source of finance will be the government itself, a major source of the funds will have to fiscal

belt-tightening within departments. Finding the initial R2,5-billion was a trial run in this respect and will be stepped up in years to come.

The government also envisages windfalls to come from the redirection of government priorities and rationalisation of apartheid bureaucracy, especially after next year's Budget in which the ANC will have the major say. It is also hoping that the economic upswing will reap more tax funds. Then there's the plethora of government-funded development institutions, some of which have billions locked in.

**T**he Development Bank of South Africa and the Independent Development Trust will play a major role as they have infrastructure and funds in place. In the case of the IDT — which has had R2-billion locked in its coffers for more than four years — the normalised political situation will allow it to operate much easier in targeted areas. Non-governmental organisations will also play a key role in the RDP.

WM 24-30/6/74  
Keys also stressed that the private sector would also play a big role, particularly in housing. The government is creating instruments to this effect. One that has been referred to on many an occasion are RDP bonds.

Although the government has said it will be wary of enslaving South Africa to foreign creditors, it will nonetheless use foreign loans for rebuilding the country. This is especially so as South Africa is underpinned by international standards and therefore has room to manoeuvre on foreign borrowings. Keys singled out the World Bank as a potential source of finance for reconstruction and development funds.

What makes foreign borrowing even more attractive is that it will stop the government from competing against private borrowers for money at local banks. This will enable banks to keep interest rates in check and, in turn, theoretically have spin-offs for fixed investment, a crucial element in the RDP's job creation plans.

See PAGE B1, Business Mail



## IDT 'Mr Fixit's efforts create a more humane environment for squatters



At Orange Farm an electrification process is under way.

# 'Messiah' of the squatters

By Joe Mdhiela

**■ FORGING CHANGE** *One man's commitment achieves the impossible:*

**T**he ordinary man of Nazareth became a world celebrity more than 2 000 years ago, performing miracles, breaking racial barriers, healing and reconciling those who were at odds with each other and embracing prostitutes.

Today we have our own messiahs thrust on the modern world by events just as flawed as those that existed in the Palestinian world, necessitating divine intervention.

In the hopelessness of the Orange Farm squatter situation, Mr Thami Majozi, a paraplegic, has done what seems an impossible task by literally forcing authorities to install electricity in each and every shack.

Not wishing to let up after his electricity gains, Majozi negotiated for the installation of telephones, in the process, "killing" the myth that things like electricity and telephones are a luxury blacks cannot afford, especially if they to stay in tin shack.

Through his initiatives, Majozi is determined to prove that he is the "messiah" of his people and that he will not rest until his people are treated with dignity and provided with basic necessities.

Indeed, just like the Man of Nazareth, Majozi comes from poor surroundings, doing what he does out of commitment to his fellow human beings.

The indefatigable man is equally committed to improving the quality of education as well as establishing job-creation projects which he hopes will benefit residents of Orange Farm.

"In the order of things, education must be a priority because it will enable our community to do things for themselves, rather than relying on handouts and the goodwill of other people," says Majozi.

### Community efforts

Presently the area boasts 12 schools, all built through the efforts of the community. He is hoping that within a short period 19 more schools will be built.

"If we have education, we have the weapon to fight all social ills and reduce the crime rate quite drastically."

Majozi lives the old Chinese saying that it is better to teach people to fish than to give them a fish.

"If you give people fish, they will come back again, but if they know how to fish, you will never see them again because they can do it for themselves," he says.

For him that is the best analogy to explain the value of self-reliance.

Majozi recently established the Palestine Hive, a training centre that provides skills ranging from candle-making, wire fencing, milling and brickmaking.

The Hive, sponsored by the Small Business Development Corporation, is a wholesale business with the capacity to service mushrooming "spaza shops" within the squatter camp.

Like the Man from Nazareth, Majozi wears many hats — he is many things to many people.

He is project co-ordinator to the civic organisation he helped to establish. "Civic organisations are as strong as the leverage they have. It is therefore necessary to have at the helm a person who co-ordinates projects that are aimed at strengthening community structures."

Majozi, who is also chairman of the traders' association, holds the important position of president of the United Taverners' Business Forum. Through this body he gives direction as to how taverners can play a big role in creating wealth and job opportunities.

As you travel around the Orange Farm squatter camp, you see a lot of smalltime traders operating from kiosks, saluting him as he passes in his wheelchair.

As he passes by the shouts of "Mr Fixit" bombard you from all quarters, testimony that Majozi has "fixed" the settlement, converting it into a more



There is hope of job creation in Kwaguqa.

humane place to live in.

Another man who has pulled himself up by his own bootstraps is Mr Isaac Sibanyoni of Kwaguqa near Witbank.

Living in a shack in his area, Sibanyoni soon became frustrated with his miserable life and decided to do something positive about improving it.

Unemployed as a result of being retrenched by a dragline engineering company, Sibanyoni mobilised resources and with the help of the Anglo American Small Business Corporation established Simunye Dragline Engineering Company.

"The idea behind establishing this company is to secure jobs for the many unemployed squatter camp residents," says Sibanyoni.

In addition, Sibanyoni has established an agency for the unemployed called Unemployed Voice of Kwaguqa.

The dragline company, which he runs with the assistance of operating director Mr Koot du Preez, is expected to attain R2,5 million turnover this year.

Watch NNTV tonight at 9pm for another version of these two black stalwarts.



## NEWS DBSA lends a helping hand ● National appeal for blankets, clothes and money



Members of the South African National Defence Force remove the body of 25-year-old Mrs Thuli Ngwenya after she was shot by unknown gunmen at her home in Tokoza on the East Rand yesterday morning.

PIC: SELLO MOTSEPE

# R1,7-bn injection for Govt's RDP

By Themba Molefe  
Political Correspondent

THE Reconstruction and Development Programme is to get about R1,7 billion from the Development Bank of Southern Africa over and above the State's own R2,5 billion allocation.

The DBSA also announced that its policy team was involved in helping the Government draw up the White Paper on the RDP, which is expected to be ready for legislation during the next sitting of Parliament in August.

In a statement accompanying its annual report released in Cape Town last night, the DBSA said it would fund 267 RDP projects worth R1 703 million.

"Adopting a human development approach in its operations, DBSA has drawn particular attention to participation in the development process,"

the statement said.

The DBSA's announcement coincides with the tabling of the RDP Funding Bill in Parliament and discussion of the Budget by a select joint committee on finance this week.

The pledge would also bolster the campaign for funds, which includes cutting of expenditure by the restructured departments of the government of national unity. (297)

In its estimate of expenditure for the 1994-95, the Department of Finance said it would need R24,8 billion to meet the current State debt.

The DBSA, which is a parastatal institution, had a total funding commitment of R8,9 billion for 1994 for projects ranging from infrastructural to human, urban and rural development.

Funding the RDP therefore becomes a totally new commitment to helping the GNU get off its feet.





## NEWS DBSA lends a helping hand • National appeal for blankets, clothes and money

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# R4,3bn reconstruction boost

297

CT 28/6/94

By ANTHONY JOHNSON  
Political Correspondent

THE government's R2,5 billion Reconstruction and Development Programme (RDP) will receive a R4,3bn boost from the Development Bank of Southern Africa (DBSA) and from sales of the country's strategic oil reserve.

Director-general of the Department of Mineral and Energy Affairs Dr Piet Hugo told the parliamentary standing committee on finance yesterday that about R2bn could be taken from South Africa's oil stockpile for the RDP.

The DBSA annual report, released last night, says R2,271bn will be released to

supplement the RDP — about R1bn of this in the coming year.

The report says the bank approved 267 new projects in the last year, worth R1,7bn, with a further R569m coming from borrowers and other funders.

The DBSA's total financial commitment to development projects amounts to R8,9bn,

with a further R2,1bn worth of projects under consideration.

The report notes that the DBSA's policy team is assisting the government in drawing up a White Paper on the RDP.

It says the DBSA has assets exceeding R6bn and was recently recognised as one of the top development banks in the world.



# Law drafted for special new fund

PARLIAMENT. — Draft legislation providing for a special fund to underpin the Reconstruction and Development Programme was published in Parliament yesterday. (297) et 29/6/94

In terms of the Reconstruction and Development Programme Fund Bill, the fund may be credited with money from parliamentary appropriations, domestic and foreign grants, interest on its investments, the proceeds of the sale of state assets as well as money from other sources.

The fund will be used to implement the RDP, according to statutory requirements and related administrative costs.

An account in the name of the fund will be held at the South African Reserve Bank.

National and provincial authorities allocated money from the fund will be required to surrender unspent funds at the end of each financial year.

Money not required for immediate use may be invested with the Public Investment Commissioners or with financial institutions approved by the Minister of Finance. — Sapa

# RDP to benefit from cellular phone income

Political Staff

CT 29/6/94

(297)

POSTS, Telecommunications and Broadcasting Minister Dr Pallo Jordan yesterday announced that the R40m in revenue gained by his department from the two cellular licence holders, Vodacom and MTN, would be donated to the Reconstruction and Development Programme.

Dr Jordan told Parliament that his department's ordinary revenue included an amount of R20m as a single payment by the two cellular licence holders.

This amount plus an additional R20m in licence fees received from Vodacom and MTN during the previous financial year would be transferred to the State Revenue Fund as the contribution of the department to

the RDP.

Dr Jordan said he would consider donating the revenue received from cellular licence holders to the RDP in future years. The two licence holders are due to pay about R100m to the department over the next five years.

The total expenditure proposed for appropriation was R79m while the revenue expected was R84m, which meant that the department was financially self-sufficient.

He said postal and telecommunications services in the former homelands would remain the responsibility of the government for the time being, while in the rest of South Africa these services had been transferred to two state-owned companies — SA Post Office Ltd and Telkom SA Ltd.



# Govt set to redistribute 30% of SA

## Political Staff

THE government intends redistributing 30% of South Africa's land over five years starting next year, Land Affairs Minister Mr Derek Hanekom said yesterday.

Mr Hanekom would not say what land would be targeted, but indicated it would include land owned by bankrupt white farmers as well as by the state.

White farmers indebted to the point where they were unable to service their debts — "the sequestration cases — should no longer be bailed out"

Security of tenure for tenants, such as farm workers who had lived on farms for generations, would also be addressed.

"Obviously they want security of tenure where they are," Mr Hanekom said. It was a delicate issue, but a White Paper would be published after a thorough investigation.

The Sub-Division Act of 1970, which restricts the purchase of portions of larger plots of land, may be revised.

Mr Hanekom said he would ask for at least 10% — R250m — of this year's R2,5bn Reconstruction and Development Programme fund, most of which would be used for compensation payments under a land restitution programme.

Mr Hanekom said his department was also busy with a "major market reform initiative to rationalise finan-

cial institutions" such as the Land Bank, the Agricultural Credit Board and the Development Bank of Southern Africa.

He estimated that the land reform programme would cost R2bn a year for the next five years.

He said his department still planned to redistribute 30% of SA's land, as stated in the RDP, starting one year after the April election. However, Mr Hanekom conceded that "there is no scientific basis for the 30% redistribution figure".

He said a cabinet memo was being prepared to appoint a committee to probe rural finance needs.

Financial institutions had to ensure that rural people got access to finance "both for land purchases and the establishment of small enterprises".

## Financing

The Land Bank's mission had to be redefined, as "it cannot duplicate the functions of commercial banks".

The Land Bank would have to support the government's land reform programme, providing financing to "those who are unable to go the normal commercial bank routes".

Mr Hanekom said the restitution programme should be made law during the August parliamentary session, paving the way for the appointment of Land Claims Court judges and members of the Restitution of Land Rights Commission.

# Sacob sets up RDP task force

JOHANNESBURG. — The SA Chamber of Business said yesterday it was setting up a task force to put forward business' contribution to the government's RDP. (S) (297)

Sacob president Cedric Savage said the task force would also formulate proposals to input into the planned White Paper on the RDP.

"The business sector ... can and will involve itself in the RDP in those areas where it has the capacity to do so. CT 30/6/94

"These areas include the provision of employment opportunities, the training and upgrading of the work force, and the creation of opportunities for small business to develop and flourish."

However, Savage stressed the RDP's success was dependent on a growing economy. — Sapa



# Telkom denies overcharging

MELANIE SERGEANT

TELKOM's pre-tax income of R1,2bn for the year to March surged 57% over the annualised figure for the previous year, the company said yesterday. *30/6/94*

Earnings rose 5%, or R57m, from the figure for the 18 months covered in the previous annual report. Chairman Jack Clarke said the healthy profit might smack of "overcharging", but in reality the fruits of commercialisation were being reaped.

"Sound business principles and tight management of our capital programme have been largely responsible, along with lower depreciation and interest charges.

"Income for the 12 months increased significantly, partly because we had a tariff increase a little earlier than usual (albeit much below the inflation rate), but of major benefit was the improved economy

and the higher volumes of both voice and data business." *(267)*

The tariff increases brought into the coffers about R70m that had not been budgeted for, but "this is a small amount in comparison to our total earnings".

Clarke said there would be a R2,5bn capital programme this year. Retained earnings of R633m would be reinvested in various projects. "The retained earnings should be differentiated from the capital programme, and seen as just one source of funding along with depreciation and internal cash generated." The tax bill was R410m and government, the sole shareholder, would get R126m in dividends.

*To Page 2*

## RDP

*BIDay 30/6/94* ☐ From Page 1

it has the capacity to do so".

But such involvement should be "undertaken in a manner consistent with the long-term objectives of the programme" *(297)*

The IDC said it needed to help create between 16 000 and 20 000 jobs each year for its contribution to be in line with the RDP's goal of creating 300 000-500 000 job

opportunities.

Senior GM Malcolm MacDonald said the IDC had recommended that it pour one-third of its net income into a new technology fund, rather than pay an annual dividend to government. The fund could be used to support innovative product and process development.

# RDP to be all-embracing effort

(297)

CT 30/6/94

THE government's Reconstruction and Development Programme is set to become an all-embracing effort with legislation likely before the end of the year and moves to include regions, the private sector and all state institutions.

The government has called for inputs from a wide range of organisations, while Minister

Without Portfolio in charge of the RDP, Mr Jay Naidoo, is planning visits to all provincial authorities next month.

But some snags have already been experienced with a letter requesting inputs arriving at some institutions a day before the deadline for their submissions.

Mr Naidoo's senior assistant

Mr Bernie Fanaroff said yesterday the deadline for submissions would probably be postponed for about a fortnight.

He emphasised the RDP effort was intended to include more than the R2,5 billion fund and would be reflected in most government departments in next year's Budget.

Consequently, institutions

had been asked for proposals on how reconstruction ought to be implemented, including methods of financing the effort.

These proposals would form the basis for the RDP White Paper currently being prepared which would be published before the end of the year. Legislation would probably flow from this.



# Businesses prepare input for RDP plans

CAPE TOWN — Business and development institutions have begun making submissions to Minister without Portfolio Jay Naidoo on their proposed involvement in the reconstruction and development programme.

Government departments have also been asked to make proposals. Naidoo's immediate goal is to produce a White Paper from the submissions, with legislation likely before the end of the year.

Naidoo's senior assistant Bernie Fanaroff said yesterday the RDP effort entailed more than just the R2,5bn RDP fund.

It would be reflected in the direction most government departments took in next year's Budget. The programme would also need contributions from a wide spectrum on its implementation, including funding methods.

The proposals were due in today, but the deadline was extended after delays in sending out letters calling for input from organisations. It is understood that some institutions were notified about the think-tank only on Tuesday.

The Independent Development Trust handed in its assessment yesterday, providing a critique of the IDT's R800m serviced site capital subsidy scheme.

The SA Chamber of Business undertook to establish a task group to examine industry's contribution to the programme and its input on the White Paper.

The Industrial Development Corporation — which has already tabled its proposals — has recommended that regional corporations and the Small Business Develop-

ment Corporation be rationalised to serve the nine provinces. 30/12/94

Fanaroff said Naidoo would visit provincial authorities over the next month to discuss the programme.

The White Paper would address development in general and would be distinct from the legislation proposing the creation of an RDP fund. 29/12

IDT housing director Ben van der Ross said the capital subsidy scheme — launched in 1991 to subsidise the transfer of serviced plots to low-income urban residents — would be completed early next year. It was unlikely to be repeated. Instead the IDT would play a facilitative role in other agencies' development initiatives.

The system had left little choice to the beneficiary, who was often consulted late in the process and on limited terms. It also disadvantaged community-based developers with its lack of time for applications and by not providing up-front mechanisms to assist with bridging finance.

IDT steering committee chairman Prof Alan Mabin said there was no answer to the question of whether the public received good value from the scheme.

Sacob said business would focus its RDP involvement on providing employment and training, and nurturing small business development.

President Cedric Savage said that business "at national and regional level can and will involve itself in those areas where

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□ To Page 2

## Telkom

Apart from the R311m spent extending the network for the elections, part of which would help provide community pay-phones in low-income areas, a key focus for the next couple of years would be the wider provision of services. 26/1

Government's reconstruction and development programme called for the provision of phones at all schools and clinics, and Telkom hoped to achieve this within two years. More than 15 000 pay-phones would be installed in the next five years.

In the annual report, Telkom said pricing structures laid down in the statutes meant the Minister's approval was needed for tariff adjustments. "The pricing structure reduces Telkom's competitiveness in the telecommunications industry and constitutes a major priority which will have to be addressed as soon as possible."

Clarke said the tariff issue had always

been politically sensitive.

New services included broadband integrated Services Digital Network, as well as access to the Diginet network for businesses outside the metropolitan areas. Diginet allows companies to send large amounts of data quickly.

The test phase of detailed billing had been completed on the West Rand, and would be extended gradually to the rest of the country. Another new service will be voice mail, which will allow clients (and people without phones) to have messages recorded for retrieval when they are away from their phones.

A pilot metropolitan area network, which allows data transfers of up to 34 million bits a second, had been commissioned in Cape Town, and if successful more such networks would be installed on the Reef this year.

□ From Page 1



# SA in peace pact

Own Correspondent

**MAPUTO** — President Nelson Mandela started his three-day state visit to Mozambique yesterday by signing a joint co-operation agreement covering security, trade, agriculture, transport and the Cahora Bassa hydro-electric scheme.

The agreement confirms the Nkomati Accord, signed in 1984 between former SA President P W Botha and former Mozambican President Samora Machel, but it is expected the new security commission will strengthen security arrangements.

Shortly after arriving yesterday afternoon, Mr Mandela held talks with Mozambican President Joaquim Chissano, after which the agreement was signed.

The main aspect of the agreement deals with security matters, and includes a provision for a joint security commission to oversee illegal immigration, and arms and drugs smuggling between the two countries.

Defence Minister Mr Joe Modise visited Mozambique last week to negotiate the security aspects of the deal.

The agreement will also confirm other international co-operation agreements already negotiated between the two governments, including that on the Cahora Bassa scheme.

Officials expect the supply of electricity from Mozambique to SA will be restored following the deal, but no dates have been set for the resumption of supply.

SA officials expected the Mozambican government to discuss the quota of Mozambican migrant workers on SA mines.

Mozambican authorities would prefer an increase in the quota, but SA



**STATE VISIT** ... President Nelson Mandela, accompanied by Mozambique President Joaquim Chissano (left) is greeted by crowds of Mozambicans waving South African flags. Mr Mandela is on his first official state visit since his inauguration.

officials were reluctant to reach any agreements at this stage.

The Mozambican government would also like tariff-free entry of some goods into SA.

This too will be part of further discussions.

Mr Mandela's entourage was welcomed at Maputo airport by about 5 000 people.

A 21-gun salute was fired as the national anthems of both countries were played, after which Mr Mandela inspected a guard of honour.

It took Mr Mandela the better part of half-an-hour to work his way

through the dignitaries and impromptu praise-singing performances conducted in his honour.

"I'm very excited to be here," Mr Mandela told Mr Chissano.

The two leaders were taken from the airport in a cavalcade headed by about 12 motorcycles.

The entourage brought central Maputo to a standstill as thousands of people lined the streets waving South African flags.

Mr Mandela is also expected to meet President Quett Masire of Botswana and President Robert Mugabe of Zimbabwe during his trip,

which coincides with a science and technology conference in Maputo.

Mr Mandela is being accompanied by Arts, Culture, Science and Technology Minister Dr Ben Ngubane, Foreign Affairs director-general Mr Rusty Evans and presidential adviser Professor Jakes Gerwel.

Sapa reports Mr Mandela said at a state banquet here last night South Africa wanted to help build a prosperous Southern Africa to "compete with dignity in the rest of the world".

He said Southern Africa had felt the "shockwaves of international events which have changed the world".

Picture AP



# Multimillion-rand Japanese support for South Africa

■ BY NORMAN CHANDLER  
PRETORIA BUREAU

Japan is to become the largest donor nation to South Africa with a multimillion-rand injection of money and expertise over the next two years, it was announced in Pretoria last night.

The announcement was a culmination of a visit by a 15-man delegation from Tokyo, the largest ever from Japan to have visited South Africa, which met various Cabinet Ministers and senior Government officials.

The Ministers included those responsible for reconstruction and development, trade and industry, foreign affairs, finance, land affairs, agriculture, water and forestry affairs, education, and the directors-general of the various departments involved in economic and social development, said Norio Hattori, head of the Japanese mission.

While details of how much

money is involved was not divulged, Hattori indicated that the donor programme would be well in excess of the current R85 million aid package which Japan is currently providing to South Africa. Estimates are that up to R1 billion may be involved as part of the Government's Reconstruction and Development Programme.

## Enormous needs

Japanese expatriates would be brought in to provide their expertise in the various programmes to be undertaken.

The aid package will be provided at 3 percent interest over 25 years and is part of Japan's Worldwide Donor Programme, which totals \$14 billion for the next five years.

The South African segments will be part of the 11 percent of international aid which Japan gives to Africa.

"Donor aid is aimed at the

black community," Hattori said. "There are enormous needs in the fields of electrification, telecommunication, schooling and housing. We would like to address these issues."

He added that Japan had in particular identified housing as very important for donor aid, and in this connection Japan was more than willing to co-operate with South Africa.

It was, however, waiting for the South African Government to put forward concrete suggestions as to where aid should be channelled.

These suggestions would be analysed by a second mission due to arrive in September or October. During this period, a seminar would take place in Tokyo to address the South African situation in general.

The South African Department of Finance is to co-ordinate the Japanese donor aid package.

Star 11/7/94

(297)

Existing schemes to be scrapped

# Naidoo plans govt lottery to fund RDP

B1 Day 117194

CAPE TOWN — Government is set to close down existing lottery schemes in favour of a new national gambling and lottery dispensation which would benefit socioeconomic development.

Minister without Portfolio Jay Naidoo told the joint standing committee on finance yesterday that illegal gambling and lotteries amounted to "a massive racket" which enriched individuals and had to be "stamped out".

Government was considering setting up a national lottery to channel millions of rands into social development and reconstruction projects.

A Cabinet committee had been set up to probe gambling and lotteries and would report back soon. It would support the principle that gambling and lotteries support socioeconomic development.

Naidoo said lotteries should not exist

for individual enrichment or to fuel the gravy train. The bulk of funds from a national lottery should go to the RDP fund.

Details are expected to be made known in government's White Paper on the RDP to be tabled early next month.

Questioned about the R2,5bn RDP, Naidoo said the system of government tenders would also be changed. They would be



● NAIDOO

TIM COHEN

awarded to institutions that could demonstrate that they would create the maximum number of new jobs. Employment opportunities would obviously have to promote the interests of unemployed blacks.

Deputy Finance Minister Alec Erwin said it was government's aim to not increase spending in real terms over the next five years, thereby escaping the possibility of falling into a debt trap. (297) (242)

Future allocations to the RDP, which would increase by R2,5bn each year, would be drawn from further cuts in departmental budgets, in the same way as had been done in the current Budget.

□ Reuter reports that red-faced police financial advisers were excused from the committee meeting when they were unable to answer questions about the R54m allocated for police community relations in the R7bn police budget.

Committee chairman Gill Marcus said it was "very regrettable" that Police Commissioner Gen Johan van der Merwe had not sent staff who could deal with policy issues as well as financial ones.

SAPS financial head Brig Roy Opperman and financial manager Joseph Bezuidenhout had tried to answer questions about how the force hoped to regain legitimacy among black communities. But they were not able to explain what strategies would be used.

Marcus excused the men, saying she would ask Van der Merwe to provide qualified officials for another meeting.

● Comment: Page 12



# State lottery could fund development programme

BY CHRIS WHITFIELD  
POLITICAL CORRESPONDENT

Cape Town — A State lottery to fund the Reconstruction and Development Programme is on the cards.

Minister Without Portfolio Jay Naidoo — responsible for the RDP — announced yesterday that a Cabinet committee was probing the lottery issue, and

also signalled that a crackdown on illegal lotteries and gambling was imminent.

Appearing before Parliament's Joint Standing Committee on Finance, he said a national lottery would be primarily for socio-economic development.

In an apparent reference to various existing lotteries, Naidoo said: "A massive racket is going on at the moment, and we need

to stamp out corruption and rackets."

The Minister said the Cabinet had instructed the committee on lotteries and gambling to meet urgently and compile a report.

Naidoo said indications were that money obtained from a State lottery would run into billions of rands.

The RDP Fund would not be used as a "second bite of the

cherry" to carry on with existing projects, but for "specified projects that allow for reorganisation of priorities within departments or ministries. (297)

"The RDP is about meeting needs and building an economy that is sustainable and viable. The transformation of South Africa would have to mean something to the people who had suffered under apartheid."

# RDP bandwagon

DAVID BREIER

Weekend Argus Political Staff

**BUSINESSMEN** have joined a mad scramble to get their hands on money in the government's multi-billion Reconstruction and Development Programme (RDP) which is intended to uplift the poor.

The office of Jay Naidoo, the minister responsible for the RDP, is already being flooded with claims for a share of the huge programme which is due to spend about R40 billion of taxpayers' money over the next five years.

The private sector has now joined non-government organisations (NGOs) and various government departments and provincial authorities to grab as much as possible for themselves from the vast spending scheme.

The taxpayer is forking up R2,5 billion for RDP this year and over the next four years this is due to be stepped up to R5 billion, R7,5 billion, R10 billion and R12,5 billion, adding up to R37,5 billion.

But, Finance Minister Derek Keys estimates R40 billion of State money will be ploughed into RDP over the next five years. The RDP fund is being swelled further with money from domestic and foreign

■ Claims for cash are pouring in as cunning businessmen try to grab a share of the government's multi-billion rand Reconstruction and Development Programme. But, the government is still drawing up a policy on RDP grants.

grants and is due to include proceeds from a new national lottery.

Mr Naidoo has announced RDP funds would be available from September.

Spokesman for Mr Naidoo, Desirée Motshidisi, said claims were rolling in for RDP cash even although the fund had yet to be established. She said those applying for a share of the RDP included NGOs as well as businessmen who wanted a share of the action.

She said one example was a jewellery company which put in a claim for money on the grounds that it was "thinking of expanding" and therefore would provide more jobs through affirmative action to help disadvantaged people.

But, many of these claims appeared to be futile as the government had other priorities. Ms Motshidisi said Mr Naidoo was in the process of preparing a White Paper setting out policy on how RDP grants would be managed.

The Cabinet first would discuss the White Paper due to be tabled at the next parlia-

mentary session next month.

Ms Motshidisi said RDP priorities would be those spelled out recently by President Mandela.

These included free medical care for children under six and for pregnant mothers in state hospitals and clinics.

It also included a nutritional feeding scheme at primary schools and the electrification of 350 000 homes in the next year.

RDP priorities also included a public works programme to rebuild townships and restore services in rural and urban areas while creating jobs and training, especially for unemployed youth.

Meanwhile, the government has been putting out signals that various institutions could put in claims for RDP funds if they conducted activities consistent with the programme's aims.

The RDP has been launched from money pruned from various government departments, including education spending, which has been cut by R200 million. Some of this

has come from university budgets.

In his Budget speech, Mr Keys said there were important roles for other development agencies and NGOs in giving effect to RDP objectives.

Among the institutions he mentioned were: the Industrial Development Corporation, the Development Bank of Southern Africa, the Small Business Development Corporation and the Independent Development Trust.

Mr Keys said many institutions outside the government sector had built up considerable expertise in their own fields and had facilitated broader participation on the allocation of development funds.

It also had emerged that various government departments were competing for RDP funds for their own projects.

National Housing Minister Joe Slovo wants to build as many houses as possible to carry out the African National Congress's promise of a million houses.

And, Minister of Land Affairs Derek Hanekom said this week he would ask for at least 10 percent, R250 million, of this year's R2,5 billion RDP spending, largely for compensation payments under a land restitution programme to redistribute land.

A draft bill was tabled in parliament this week to set up an RDP fund which would be banked in the SA Reserve Bank.



# Japan's R4.3bn aid to SA

SITimes

21/7/94 (297)

By EDYTH BULBRING  
Political Correspondent

JAPAN is to announce a R4.3-billion assistance package to South Africa when it meets the leaders of the six other G7 countries in Naples this week.

Diplomatic sources said the Japanese aid and assistance package would include a \$250-million grant, which was expected to go into the Reconstruction and Development Fund.

The decision to provide South Africa with \$1.2-billion in investment and assistance marks the first time Japan has included South Africa in its Official Development Assistance programme. South Africa qualified for the assistance after having been recognised by Japan as a developing country, the sources said.

Fifteen ODA representatives visited South Africa this week and held talks with Minister Without Portfolio Jay Naidoo and Trade and Industry Minister Trevor Manuel.

Of the \$1.2-billion, \$500-million will be in the form of capital-investment guarantees.

This means that the Japanese government will underwrite investments by

Japanese companies in South Africa to this extent. In the event of the assets of Japanese companies being nationalised, the Japanese government would refund them this amount.

The remainder of the amount would be loaned to South Africa at a preferential three-percent interest rate to be repaid over 20 years. However, South Africa will have to start paying interest only after seven years.

Japan has a hands-on

approach to development assistance, not only to protect and promote Japanese interests but to prevent corruption and the abuse of the funds by the recipient countries. (SIPB)

After the announcement of the aid, ODA officials are expected to hold further talks with the relevant departments to discuss development policy and programme priorities.

Japan's ODA is guided by four principles.

- The recipient country must pursue development in tandem with environmental conservation;

- Any use of ODA funds for military purposes or for the aggravation of international conflicts should be avoided;

- Developing countries should give priority to economic and social development;

- Attention should be paid to promoting democratisation and a market-driven economy.

By BARRY STREEK  
Political Staff

THE estimated 54 000 non-governmental organisations (NGOs) in South Africa should play a crucial role in the transformation of the country into a democracy by bridging the gap between the needs and aspirations of the people and the government.

It is, however, generally accepted that there will be major changes in the NGO sector, some of it forced by foreign funders whose priorities have moved away from supporting anti-apartheid activities towards giving assistance for "reconstruction and development".

Indeed, one journalist has even predicted "intense blood-letting" between NGOs "as they battle for survival" and that major organisations such as the SA Council for Higher Education (Sached) and Operation Hunger, were among those under threat.

The journalist, Charlene Smith of Finance Week, also quoted the head of the Liberty Life Foundation, Hylton Appelbaum, as predicting that half of the NGOs presently operating in South Africa could be out of business within the year.

### Obstacles

Some of that rationalisation and attrition in the NGO sector is necessary and inevitable, but at the same time the government

# NGOs have a vital role in SA's reconstruction

of national unity should develop and promote a climate that facilitates the operation of NGOs

The previous government was decidedly anti-NGO, except, to a degree, those that did not challenge the system in any way. It saw the NGOs as "anti-apartheid" and then threw every bureaucratic obstacle possible in their way.

In 1988, for instance, an preliminary survey by lawyers identified about 60 laws which affected the nonprofit sector and concluded that "the legal and policy environment for the nonprofit sector is potentially confusing".

Robin Lee and Fran Buntman concluded after an analysis of South African NGOs: "Our survey indicates the main body of consolidated legislation on non-profit organisations in South Africa is directed towards control. Insofar as there is a trend in the current policy environment it is mainly towards the 'policing' or control function in financial, organizational and ultimately political dimensions."

They described the legislation as "piecemeal in nature" and added: "It

was not the outcome of any coherent policy position. While a great deal more study could and should be done in this field, it is undoubtedly accurate to say that the nonprofit sector in South Africa presently exists in a negative policy environment and its growth is potentially hindered by this."

The challenge to the government, therefore, should be to develop a climate that encourages and assists NGOs, rather than perpetuating the decidedly negative approach it has inherited.

### Donations

To cite an obvious example, at present companies get a tax kickback if they donate money to large institutions, such as universities, but they do not get any tax benefits or incentives if they made donations to a struggling pre-school or a community primary health organisation.

A high-powered workshop that included Fink Haysom, now President Nelson Mandela's legal adviser, concluded a few years ago: "South African donations tax, in fact, pro-

vides a disincentive to donate! Donors must pay an additional tax on any donation above a limited amount."

The same workshop urged legislation to "positively assist the NGO sector". "It should create easy registration procedures, accessible information about registration and benefits, and the environment should enable registration to be quick and efficient."

While almost all NGOs struggle desperately to raise funds, the workshop felt the legislation on nonprofit fund-raising "leaves much to the authority and discretion of administrators."

The workshop also said: "The case for tax benefits for NGOs is two-fold. Firstly, NGOs are an essential component of a vibrant and resilient civil society, which is essential for the creation and existence of participatory democracy and development. NGOs provide a mechanism for citizens to actively participate in and contribute to public life. Participation should be understood to include giving money to publicly beneficial organisations. Secondly, NGOs make

a significant economic contribution to our society."

Indeed, as Anne Behtstein, the executive director of the Urban Foundation, said recently: "South Africa is a richer, more effective, more democratic and more compassionate society because of the intricate network of organisations in the NGO sector."

"We must preserve this sector of innovation, pluralism and diversity. To do that we must ensure that a creative relationship develops between particularly the local state, the market and NGOs."

"Joint ventures and partnerships are essential between all sectors with capacity to help maximize our chances of effective reconstruction and development as we build a democratic society for the first time in our history."

Blood-letting in the NGO there may well be, but let it be creative so that non-profit sector can be strengthened, and not damaged by an antagonistic bureaucratic approach and culture. In that way, it will be encouraged to play its rightful role in the creation of civil, democratic society in South Africa.

Target

ETEDC



# Naidoo plans to 'work together' with NGOs

(247) CT 4/7/94  
By BARRY STREEK and ANTHONY JOHNSON

NON-GOVERNMENTAL organisations (NGOs) had a critical role to play in the Reconstruction and Development Programme (RDP), Minister without Portfolio Jay Naidoo said in an interview.

"We are working with the NGOs and we have a strategy. We believe the NGOs have a critical role to play in RDP

"But I think that just as much as there is restructuring of society there has to be a restructuring of the NGO community.

"There is nothing such as business as usual. We are working together with them to build a partnership. We are in the process of convening a major conference of NGOs."

The government was talking about a partnership of "everyone. Every organisation from the local taxi association to the local civic, local youth group, women's organisation, to even the local sewing groups.

"Every organisation, every opinion-making group that can contribute — because that's my protection.

"That's the protection this government needs to ensure that if anything goes wrong, it will be our collective responsibility and therefore everyone will work to make it succeed.

"But am I totally against just handing out charity. It doesn't empower people."

Asked if NGOs were able to come to the government with a begging bowl and make representations, Mr Naidoo replied: "Ab-

solutely. I don't want a controlled NGO sector. I want an NGO sector that is active and dynamic and relates to the community but works within the framework of the RDP.

"Within that framework I will talk to them about any issues. NGOs have a critical role in delivering the goods.

## Duplication

"Obviously we must avoid the competitiveness that we had in some areas and the duplication we had in the past because now you have a legitimate government and I don't want to create a bureaucracy outside government.

"Government must deliver the goods. That is what they are paid for. That is my ultimate strategy."

Mr Naidoo added: "We must use the expertise in NGOs. I love working with teams, so I love working with expertise and competence. So, we will welcome increasing the competence from any point of view.

"We have had discussions with NGOs and that is why I said one of my priorities is to move towards reaching an agreement with the NGO sector so that we work together.

"I have made it very clear to international donors that I want to see a continuation of support to the NGO sector where they are directly contributing to achieve the RDP," Mr Naidoo said.

This did not mean the government brook any inefficiency or the gravy train, but the NGOs were the government's "main check and balance".

**NEWS FEATURE** *Foreign aid — helping the haves or the have-nots?*

# Who does the helping hand help in the end?

**By Ismail Lagardien**  
Political Correspondent

## ■ RULING ELITES *Misdirection*

*and abuse the great temptation:*

**F**OREIGN AID IS NOT necessarily a bad thing. How foreign aid is used by the recipient government may be decisive.

Recent history is dotted with examples of how foreign assistance — which can come in the form of financial, humanitarian or military aid — has been misdirected, even abused, by ruling elites in developing or less developed countries.

Pre-eminent among the examples is the Brazilian case. During the '70s Brazil was one of the biggest recipients of foreign aid in the world. At the same time, the smallest (top-of-the-ladder)

### Taking foreign aid

South Africa has a very special appeal to foreign states because of the symbolism of being associated with the upliftment of the victims of apartheid

~~297~~ (297)

use of the RDP may mean one thing, to whites — who are more active economically — it might make sense to direct aid at economic growth.

Herein lies the challenge for Mandela's Government.

Yet, to take a tough stance against foreign intervention (through) multiple agenda assistance may lead to isolation, something which no fledgling democracy can afford in an increasingly interdependent world.

A recent example of where a state rejected assistance in order to protect its integrity is the Turkish-American case.

Turkish prime minister Ms Tansu Ciller said she was prepared to reject an almost R1 000 million (military) assistance package from America if any conditions were attached to it. The US Con-

# Aid drive takes off

**By Ismail Lagardien**  
Political Correspondent

JAPAN and France have started the charge of foreign aid and assistance to South Africa — much of which will be tied to trade.

Japan is about to announce an estimated R12 billion "assistance package" which is apparently tied to trade with that country.

Simultaneously, and submerged beneath the historic significance of President Francois Mitterrand's address to Parlia-



percentage of wealthy individuals became progressively richer while the poor became poorer.

Africa and Asia are not without similar, perhaps even worse, examples.

### Special appeal

Be that as it may, the present Government in South Africa has a very special appeal to foreign states because of the symbolism of being associated with the upliftment of the victims of apartheid, much of which is embodied in the Reconstruction and Development Programme.

Japan, through its Official Development Assistance Programme, has reportedly already made a promise of aid to South Africa, allegedly to assist with reconstruction and development here. Representatives of the Japanese ODA visited South Africa last week and held discussions with the minister responsible for the Reconstruction and Development Programme, Minister without portfolio Mr Jay Naidoo, and Minister of Trade and Industry Mr Trevor Manuel.

Here is a fairly explicit indication that the Japanese assistance package, about R800 million of which will reportedly go into the RDP fund as "a

grant", may be tied to trade with that country.

Empirically, therefore, aid may seem to be driven by purely humanitarian or benevolent motivations, yet there is enough evidence elsewhere in the world to confirm that aid, or even military assistance, is almost always tied to trade deals.

A recent example, one that went very wrong, is one that became known as the Pergau Dam affair between Malaysia and Britain.

### Destroyed trade links

The furore that ensued when it was established that the aid (from Britain to Malaysia) was tied to trade, and exacerbated by the media coverage of the event, destroyed trade links between Malaysia and Britain.

Such "tied aid", as it has become known, has been established as very much part of how economically powerful states "provide assistance" to lesser developed countries.

In a world where states are constantly competing for access to international markets and to labour, and is clearly an effective instrument of foreign policy, especially of the economically domi-

nant Group of 7 states — America, Canada, France, Britain, Germany, Italy and Japan.

It has been reported that Japan will make the announcement of its "assistance package" to South Africa at the next G7 meeting in Naples later this week.

It is not unlikely that governments in the G7 may jostle one another for photo-opportunities with President Nelson Mandela or a chance to be seen to come to the aid of South Africa's infant democracy through "donations", "grants" and "assistance packages".

Such aid is more often than not part of the foreign policy of donor governments as it is part of the means of improving their position in the international hierarchy of states — hence, perhaps, Japan's imminent announcement at the G7 summit.

### Aid for growth

The responsibility rests upon the South African Government to distinguish relationally early between aid for development and aid for growth (as also it has to distinguish between free trade and fair trade).

For black South Africans, the prom-

ise want to prevent a Turkish government from using the military aid for "internal security".

### Internal resistance

Turkish military forces are presently battling internal resistance and separatist movements.

Nevertheless, that one state can lay down conditions that affect the domestic politics of another impinges severely on the sovereignty of the affected state.

If aid is accepted with conditions that run against the national objectives contained in the RDP, it could entrench the inequalities that have been caused by decades of apartheid.

International trade is essential for economic growth. However, the development of a healthy, housed and skilled (through education, training and re-education) labour force is fundamental to economic activity that distributes benefits and opportunities fairly.

The Government's stated goals of nation building and reconciliation are complicated by the conflict between the expectations inherent in the arguments for economic growth and those for reconstruction and development.

Aid, if unwisely used, may only complicate things further.

ment in Cape Town, the development assistance apparently tied to trade agreements.

Mitterrand is expected to sign an agreement today with South Africa's first Deputy President, Mr Thabo Mbeki, involving the Government and the French Development Bank.

It has been reported that Japan will announce its "assistance package" at the Group of 7 summit in Naples later this week.

The Japanese package is reported to include a "grant" of approximately R800 million.

Part of the Japanese "assistance package" will be in the form of investments by Japanese companies underwritten by that government.

A large part of the package will be loaned to South Africa at a preferential 3 percent interest rate to be repaid over 20 years. A further concession means that South Africa will have to start paying interest on the loan after seven years.

Own Correspondent

JOHANNESBURG. — After a lengthy delay, the SA Roads Board yesterday announced it had awarded road construction projects worth more than R140m in KwaZulu/Natal.

The projects were all related to work needed to finish the North Coast N2 toll road from Umdloti to Empangeni. They were expected to take about 27 months to complete and would create 1 500 jobs.

They included the R75,6m Mtunzini to Fairbreeze interchange, which was won by an LTA/Murray & Roberts joint venture, and the R74,3m Fairbreeze to Amatikulu River road which went to Basil Read Civil Engineering.

Grinaker Construction was awarded the R87,6m Amatikulu River to Nyoni River road, and the R88,6m Tugela River to Main Road 403 project went to a Wilson Bayly Holmes/Concor venture.

SA Roads Board chairman Skippie Scheepers said the Transport De-

## R140m roads project boost to govt's RDP

297

partment regarded the project as a top priority. **CT 5/7/94**

The companies had committed themselves to the reconstruction and development programme.

"The RDP will come into play particularly in respect of the training of the local community employed during the construction phase." They could also be employed for road maintenance.

The board was recently criticised by the civil engineering industry for dragging its feet over the contracts when the sector desperately needed work.

SA's lengthy economic recession had hit the industry hard, with employment figures plummeting to 53 200 in 1993 against 93 500 during 1989.



BUSINESS DAY, Tuesday, July 5 1994

# Business urged to back RDP with creative ideas

THE head of the PWV region's commission dealing with the reconstruction and development programme (RDP), Ben Turok, has appealed to businesses in the PWV region to come forward with innovative and creative ideas for its successful implementation.

While some professional bodies, companies and individuals had already proposed a range of plans — including one retired businessman who offered to donate six city blocks — further contributions were required to make "this huge social experiment" work, Turok said.

Most major companies had training facilities and these could be used out of work hours to teach the unemployed skills, he suggested.

In draft legislation on provincial RDP goals being prepared by PWV legislators, the business community is credited with "a positive attitude to the RDP" as well as a willingness to cooperate in its implementation.

Many business constituencies noted they had never been formally consulted under the Nationalist regime, and that a new approach was welcomed, the draft stated.

ADRIAN HADLAND

It added, however, that "real life" would bring out certain tensions between the profit-making interests of business and the RDP's implementation. "A major campaign to win hearts and minds will be necessary."

At the centre of the RDP drive was the diversification of the regional economy, Turok said.

This included the involvement of small businesses in providing manufacturing components, broadening ownership and employee participation and setting up new partnerships between the state, the private sector and communities.

On the establishment of mechanisms capable of delivering RDP projects, Turok said considerable progress had been made.

About 900 community representatives from across the PWV had attended a conference recently in which guidelines had been discussed for bottom-up development initiatives.

Four basic steps had been agreed upon at the conference:

- The representatives would return to their communities and establish interim development committees;
- The committees would "talk devel-

opment" and go through the RDP manifesto to understand the concepts and objectives;

- The committees would then undertake a "capacity audit" in which the numbers of plumbers, builders, carpenters, possible project managers and other skilled workers living within a community could be identified.

A "needs assessment" would prioritise what projects — either schools, housing or clinics, for example — were needed first; and

- The committee would then examine how best the project could be delivered.

"If a community has decided it needs a school feeding project, it would have to consider whether a private company, non-governmental organisations, churches, voluntary schemes or the local education system would be the most effective vehicle for the development."

At a national level, Minister without Portfolio Jay Naidoo, responsible for the RDP, had advertised 12 senior posts to assist with kick-starting and overseeing the programme.

While consultations with business had made for a good planning environment, the private sector's involvement and creativity were vital components of the RDP, Turok said.

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# Armcor plans big RDP role

By DAN SIMON

ARMSCOR plans to play a major role in the government's R7,5-billion Reconstruction and Development Programme (RDP) by providing information and management services.

In a briefing at the Institute for Maritime Research in Simon's Town, Armcor executive general manager Mr Tielman de Waal said Armcor's "core business" was management development.

He said that over the past two decades Armcor had built up a reputation for handling complex defence and civilian projects.

In the process it had acquired in-depth experience in managing all aspects of trade and finance, high-level human resources, research and development and

**'Uniquely placed to advise'**

manufacturing and marketing, he said.

This placed the corporation in the unique position to provide the expertise to implement the RDP, Mr De Waal said.

Armcor senior manager Dr A J Buys said: "In any sphere where a particular need is identified we can do it in such a way to stimulate industry."

"This could be done at the same rate (a management fee of 5%) as was done for the SA National Defence Force — which

was a very cost-efficient service," Dr Buys said.

He said that as a result of the end of the arms embargo, the corporation would soon be publishing details of its plans to enter the open tender system for defence contracts.

"We are preparing to have a contracts' bulletin published which will see more than 95% of future business in defence contracts going on open tender."

Dr Buys added that at present the SANDF accounted for more than 80% of Armcor business, of which the bulk, 60%, was taken up by the SA Air Force.

Armcor general manager of corporate communications Mr Abba Omar said Armcor was implementing a policy of transparency and accountability as the transition had "given birth" to a new Armcor.

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# French aid bank boost <sup>(247)</sup> for RDP

Own Correspondent

JOHANNESBURG. — France's development bank, the Caisse Française de Développement Group (CFDG), yesterday signed an agreement with the government which would allow the group to start operating in SA. CT6/7/94

In a joint statement, released after the signing in Cape Town, the two parties said the agreement was made possible as a result of the dismantling of financial sanctions.

The agreement — which was signed by Finance Minister Derek Keys and CFDG's CE Philippe Jurgensen — also recognised the growing awareness in the international community of the need for development in SA.

The CFD, and its subsidiary Société de Promotion et de Participation pour la Coopération Economique (Proparco), are the operational agencies of the CFDG.

The CFD, which is part of the French Official Development Assistance system, specialises in providing long-term loans and subsidies to assist in economic and social development in developing countries, putting special emphasis on funding for productive investment in either the public or the private sector.

CFD also funds adjustment programmes and provides technical and human resources.

The group's approach is to promote a regional approach to development, encourage dialogue with funding partners and introduce a new form of development aid.

The sectoral priorities include tackling the consequences of urban development, promoting participatory rural development, assist private sector development and the reconstruction of financial systems.

**TOS WENTZEL**  
Diplomatic Correspondent

A R4,7 BILLION assistance package for South Africa was announced by the Japanese government today.

Over two years South Africa is to receive:

- Official development assistance of about R1,1 billion.
- Export-import bank loans of about R1,8 billion.
- Japanese government guarantees for investments and trade-related commercial loans up to R1,8 billion.

The Japanese said the official development aid would be extended mainly for black people — "the majority of whom are living under harsh conditions".

Emphasis would be placed on cheap loans for the improvement of the economic and social infrastructure.

There would also be technical co-operation for the development of human resources with a view to helping the democratisation process.

The Japanese government "highly valued" South Africa's success in shifting to a new regime democratically, and in a spirit of reconciliation and dialogue, its statement said.

South Africa's new administration would have to cope with various problems in the coming five years.

The highest priority would have to be placed on internal harmony, economic development and the correction of the economic and social imbalance based on the reconstruction and development programme.

While Tokyo expected South Africa to make efforts on its own to this end, it considered international co-operation indispensable to enable the country to attain political stability and economic and social development.

Japan would conduct surveys to decide on projects to be assisted. It would also expand its grassroots grants for the improvement of living standards, education and training of black South Africans, and it would extend financial grants for environmental projects.

The Export-Import Bank of Japan would offer up to R1,8 billion for the improvement of the economic and social infrastructure here and the expansion of trade between the two countries.

The Japanese government would guarantee up to R1,8 billion worth of investment and trade-related commercial loans over two years for the expansion of trade with South Africa.

"South Africa is a country with an extremely high economic potential, accounting for about 40 percent of the economy of the whole of sub-Saharan Africa," said the government.

"Japan strongly hopes that South Africa will play an important role in the development of the whole of Africa through attaining stability and development."

# Japanese unveil R4,7-billion aid deal

(297)  
Mlt 6/1/94



# School feeding scheme to be launched in September

THE government is to launch a school feeding scheme in poorer areas as part of the Reconstruction and Development Programme, Minister Without Portfolio Jay Naidoo disclosed.

The scheme is to be launched in September "in all schools where the needs are identified", Mr Naidoo said in Maritzburg yesterday after meeting the KwaZulu-Natal cabinet.

"We're putting the final preparations into launching the programme," he said, adding that other "major projects" of the RDP would be made known early in September.

"We are quite convinced the final preparations will be sorted out at the end of August and we will be ready in September to start rolling with some of the major programmes of the RDP," he said. (297) (4)

Mr Naidoo said state hospitals and clinics should have started delivering free health care to pregnant women and children under the age of six

from June 1. His department was monitoring this.

"We intend introducing nutritional feeding systems in all schools where the needs are identified. We're putting the final preparations into launching that programme."

Referring to the unequal distribution of natural resources in KwaZulu-Natal, Mr Naidoo said: "Our most important challenge is to deliver efficient goods and services for all our people, to improve their quality of life, to eliminate poverty but at the same time build sustainable economic growth so the economy is able to support the government's development strategy." ANC 6/7/94

Mr Naidoo said he was satisfied with progress during yesterday's cabinet meeting and noted a close working relationship between Inkatha Freedom Party and African National Congress members in spite of reports of acrimony among ministers.

Thursday July 7 1994 SOWETAN

# Japan outlines R4,7-bn aid to SA

*Sowetan* 7/7/94

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whom are living under harsh conditions".

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Japan would conduct surveys to decide on projects to be assisted. It would also expand its grass-root grants for the improvement of living standards, education and training of black South Africans. — *Sowetan Correspondent*.



# Pivotal aid plan to kickstart RDP

From MICK COLLINS  
and JOHN DLUDLU

JOHANNESBURG. — The \$1,3bn aid package promised to SA by Japan would provide a vital kickstart to reconstruction and development plans for health, education and housing, President Nelson Mandela said yesterday.

Consultations would take place between the President, Minister without Portfolio Jay Naidoo and other government Ministries over whether the aid would be channelled into the R2,5bn reconstruction and development programme (RDP) fund, or used as additional funding.

Mandela said the package, which "dwarfed all past aid" measures, would be spent constructively.

Government would set up a joint committee with Japan to ensure that the cash was targeted towards specific projects. This would eliminate the possibility of irregularities, and principles of transparency and accountability would be followed.

About \$300m from the Japanese Official Development Assistance would be used mainly to help blacks.

Japan's chief cabinet secretary Kozo Igarashi said emphasis would be placed on concessional loans for improving the economic and social infrastructure and on technical co-operation for the development of human resources.

Reuter reports that the package includes a \$50m grant, of which \$30m will go to the education and health sectors, and \$250m in soft loans at 3% interest repayable over 25 years with a seven-year grace period. Japan's Export/Import bank will provide untied project loans of \$400m, \$100m for industrial development and \$500m in guarantees for commercial and trade-related loans.

## Eskom's power grid

● Meanwhile, Eskom has taken the first major step in its plans to establish a sub-Saharan electricity grid, with contracts of about R400m placed in collaboration with Zimbabwe.

The company said yesterday the contracts — placed in SA and Zimbabwe — depended on a down payment by the European Investment Bank (EIB) which was financing the Zimbabwean leg of a 410km, 400KV line between Matimba and Bulawayo.

Zimbabwe was responsible for

60% of the cost of the project on its side of the border which was being financed through foreign loans.

The completion date was the end of 1995 and it would connect SA at high voltage with Zambia through Zimbabwe. On the Botswana/SA portion of the grid Eskom had placed a letter of intent with the line contractors.

Eskom power system planning manager Pierre Rubbers said Eskom was working with Portugal to rehabilitate links between SA and Cahora Bassa in Mozambique. This would cost about R250m with Eskom and the SA government being responsible for some of the cost.

Major extensions of the grid would, in the medium term, span Zimbabwe, Zambia, Mozambique and Zaire and, in the long term, Tanzania, Uganda, Kenya and Angola.

Each country would finance its leg of the grid but would require cash from bodies such as the World Bank, African Development Bank, the EIB and others.

The grid would bring social and economic benefits to the region and provide economies with a major boost through demand for technical and consumer goods.

Japan's package 'dwarfs others'

# \$1,3bn in aid a 'kickstart' for the RDP

BIDAY 7/7/94

(297)

JOHN DLUDLU

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\$250m in soft loans at 3% interest repayable over 25 years with a seven-year grace period. Japan's Export/Import bank will provide untied project loans of \$400m, \$100m for industrial development and \$500m in guarantees for commercial and trade-related loans.

Japan's ambassador to SA Katsumi Sezaki said his government would extend the aid package after two years if needed. Although the SA package was the largest Japan had given any developing country, other beneficiary nations would not be prejudiced. "Instead of diverting money from other countries, we'll expand our budget."

He said Japan expected the aid to strengthen its friendship with SA as the package was largely non-reciprocal. "We don't expect any material or commercial benefits from this."

The aid offer was made in response to Mandela's call at his inauguration for aid and investment from foreign governments.

Asked about Japanese sensitivity over the export of dangerous weapons, Mandela said SA was equally concerned about the proliferation of deadly arms. It was reviewing all contracts signed by the previous government. However, a cautious approach would be adopted to avoid negative consequences such as unemployment and loss of foreign exchange earnings.



## Mboweni tackles staff duplication

THE issue of duplicated Labour Department personnel from the former TBVC states needs to be urgently addressed, as does racial and gender imbalances in staff complements, according to Labour Minister Tito Mboweni.

Speaking at an Institute of Personnel Management seminar in the Boland last week, Mboweni said his department currently employed five directors-general, four deputy directors-general and "duplicate personnel and labour structures in the old bantustans".

In making the department's staff more representative of SA society, "corrective action" would be taken to rectify past imbalances. "We must accept that if we do not do this, the democracy we are building will — from the point of view of justice and effectiveness — be fragile."

Mboweni stressed that white male staff members need not be concerned about their future employment in the department, nor would the department adopt a policy of employing only blacks and women.

The department would rather delib-

ERICA JANKOWITZ

ately search for suitably qualified black and female personnel.

The second prong of the department's corrective action programme was to train historically disadvantaged workers, to avoid tokenism.

"Unless we change our past attitudes and see affirmative action not as a lowering of standards — which we oppose — nor as an attempt to replace skilled white personnel, but as positive and desirable, we will not be comfortable with the changes that have to be implemented in this regard."

Mboweni said changes in labour legislation could be expected in the August parliamentary session.

He added that issues such as the prohibition of funding of political parties by trade unions would be tackled.

A system of linking formal education and workplace training was also under discussion in the tripartite national training initiative, Mboweni said.

"This would mean changes in certification to give credit to on-the-job training."

## New welfare system planned

PRETORIA — A new united social welfare system that functioned as an integrated

whole on national, provincial and local levels would have to be devised for SA, PWV social welfare minister Sakkie Blanche said last week.

Professional welfare workers should also be given greater status and financial recognition, and be brought back into the public service, Blanche told a meeting of social services forums.

The aim of the meeting was to establish a forum for social services in Pretoria.

Although wider consultation still had to take place, Blanche said his immediate priorities for social welfare were:

- The prevention and control of drug abuse, family breakdown, juvenile delinquency and crime, homelessness and abandonment, domestic and other forms of violence, poverty, unemployment and trauma treatment;
- The achievement of a balance between developmental and prevention approaches as against treatment and care services;
- The establishment of a social safety net for people and families with no income, including programmes to equip people to

STEPHANE BOTMA

become independent;

□ The realisation of a people-orientated network of services in communities;

□ To convince the community and decision-makers of the contribution social welfare could make, and to obtain the necessary funds;

□ To create a community conducive to the optimal functioning of people; and

□ To succeed in rationalising and unifying the fragmented welfare system to the benefit of all.

Blanche said it was clear new and innovative ideas were required on how to structure a new comprehensive welfare system. However, one overriding principle should guide policy and practice — that communities would develop and people be empowered only if the planning of services was done with people and not for people.

Important principles which coincided with his vision for welfare policy, social services and community development were that every South African should have the right to optimal social functioning, and the principle of equity.

# Trust fund set up

Sowetan

8/7/94

THE SA Breweries is to donate R10 million to a trust that it and three unions affiliated to the Congress of South African Trade Unions have set up to fund socio-economic development.

Speaking at the signing ceremony in Johannesburg, Minister without Portfolio Mr Jay Naidoo said the trust heralded a new partnership between big business and organised labour.

"It's a new co-operation ... it's a common national interest we are committed to, building a sustainable economy in which all share," he said.

SAB group executive chairman Mr Meyer Kahn said projects funded by the trust would seek to feed into the Government's Reconstruction and Development Programme

Masibambane will be governed consensually by six trustees — one each from the Food and Allied Workers Union, the Paper, Printing and Allied Workers Union and the Textile Workers Union, and three from SAB.

"The trustees will elevate themselves above shop-floor issues to work in co-operation for the national interest," Kahn said.

Cōsatu national negotiator Mr Jayendra Naidoo said the trust was evidence of the new partnerships created by the need to rebuild the country.

The trustees are: Mr Kahn, Mr Graham Mackay, Mr Soto Ndukwana (all from SAB), Mr Mandla Gxanyana, Mr John Copelyn and one other representative from the unions.

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# RDP will focus on rural areas

DURBAN. — R1 billion of the Reconstruction and Development Programme's R2,5 billion fund would be used to uplift the lives of rural people, said Minister Without Portfolio Mr Jay Naidoo yesterday. Speaking at a rural development summit at Natal University, Mr Naidoo encouraged non-governmental organisations to present to the government a co-ordinated picture of what rural communities needed.

The RDP, he added, hoped to

start delivering by September and provincial governments had to forward their plans for the RDP to the central government before the end of July.

The minister also urged an end to violence, saying: "There is no reason for anyone to use violence." (297)

He said the RDP could not deliver in areas racked by violence.

Mr Naidoo also said the RDP should aim to achieve realisable

goals like supplying water to all rural people before the end of the year.

In reply to media queries after his speech, Mr Naidoo dismissed as "mischievous" press reports that squabbling between himself and Mr Derek Keys was among the reasons for the finance minister's resignation.

Mr Naidoo added that he and Mr Keys had worked as a team and still did. — Sapa

# Mandela's plea on <sup>(297)</sup> RDP after talks with Heseltine

ARLT 11/7/94

PRETORIA. — The Reconstruction and Development Programme (RDP) would fail without investment, President Mandela said after meeting British Trade and Industry Secretary Michael Heseltine.

Mr Heseltine, who arrived in South Africa a few hours earlier yesterday, is leading the biggest United Kingdom trade mission to South Africa.

About 60 business figures active in the construction, telecommunications, mining, health and housing sectors are accompanying Mr Heseltine on the five-day visit.

One of his first meetings was with Mr Mandela at the Presidentsie, Mr Mandela's Pretoria residence.

Mr Mandela said South Africa had strong historical ties with the UK which also had significant investments in South Africa.

More investment was necessary for the success of the RDP.

Mr Heseltine, who is President of the Board of Trade of the UK, said South Africa was one of the most exciting countries in the world and that the UK welcomed the changes that had taken place here.

On his arrival at Jan Smuts Airport, Mr Heseltine said he hoped his visit would increase the possibilities for partnership between the UK and South Africa.

Britain has identified South Africa as one of 80 priority markets around the world. South Africa is seen as an important market both in itself and as a stepping stone to the rest of Africa.

His delegation will try to persuade South African businessmen to use the UK as the gateway to the lucrative European common market.

In 1993 South Africa imported goods worth about R6 billion from the UK. Exports to the UK totalled about R5,4 billion. — Sapa.

● Picture, page 5.



## Apartheid legacy mean for giving RDP money

PIETERSBURG. — The R1,5 billion for rural development under the RDP would be divided among the provinces according to the legacy by the apartheid era, Minister without Portfolio Mr Jay Naidoo, said yesterday. (297) CT 11/7/94

Speaking here after meeting Northern Transvaal Premier Mr Ngoako Ramathlodi, he also said steps would be taken against those wanting to undermine the RDP.

Mr Naidoo was reacting to weekend reports of a plot by a Development Bank of South Africa board member to undermine the RDP — Sapa

# DBSA plot report dismissed

THE Development Bank of Southern Africa (DBSA) chairman Professor Wiseman Nkuhlu dismissed at the weekend a claim that right-wingers on the board planned to torpedo the RDP.

"I am aware of the diversity of views on the board, but I am not aware of any plot to undermine the RDP," he said.

A Johannesburg newspaper said on Saturday board member Dr Desmond Krogh had advised

DBSA chief executive Mr André le Grange to sink the RDP (297)

Reacting to the claims, Dr Krogh said his views of the RDP had changed and he was the victim of a witch-hunt.

Earlier, the DBSA board said it supported the RDP.

The newspaper quoted from minutes of a DBSA audit meeting in May at which Dr Krogh is alleged to have urged the bank to pretend support for the RDP.

"The present government will

be relying on your support for the success of the RDP and eventual re-election in 1999," Dr Krogh is alleged to have said.

ET 11/7/94  
"Give the provincial governments whatever they need then make sure those provincial projects don't succeed," he said.

Professor Nkuhlu said the remarks were made during the meeting and were in line with the board's tradition of frank debate.

— Sapa-Reuter



## East Rand to feel benefit of RDP

JOHANNES NGCOBO

THE reconstruction and development programme would be implemented next week in the East Rand townships of Katlehong, Thokoza and Vosloorus, PWV local government and housing minister Dan Mofokeng said yesterday. *31 Day*

He told the first meeting of the task group planning for the three townships that the PWV government had made the East Rand a priority. *12/7/94*

Ordinary people should start seeing changes in their daily lives and that should motivate them to begin paying for local government services. *(245) 297*

Yesterday's launch of an "action plan" for the area was attended by Katlehong, Germiston, Thokoza, Alberton, Vosloorus and Boksburg town councillors, the SA National Defence Force, PWV safety and security committee representatives and the Wits-Vaal peace secretariat.

The plan involves promoting reconciliation between warring groups, returning displaced people to homes around hostels, negotiating with illegal occupants of homes, rebuilding destroyed and damaged homes and putting in place a visible security presence.

ANC East Rand chairman Vuyane Mpofu said PWV premier Tokyo Sexwale would visit the townships on Sunday to unveil his peace plan, which would be coupled with the RDP, and which had the same objectives as the task group's plan.

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## RDP

*31 Day 12/7/94*

☐ From Page 1

STEPHANE BOTHMA reports that the SA Police Service's internal stability unit, withdrawn from duty in some East Rand townships by Parliament earlier this year, would be redeployed in the area only when the community had given the green light.

Community and security leaders yesterday stressed that the unit's presence would not be forced on the people of Katlehong, Thokoza and Vosloorus, despite the fact that a police presence and subsequent proper policing were urgently needed to stabilise the area where renewed violence

has claimed more than 25 lives this month.

The SANDF troops now stationed in the area at the request of the community could not remain there indefinitely. *(245)*

Several programmes were under way to liaise with community structures to find out "how and if" the unit would be accepted back into the area, a source said.

Multidimensional community liaison forums were investigating the possibility of giving the unit a new name, new uniforms and different vehicles. *(297)*

# RDP 'action plan' set for East Rand

Own Correspondent

JOHANNESBURG. — The Reconstruction and Development programme would start being implemented in the Katorus townships (Katlehong, Thokoza and Vosloorus) on the East Rand next week, PWV Housing Minister Mr Dan Mofokeng said yesterday.

He told the Katorus task group that the PWV government had made the East Rand a priority.

He said ordinary people should start to see changes in their daily lives and that should motivate them to begin paying for local government services.

The first houses built under the RDP would be in the Katorus townships.

The "action plan" launch was attended by Katlehong, Germiston, Thokoza, Alberton, Vosloorus and Boksburg town councillors, the SANDF,

PWV safety and security standing committee representatives and the Wits-Vaal peace secretariat.

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ANC East Rand chairman Mr Vuyane Mpofo said PWV Premier Mr Tokyo Sexwale would visit the townships on Sunday and unveil his peace plan, which would be coupled with the RDP, and which had the same objectives as the task group's plan.

The police internal stability division, withdrawn from duty in some East Rand townships by Parliament earlier this year, would be redeployed in the area only once the community supported this.



# Krogh to leave DBSA

JOHANNESBURG. — Development Bank of Southern Africa (DBSA) board member Dr Desmond Krogh, accused of undermining the government's Reconstruction and Development Programme, advised the bank yesterday he would not apply for a proposed six-month extension of his tenure.

The extension had earlier been offered to all the bank's directors.

DBSA acting chief executive Mr NT Christodoulou said in a statement yesterday the bank had reaffirmed its commitment to the RDP in letters to Minister without Portfolio Mr Jay Naidoo and Minister of Finance Mr Derek Keys.

"Practical proof of the bank's support of a human-centred development and restructuring of the South African economy has been highlighted in the last two annual reports and other policy documents," Mr Christodoulou said. — Sapa

# Privatise to pay for the RDP — Anglo

ANGLO American chairman Julian Ogilvie Thompson has thrown his weight behind calls for government to sell off state assets and companies to help fund its reconstruction and development plans.

In his annual statement released yesterday, Ogilvie Thompson said privatisation could unlock billions of rands which could bolster the RDP effort. *BIDAY 13/7/94*

He said government would be under great pressure to boost investment in the RDP before the programme had generated extra resources. *(297)*

Coupled with the disposal of surplus oil and other strategic stocks, privatisation of public property or enterprises could raise several billion rands for the RDP in its critical early years. *(297)*

Ogilvie Thompson said privatisation would send an important message to foreign investors, reaffirming government's pragmatism and commitment to financial prudence and focusing its attention on core areas of responsibility.

Visiting UK Board of Trade president Michael Heseltine said this week SA could follow Britain's lead in privatisation to bankroll the RDP.

But government has so far proved reluc-

MICHAEL URQUHART

tant to officially table privatisation as a serious option.

Ogilvie Thompson said privatisation could start with forests and commercial buildings, with Telkom, Foskor, road transport, the oil pipeline and airports being privatised over the medium term, and SAA and Eskom over the long term.

He said it would be necessary to end the dual exchange system to maximise funds available for growth.

Funds channelled through the financial rand did not augment domestic savings or raise the country's growth potential.

The system led to dominance of certain groups within the country, by confining their activities largely to SA and discouraging operations by foreign concerns.

But he dismissed suggestions that Anglo, De Beers and JCI controlled 43% of the JSE's total market capitalisation. He said the businesses together controlled just 25%, once double accounting and other inaccuracies were stripped out.

Ogilvie Thompson said Anglo fully supported a commission of inquiry into com-

To Page 2

## RDP

pétition policy, properly representative of all stakeholders and chaired by an international expert. A commission composed of parliamentarians would not inspire the private sector's confidence. *(297)*

Anglo would be launching a scheme to enable employees to purchase shares on a save-as-you-earn basis. They would be granted an option to purchase a given number of shares at the market price then

prevailing, and undertake to save enough to exercise the option.

It would be necessary for a change in tax legislation to ensure that neither the interest element or gain on exercise of the option was taxable. This would be one practical way in which government could promote saving by ordinary people at little cost to the fiscus, he said.

Comment: Page 6

From Page 1



# Top civil servants face RDP shake-up

HUGH ROBERTON  
Political Editor

297 248  
ARC 13/7/94  
TOP civil servants in those government departments which will be closely involved in carrying out the Reconstruction and Development Programme could be replaced by the end of the year, according to cabinet sources.

The change would involve a "review" of the appointments of up to 23 directors-general — there are 36 altogether — and their possible reassignment to make way for "more user-friendly" department heads who are "steeped in the thinking and culture of the RDP".

As many as 100 more top officials could be reassigned in a shake-up which has

been under consideration since before the election, although ANC officials said the changes were not a "political witch-hunt".

The changes probably will involve the reorganisation of entire "RDP-sensitive" departments to co-ordinate their operations.

Such reorganisation is likely to result in a special committee of top RDP civil servants who would be responsible to Minister without Portfolio Jay Naidoo.

In Pretoria yesterday 17 of the country's directors-general met to plan protest action.

They have chosen a two-man delegation to call on President Mandela later this week to appeal for his intervention.

# Germany to grant R24-m for houses

Star 14/7/94

■ BY BOB TILLEY  
★ STAR FOREIGN SERVICE

Munich — Germany is to grant South Africa about R24 million for the construction of housing for farmworkers.

The aid is one of the concrete results of the just-concluded four-day visit to Germany by Deputy President F W de Klerk, the South African Embassy in Bonn announced yesterday.

The direct grant would be in addition to about R107 million in aid which Bonn has promised South Africa for this year.

A senior diplomat said De Klerk was "highly pleased" at the results of his visit, during which he sought to persuade leading German businessmen and industrialists to invest in South Africa. (313) (297)

De Klerk is now on holiday and is to return to South Africa at the end of the month.



ir force flights. — Sapa.

police vehicle when in fact it had not.

## R20m on loan for electrification

THE Development Bank of Southern Africa had given a R20m loan to the KaNgwane Electricity Supply Corporation to electrify 13 000 homes in the Eastern Transvaal this year in line with the reconstruction and development programme, the Eastern Transvaal government said yesterday.

Premier Matthew Phosa said studies had shown the 61% of households not electrified were in the former KaNgwane homeland, and this demanded an acceler-

**JOHANNES NGCOBO**

ated electrification drive.

Areas targeted included about 3 900 households in Nsikazi North, 3 400 in Nsikazi South, 3 300 in Nkomazi and 2 500 households in Mswati/Mlodozi.

Meanwhile the German agency for technical Co-operation had donated R500 000 to the Eastern Transvaal administration for job training.

Phosa said the various

heads of department had been entrusted with the responsibility of nominating potential trainees for secretarial, administrative and book accounting courses.

He said the agency would bring an expert in intergovernmental relationships to visit the province.

Phosa said the agency would finance research into the structure and functions of the premier's office in SA as well as in the international context.

## 'Posts, not jobs, guaranteed'

PUBLIC Service and Administration Minister Zola Skweyiya said yesterday the jobs of white public servants were guaranteed, but that their posts were not.

Speaking at the launch of the SA Advanced Education Project — Windows on Work — Skweyiya said there were 11 000 vacancies within the public service.

"Through Windows on Work we hope to put blacks and women in these positions," he said, adding that the education project's launch came at an opportune time.

Skweyiya said the task of his ministry was to ensure that competition between white and black applicants thrived.

Windows on Work, initiated by the Southern African Advanced Education

**JACQUE GOLDING**

Project in the UK as a partnership between the private and public sectors and non-governmental organisations, has now been officially located in SA. Project manager Thuthu Radebe said it was aimed at local black graduates and those who had opted to use their skills abroad.

"Windows on Work intends to arm black graduates with the necessary skills to fill posts locally," Radebe said.

Companies could pay a R30 000 contribution which allowed them access to Windows on Work's database which listed black graduate job seekers and names of black candidates with specific skills.

Department of Education

# Anglo boss bullish on RDP

(297) CT 13/7/94  
JOHANNESBURG. — The government will be able to fund its socioeconomic development efforts by sticking to prudent policies while laying the foundation for economic growth, Anglo American chairman Mr Julian Oglivie Thompson says.

"Before the end of the decade there will be tangible and visible evidence of success," he says in his annual chairman's statement.

"Given a fair wind in the rest of the world, the years after that could be better still."

The business community supports the government's Recon-

struction and Development Programme but it did have some concerns about the means and timing with which it will be implemented.

Business wants to be assured of the government's continued commitment to prudent economic policies, and RDP priorities are established within a realistic time frame.

"The White Paper (on the RDP) due shortly is expected to throw more light on how the government intends to fund and administer the RDP in the medium- to longer-term," he says.

"In some areas, however, such as education, health and housing, a start can be made this year because the immediate problem is not lack of money but the inefficient, as well as inequitable, spending of it."

"The role of business now is to be supportive and constructive, which does not mean uncritical, and get on with the task of helping to grow the economy and broaden individual participation in it." — Sapa

● Assets sale could bankroll RDP  
— Anglo — Page 10



# 'Spies' smooth path of RDP

**MICHAEL MORRIS**  
Political Correspondent

INTELLIGENCE service "spies" are to play a critical role in meeting the ANC-dominated government's primary policy goal ... implementing the Reconstruction and Development Programme (RDP).

Sources in the twilight world of intelligence believe that this — along with keeping tabs on activities on the ultra-left and ultra-right political fringes — will be their single most important function in the next few years.

The successful implementation of the RDP is being seen

## □ Plan 'the key to stability'

as a key element of ensuring social and political stability.

Agents in the regions have already been briefed to shift their focus towards this objective.

They include operatives from the National Intelligence Service (NIS) — many of whom were widely discredited for their role under the National Party government — as well as members of the ANC's security and intelligence department, and those of three of the four former homeland governments.

Their task is likely to involve

pinpointing potential trouble spots and highlighting priority projects.

"If agents believe a project will defuse tension in a particular area, they will probably give it priority status over a project of lesser importance elsewhere," a source said.

Such recommendations would not necessarily be applied automatically, but would be intended as a guide to policy-makers.

"It is not a question of spying on people, but of identifying flashpoints that should receive

priority attention.

"There is a perception that intelligence services are just in the business of spying, but there is a lot of overt collection of information — from departments and other services — which we analyse in order to come up with products for the policy-maker," the source said.

Legislation — based on a White Paper now being drafted — is expected to be tabled soon to provide for the integration of the intelligence services — NIS, the ANC's security and intelligence department, and the intelligence services of Transkei, Venda and Bophuthatswana — as well as setting the parameters of its functions.



**CRASH TRACK:** An overturned front-end loader lies next to railway lines today after colliding with a goods train at the level crossing at Klipheuwel station near Paarl. The driver of the front-end loader was seriously injured.

Picture: OBED ZILWA, The Argus.

## Repairs halted at Delft

Staff Reporter

WESTERN Cape Housing Minister Gerald Morkel has halted repairs on storm-damaged houses in Delft where residents have demanded that their homes be rebuilt, not repaired.

Mr Morkel said contractors had been warned by the Delft crisis committee not to enter the area as they could be hurt.

"Repairs were duly put on hold," he said.

"The crisis committee was kept informed of all intended work at all times. They indicated their support for the repair action," said Mr Morkel.

"In the meantime the building contractors are ready to start with repairs but cannot fulfill their duties until their own safety is ensured."

Residents, who stopped attempts to repair their homes during the past three days, say they will not allow repairs until they have seen a recently commissioned task group report on the Delft low-cost housing project.

Heinrich Robertson, of the Delft suburb, Eindhoven, said residents were waiting for the task group report-back meeting to the Delft community on Saturday and would not allow any work to be done on their houses until then.

## Man badly injured at rail crossing

Staff Reporter

A MAN was seriously injured today when his front-end loader and a goods train collided at a controlled level crossing at Klipheuwel station near Paarl.

He was taken to Tygerberg Hospital after the accident at 7.34am on the Bitterfontein-Saldanha goods line.

Spoornet spokesman Yvette Olwage appealed to road users to heed flashing warning lights at level crossings.

She said: "The crossing's

red warning flashing lights were functioning and fully operational at the time of the accident. There was also a railway guard with a red flag on duty.

"The injured man was a member of a road maintenance team who have been carrying out repairs in the area for about a month and was fully aware the railway line was still in use."

● An woman was found dead next to the railway line between Lakeside and Steenberg stations at 8pm yesterday. She is believed to have been struck by a train while crossing the tracks. Anyone able to identify her is asked to go to the Salt River mortuary.

● Two men were killed last night when their car ploughed into the back of a lorry while it was turning on to the N1 between Brackenfell and Kraaifontein. The car was crushed under the trailer of the lorry and mechanical jaws had to be used to free the men.

## DEVELOPMENT BANK

### Mood swings

*Fin 15/7/94*  
**The recent** controversy surrounding Desmond Krogh, non-executive director of the board of the Development Bank of SA, has highlighted the problems of old blood running in a new body politic.

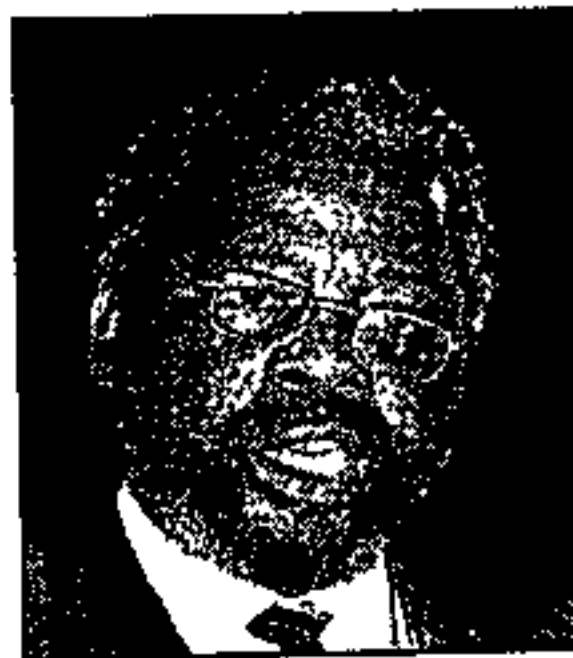
Krogh, who has now resigned from the board of the Bank, is a well-known banker, a former Rhodesian Reserve Bank governor and a special adviser to the Reserve Bank. He was elected to the board by the Council of Governors. And, along with other members of the board, his term of office was extended for six months when it expired in June. *297*

He says his remarks, made at an audit committee meeting on May 24 and reported in the press at the weekend, have been taken out of context. He allegedly spoke of sabotaging the Reconstruction & Development Programme. According to recent press reports he now says his views on the programme have changed. Whatever his intention, if his remarks gave rise to a perception that he hoped to sabotage the cause to which his organisation was committed, they were clearly ill advised.

The bank, which is still responsible for some of its previous functions, such as funding development programmes in the former TBVC states, and still has representatives of the previous government and the states on its board, has been trying to shake free of its image as the funder of the apartheid states and develop a constructive role.

Its shareholding is to be restructured and a decision has to be made as to its mandate and functions. Development Bank GM De Villiers Botha says that by December, "the new government will have had time to decide how to restructure the bank's shareholding." The Minister of Finance — either incumbent Derek Keys or Chris Liebenberg, who will take over in October — is the government representative in charge of the Development Bank and will lead the decision-making process.

Government is a 100% shareholder of the Development Bank after having taken back the 16% shares owned by the former TBVC states when these were reincorporated into SA in May. SA and the TBVC states



Dhlomo



Krogh

elected one each of the present 12-member board, with the governors of the bank appointing the balance from the private sector and representatives from the communities served by it. They include chairman Wiseman Nkuhlu, who took over from Owen Horwood in December 1992, Oscar Dhlomo, John Maree, Jan Steyn and Nthato Motlana. *Fin 15/7/94*

Central government could transfer shares to the provincial governments. The provincial governments together with central government would appoint a council of governors which will then appoint the board of directors.

A more exciting option would be for the Development Bank to extend its role to southern Africa. If this were to be the case, it would operate along the lines of the World Bank. Board directors would represent each country in the region which elects to join and the bank would have the broader role of development in the whole of southern Africa. *(297)*

What Krogh's remarks have done is make the Development Bank — and its major shareholder — realise that it needs to clarify what its role is and what mandate it should carry out. Discussions have been taking place — decisions now have to be made public. ■



# French yes for R3bn aid to SA

CT 15/7/94

Own Correspondent

(297)

JOHANNESBURG. — The French government had approved an aid package for South Africa of more than of R3 billion, it was announced yesterday.

While declining to give an exact figure, French ambassador to South Africa Ms Joëlle Bourgois said the package was roughly equivalent to Japan's R3,6bn aid programme.

French President Francois Mitterrand had been due to announce the aid package during his recent visit, but "the environment was not right", Ms Bourgois said. This was believed to be a reference to Finance Minister Mr Derek Keys' resignation.

Addressing guests at a Bastille Day celebration in Pretoria, Ms Bourgois said 1994 marked the beginning of a strong partnership between France and South Africa.

French exports to SA had already increased 36% since last year, she said.

The intervention of the French Development Bank, the opening of the French Cultural Institute in Johannesburg, the arrival of new business and investment from France and the creation of joint ventures with SA companies suggested the relationship would gain "flesh, substance and strength" on a daily basis.

fluffs it at 17th

## UN predicts \$429m in 1994 aid to SA

FOREIGN donor organisations and governments were expected to inject about \$429m into SA to finance the country's development needs this year, the UN Development Programme said yesterday. 1517194

The organisation estimated that overall aid to SA would rise by 40% in 1994, compared with 1993's \$307m.

The forecast could increase by

JOHN DLUDLU

(297)

about \$50m if various donors fulfilled commitments. BDay

According to the programme's report released yesterday, the largest donor was the European Union with about \$104m or 33,8% of the total aid to the country. 746



## France gives SA R3bn aid package

ADRIAN HADLAND

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Bourgois was reluctant to detail France's aid package as "we don't usually advertise our involvement". Meetings between French Development Bank representatives and SA officials began during Mitterrand's visit. French economic and development ministers also met their SA counterparts. *(297)*

# Britain launches scheme to aid SA

□ 'Few obstacles to trade'

BRUCE CAMERON  
Business Editor

297/194  
APR 15

BRITAIN has launched a substantial programme to boost investment in South Africa and trade between the two countries.

The programme was announced by British Trade and Industry Minister Michael Heseltine in Cape Town at the end of a five-day visit in which he led the strongest British trade and investment delegation to visit another country.

The programme, called Opportunity South Africa, will include conferences, seminars and other trade promotion events, including four further trade missions to South Africa.

It will also help small businesses and include a work experience programme to enable South African graduates to spend time in British technological and engineering companies.

Mr Heseltine said there were not many barriers to improved trade and investment.

However, he encouraged South Africa to reduce tariff barriers, give greater consideration to privatisation and to work for a single convertible currency.

"The more competitive the South African economy, the more successful it will become."

He said this would enhance the opportunities that already existed for foreign business.

Britain itself could not give greater preference to South Af-

rican manufactured goods and agricultural products than the trade preference currently being negotiated through the European Union.

But he said Britain had always been in the forefront of the fight for open economies and open trade. This was also Britain's position in the EU negotiations with South Africa.

He said 66 British companies had made investments in South Africa over the last three to four years.

"We must now redouble our efforts to build more business partnerships to further strengthen our strong commercial ties to the mutual benefit of the United Kingdom and the new South Africa."

He told the inaugural banquet of the newly formed Cape Chamber of Commerce and Industry last night that there was an "opportunity of historic proportions".

He said if South Africa succeeded it could change the world perception of Africa as well as that of how different races could work together.

Earlier Mr Heseltine played down the possibility of a trade swap which would involve British Corvette warships for South African Rooivalk attack helicopters.

Mr Heseltine said he had been "immensely impressed by President Mandela" and his commitment to free market principles and the need to fund the Reconstruction and Development Programme from growth in the economy.



SEEING THE LIGHT: British Trade and Industry secretary Michael Heseltine lights up Khayelitsha housewife Celwe Nxewe's life by promising her a stove for her shack, the 1 000th to be electrified by the Phambili Nombane project in Khayelitsha.

Picture OBED ZILWA, The Argus

## Heseltine's a big hit in Khayelitsha

Staff Reporter

BRITISH Trade and Industry Secretary Michael Heseltine proved a big hit in Khayelitsha — especially with housewife Celwe Nxewe, who he promised a stove.

Mr Heseltine was in the sprawling township yesterday to flip the "on-switch" at a mini-substation in Village Four, feeding electricity to several homes.

These dwellings included Mrs Nxewe's home, the 1 000th shack to be electrified since March by Phambili Nombane

— a joint venture between East Midlands Electricity, Eskom and Electricité de France.

Mr Heseltine described his visit to South Africa as one of the most privileged moments of his life and said he would never forget the welcome he got from Khayelitsha residents yesterday.

But the day was even more exciting for Mrs Nxewe, a mother of two.

The towering minister visited Mrs Nxewe after the substation switch-on. In her humble dwelling, suddenly crowded by

dignitaries, including British High Commissioner Anthony Reeve, Mr Heseltine asked her what appliance she most wanted now that she had power.

"Number one, a stove," came the reply.

Mr Heseltine thrilled the 33-year-old housewife by then announcing that he would arrange with Sir Anthony for a stove to be delivered to her.

Phambili Nombane, general manager Alain Roucole said the joint venture would have electrified 20 000 dwellings by the end of the year.



# Traditional teamwork

Argus 16/17—4/94

(297)

□ Cancer nurse and sangomas point the way to grassroots co-operation

■ A conference aimed at formulating joint strategies for community health care between traditional healers and western doctors is being planned for later this year.  
Weekend Argus Reporter DALE KNEEN investigates.

**W**ESTERN and traditional African healers are working together to save the lives of cancer sufferers in the townships, thanks to the pioneering efforts of a nursing sister from Langa.

Sister Linda Gqiba, of the Philani branch of the National Cancer Association, noticed that many people from the townships were dying in hospital because they were only admitted at advanced stages of cancer.

Other patients who were informed in hospital that they had cancer often attempted to deny that they had the illness and left the hospitals to seek help from traditional healers.

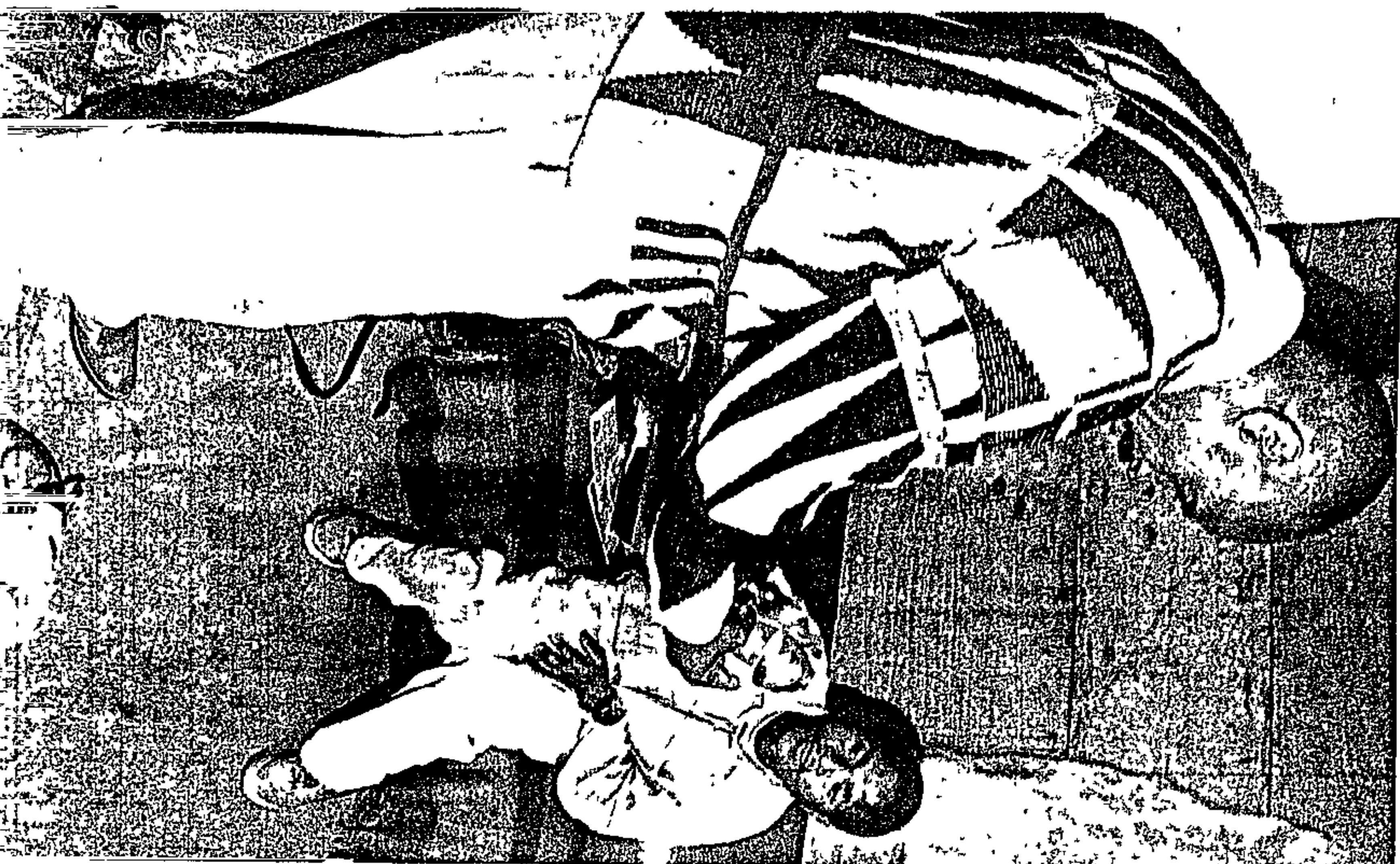
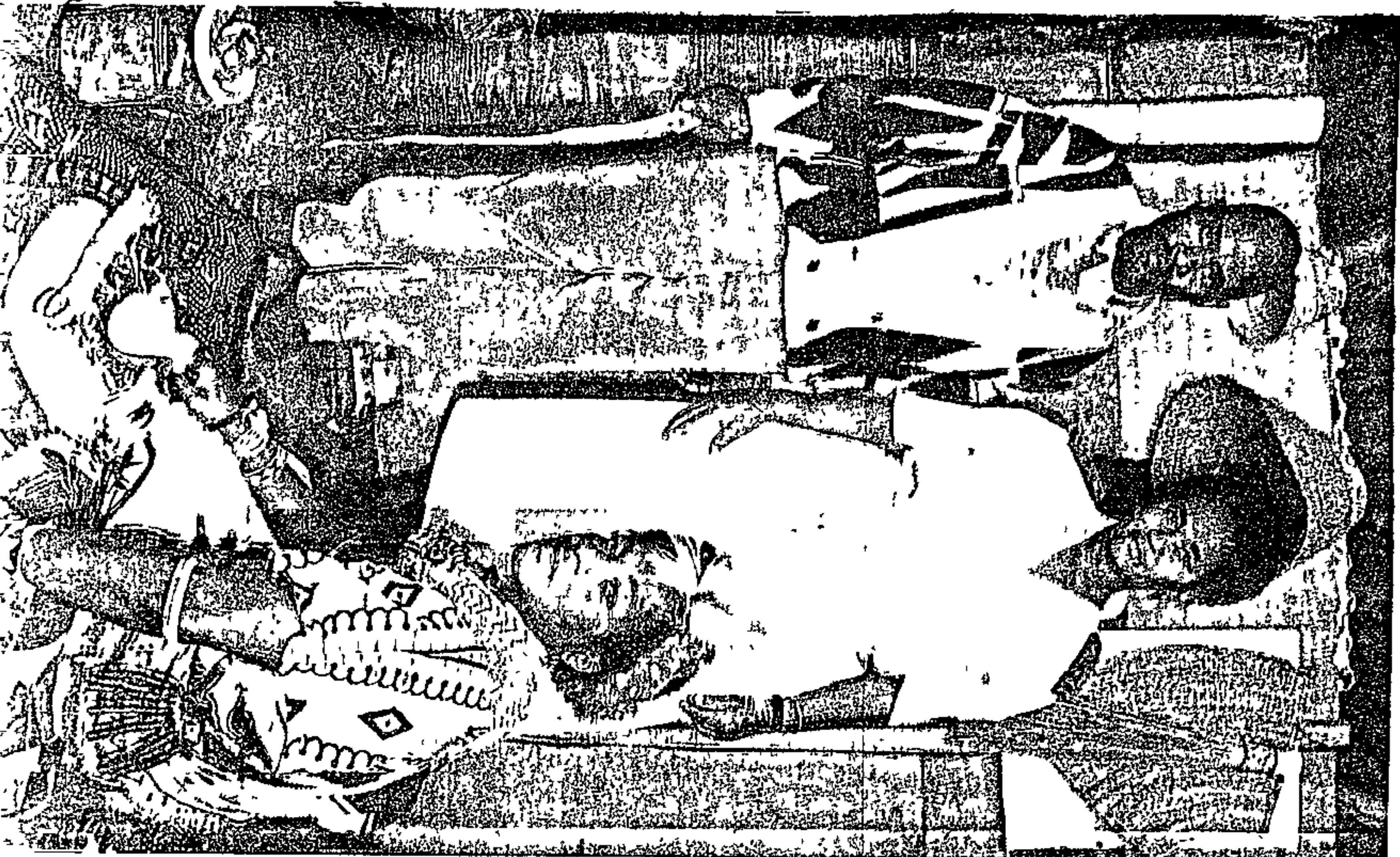
Sister Gqiba believed that herbalists and sangomas (diviners) could help solve the problem if they were able to identify the symptoms of cancer and refer patients to the National Cancer Association.

It has been estimated that between 66 and 80 percent of black people consult the approximately 300 000 traditional medical practitioners in the country.

Sister Gqiba launched an awareness programme in the late-1980s and her first task was to identify a core-group of herbalists and sangomas in Langa, Gugulethu and Khayelitsha.

"It was quite difficult to find the sangomas and herbalists as they move a lot between Transkei and the townships. They tell me their ancestors tell them where to go," she said.

She told the traditional heal-



**French linguists trying to rule the word**

PARIS — The French senate has passed a controversial bill to erect barriers around the French language to stop a flood of English words and keep it alive in the technological age.

The bill, sometimes mocked at home and abroad as a vain bid to turn a tide by decree, will make it illegal to use foreign words in public announcements and compulsory to let French people use their own language in seminars within the country.

Although it does not name the offending invader language, the bill is clearly aimed at English often accused of expanding aggressively in culture and trade and adulterating French into "Franglais".

Sanctions, to be fixed later, are certain to include fines and loss of public subsidies. But, in a business-minded exception, it will not apply to selling French goods abroad.

Part of a government offensive to keep French alive in the modern, technological world dominated by English, the bill adds up to a drive to protect French culture and expand La Francophonie — the club of French-speaking countries.

Worried by the increasing share of American films and books translated from English on the French market, France fought hard to win a "cultural exemption," keeping such goods out of the Gatt world trade liberalisation pact signed late last year.

The bill, which now goes to the national assembly, was



the cancamas and herbalists as they move a lot between Transkei and the townships. They tell me their ancestors tell them where to go," she said.

She told the traditional healers what the symptoms of cancer were and explained why patients with cancer who were receiving medication in hospitals should not be given other herbal remedies.

The programme has been very successful with scores of patients being referred to hospitals or the National Cancer Association.

"There are many illnesses which we can treat, but when someone comes to us with TB or cancer we tell that person to go to hospital and come back when they are healthy again," said sangoma "Dr" Agnes Norman. She started studying to be a



**WORKING TOGETHER:** Sister Linda Gqiba with herbalist "Dr" Michael Niose and sangoma "Dr" Agnes Norman. The two traditional healers work with Sister Gqiba in treating cancer patients in the townships.

Sangoma in Swaziland after having "visions" when she was a schoolgirl. She now practises at a "surgery" she shares with herbalist Michael Niose in Langa. "I decided to co-operate with

the nurses because Sister Gqiba does not treat us in a high-and-mighty manner because she is educated," said "Dr" Niose, whose practice has a sign outside saying "Radio Doctor" — a reference to him

being able to communicate with his ancestors. He said he was interested in learning more about western medicine and would be willing to work with doctors at hospitals if they needed his services

to 'cure' patients with African illnesses. A typical African illness was described by "Dr" Niose as "mafumyane" which he said he was able to treat when western doctors were unsuccessful because they believed it was simply "hysteria".

Sister Gqiba said she felt it was important for sangomas and western doctors to get together so she was planning a conference during Cancer Week, July 31 to August 6



**TREATMENT:** Like Michael Niose, many sangomas and herbalists in the townships have been taught how to diagnose cancer and now refer patients with the symptoms to hospitals.

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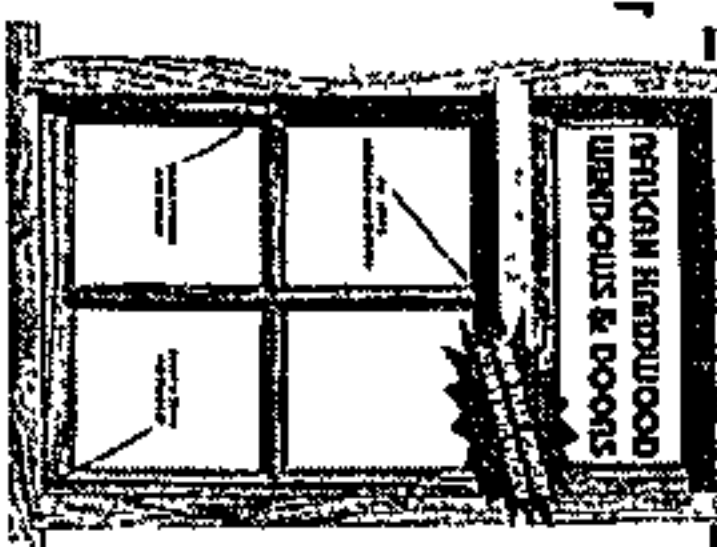
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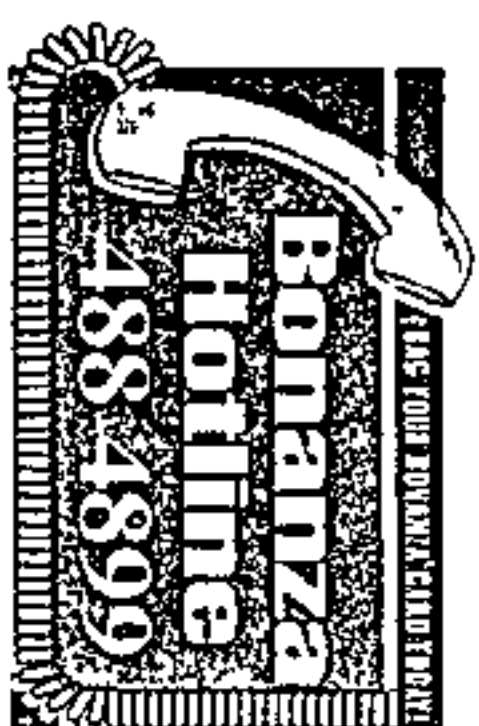
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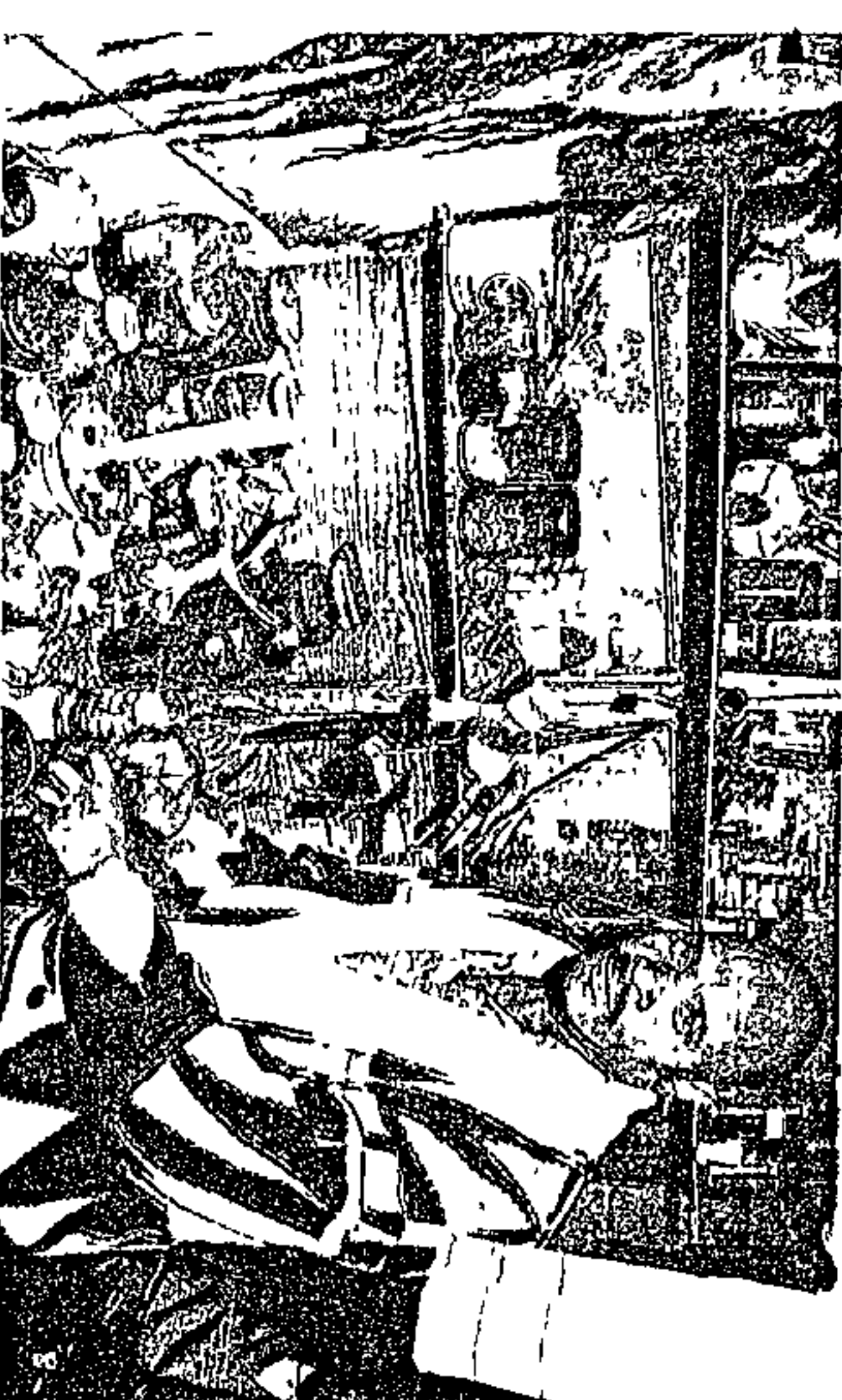
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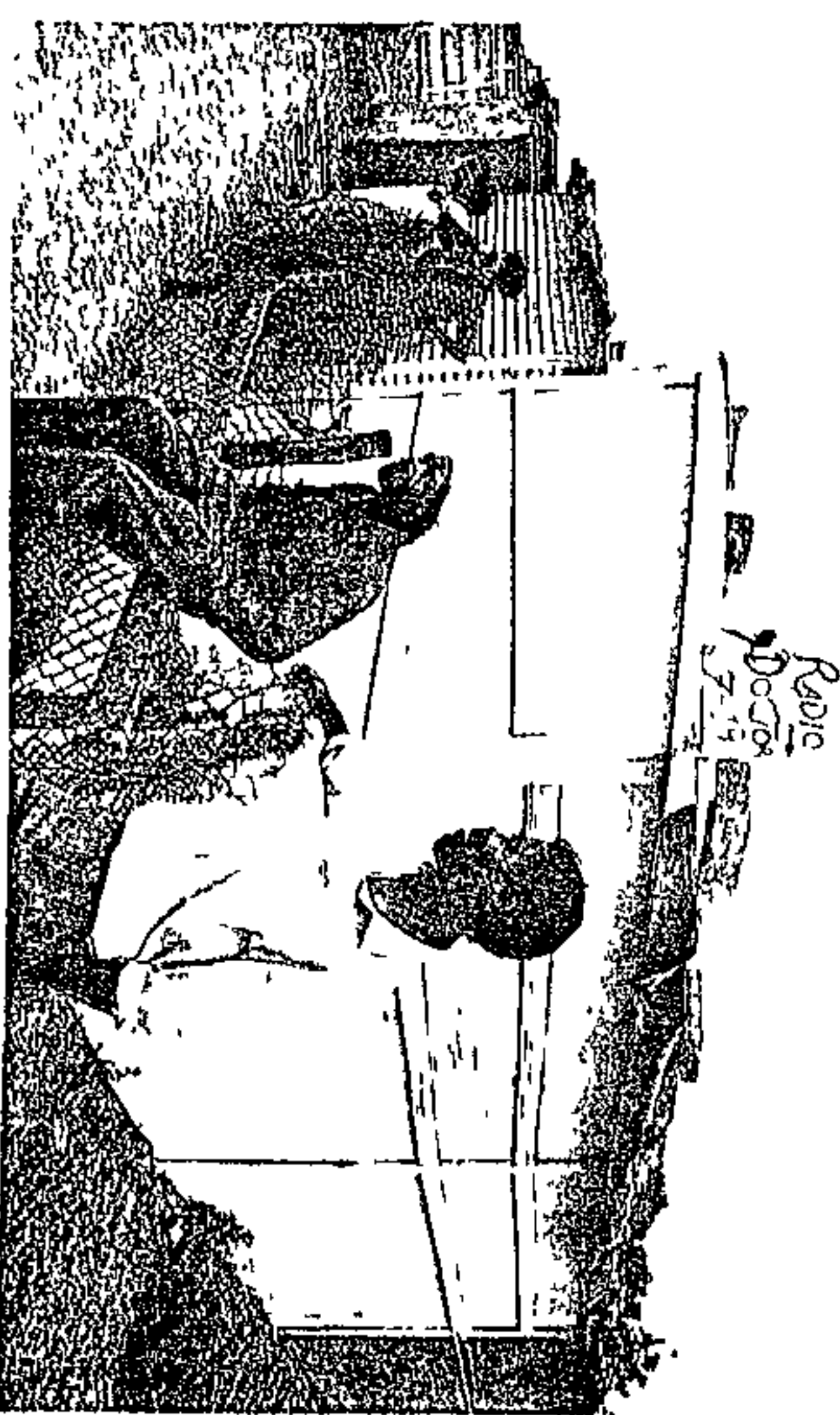
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**HERBAL REMEDY:** Herbalist Michael Niose uses roots and leaves to mix medication for a patient at his Langa practice.



**THE SURGERY:** Patients wait outside Mr Niose's Langa practice which has a sign-board outside referring to his ability to communicate with his ancestors.

the Ga i world trade liberalisation pact signed late last year

The bill, which now goes to the national assembly, was easily passed in the upper house by the large conservative majority with the support of the Communists — traditional foes of American imperialism.

The Socialists and some centrist abstained. Culture Minister Jacques Toubon rejected charges that he was trying to stop the language's natural evolution.

"The bill wants to guarantee citizens wage-earners and consumers that a foreign language will not be imposed upon them at the expense of the French language," he told the house.

Socialist Party spokeswoman Christiane Seligmann compared the bill with the Magnot Line of fortifications that France erected after World War I to stop another German invasion.

The Nazis just drove their tanks around it through Belgium.

The bill bans the use of foreign words in work contracts, public announcements, advertising, and on radio and television — except for foreign language programmes — to protect the right of the French to be addressed in their own language.

English words must be replaced by French equivalents unless the French Academy gives its blessing and ensures them in its dictionary — the French language's bible which has only reached the word "enzyme" so far.

Thus a club is "un club", but a bulldozer must be a "bou-teur" and an airbag a "sac gonflable".

Announcements and signs in public places may be accompanied by a translation if needed, and an amendment added that the translation should be into two languages.

Another amendment said that students should aim at learning two foreign languages. "We want to avoid a narrow French-English bilingualism," Gaulist Jacques Legendre told the senate.

Seminars must allow French participants to use their own language and, when organised by state bodies, should provide for simultaneous translation — Sapa-Reuter.



# 'New law reduces battery'

## Victims better protected — study

■ Women are being offered improved protection from battering by the new Prevention of Family Violence Act, a study has shown.

**DALE KNEEN**

Weekend Argus Reporter

THE Prevention of Family Violence Act's new interdict laws have resulted in thousands of women turning to the courts for help after being battered by their partners.

This is the finding of a survey by the National Institute for Crime Prevention and Rehabilitation of Offenders (Nicro), women's support centre which was completed this week.

Deolina Delcarne, who conducted the research, said 2 415 women in the greater Cape

Town area had applied for interdicts at courts in Cape Town, Goodwood, Simon's Town, Bellville, Mitchell's Plain, Kuilsriver and Wynberg.

With 731 interdicts granted, Mitchell's Plain had the highest number of all the courts in the period December 1983 to mid-June this year. Simon's Town had the least with 87 and 13 were granted in the Supreme Court.

Ms Delcarne said the Prevention of Family Violence Act was passed on December 1 last year and allowed women to seek interdicts in magistrate's courts.

"In the past, women could go only to the Supreme Court and to do that they needed a lawyer and considerable financial resources. Now, the cost is only between R25 and R30."

Ms Delcarne said another advantage of the new legislation was that the interdict often was delivered on the same day as the court hearing and if it was violated, the abuser could be arrested and sentenced to a jail term not exceeding one year.

She said a criticism of the legislation was that it focused on the "matrimonial home", but did not offer protection to gay women or women who did not live in the same home as the batterer.

"The Act also should be extended to other forms of inter-family violence like, for example, a son who batters his mother or sister."

Another criticism of the Act was that there was a "lack of due process", which meant the alleged abuser was not represented in court when the interdict was granted.

"My belief, however, is that it is often literally a matter of life or death for the victim and therefore important for the interdicts to be granted as soon as possible," added Ms Delcarne.

She said some victims of abuse who had been granted interdicts were too afraid to lay charges with the police when batterers contravened the interdicts.

Other women were illiterate and many magistrate's courts did not have the staff to help them fill in forms. Nicro offered a service, helping battered women fill in the forms and write out affidavits.

Nicro's Jane Keene said posters on rape, sexual harassment and battering were being designed by Nicro and Lawyers for Human Rights. They would be displayed in police stations in an initiative to inform the public about these issues.

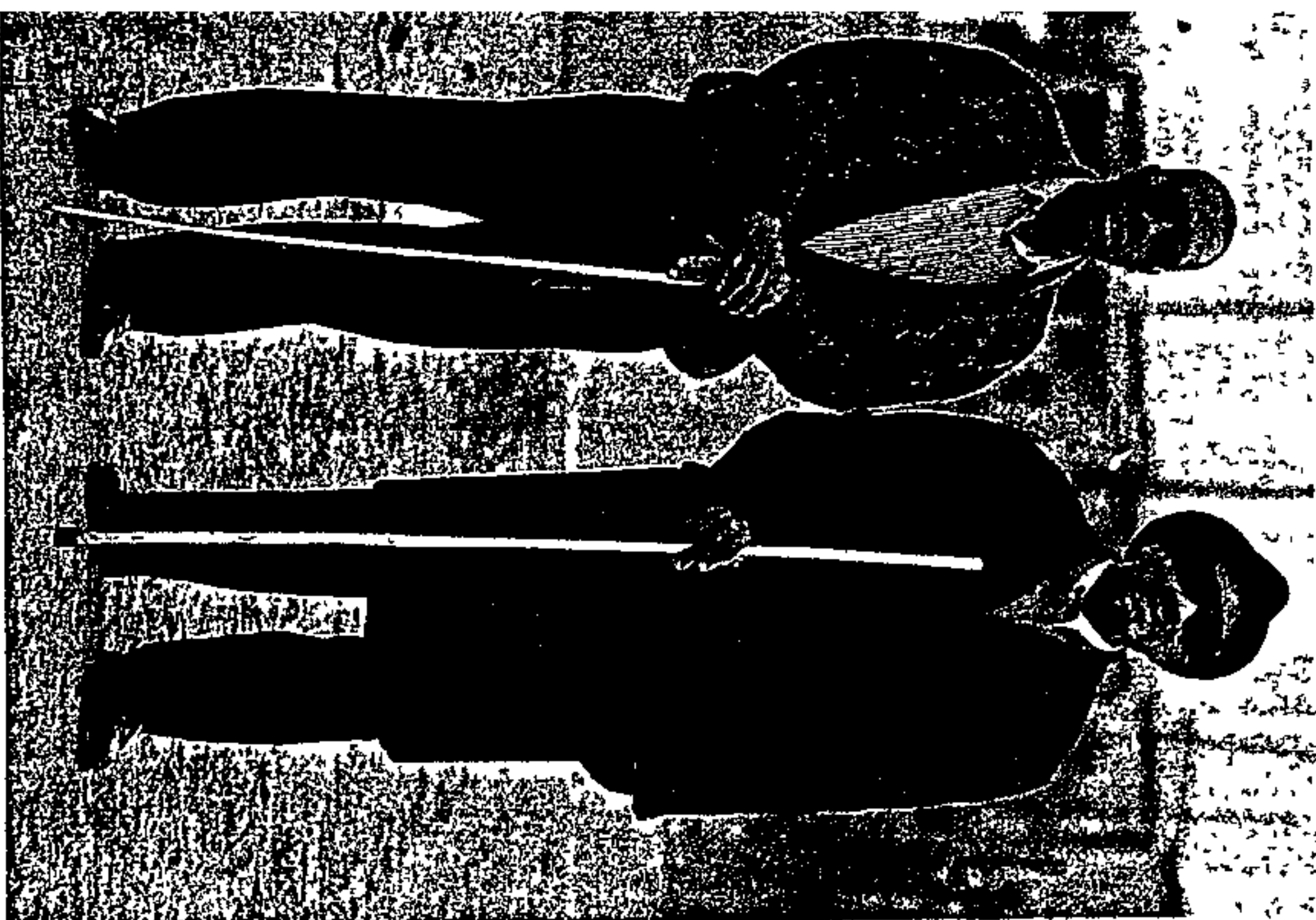
The posters will be displayed at the Heideveld and Stellenbosch police stations in a pilot project. If the project appears to be successful, it will be extended to other police stations.



□ POSTERS: Artist Jacques Marais poses with some of the posters he designed



# Eternal dark in the misery hole



Pictures: BRENTON SEACH Weekend Argus

**DARK WORLD:** Thomas Mathumba, a volunteer at Langa's Lakhanya organisation for the blind, left, and Amos Mahlasela, chairman of Khayelitsha's blind association, Sinehemba, both fighting for a new deal for the blind of the Western Cape's black townships after years of deprivation under the apartheid which left them as forgotten people

## DI CAELERS

Weekend Argus Reporter

LIFE is a "black hole" for the hundreds of blind people, many of them young and defenceless children, who live in Western Cape townships.

And during the recent floods their dark existence turned into a nightmare of helplessness.

With no special education for the young nor sheltered employment opportunities for the adults, they eke out an existence in tumble-down shacks with no hope of independence.

It is an environment unacceptable for those who can see, let alone those who live in a world of perpetual darkness.

And while no amount of mobility training could prepare the township blind for the shackland conditions they'd encounter once they stepped out of their front doors, activists working for a new dispensation for the blind say that's simply no excuse for the lack of attention.

Instead of nurturing the blind and encouraging them to realise their full potential, the state has seen fit to sweep the problem under the proverbial carpet creating a dangerous ignorance around the subject.

"Now they must start from scratch and build a whole network of facilities. We need education for children and adults, we need to be at the top of the list for houses, and we need affirmative action for the blind," the chairman of Khayelitsha's blind association Sinehemba, Amos Mahlasela, told Weekend Argus.

Pointing to the streets with no pavements, criss-crossed by rivers of water after the winter

■ Like other disadvantaged people, the township blind want houses, education and employment — but they believe their place should be at the top of the government's list of priorities.

And 16/17/94

rans, Mr Mahlasela points out the impossibility of independence for blind people in the townships.

"You can never be prepared for what might trip you up here. The result is that we always need to have someone with us and in my case, that means my wife must stay home to care for me and we have to live on my R370-a-month grant."

But that doesn't mean that mobility training isn't vital. The Western Cape Blind Association, a group of cash-strapped people funding the association from their meagre pensions, has taken up the challenge and is financing the training of a local instructor to work in the townships.

Association organiser Evelyn Silva explained, "Existing mobility instructors don't want to work in the townships so they'll only train people if they come to town. But we don't only need to know how to get around alone in town. We live in the townships and that's where we need the training."

Education, for children and adults, is top of the list of priorities for Thomas Mathumba, a volunteer at Langa's blind association Lakhanya, which operates under the auspices of the League of Friends for the Blind.

297 2517

"There is no education for blind children in the townships. If they want to go to the existing schools they must travel long distances and often they can't get in anyway because of waiting lists."

"The result is that they're left locked away with little hope of improving their status in life."

Adults were equally important, he said, appealing for "at least one" blind workshop in the townships which would offer employment opportunities.

"But I believe there should be affirmative action in the formal sector too. For every 100 people that are employed anywhere, employers should be obliged to take on a certain number of blind people."

It was only the "lucky" ones, he said, that got to learn to read braille.

The blind activists introduced Weekend Argus to Khayelitsha resident Ethel Magadia, who they said was an example of the result of lack of attention paid to the blind.

Ms Magadia is blind and homeless, with no hope of getting a job. She and her six children were taken in by a friend who now shares her one-room shack with the entire family.

"We must be at the top of the list for housing," Sinehemba's Mlungisi Tsoni said.

"Shacks are simply no place for any disabled people to be living. In the case of violence they're the most vulnerable. If they're left helpless blind people just aren't in a position to help themselves."

Anyone who can assist with resources, skills or funds should contact 461-8270 or 461-8277 for more information.



□ **HOMELESS:** Homeless and with no prospect of employment, blind Ethel Magadia and her six children share a one-room shack with a benevolent friend, Cecilia Mpuu Ethel, left, and Cecilia, back right, are seen here with four of Ethel's children, from left, Victoria, 17, Lucas, 7 (Cecilia's son), Vathswa and Sonwabile, both 12 and Nasiphi, 3. She supports the entire family on her R370-a-month government grant.



# Naidoo explains delay in report on development plan

By EDYTH BULBRING

THE White Paper on the government's Reconstruction and Development Programme, has been delayed, the minister in charge, Mr Jay Naidoo, said this week.

However, President Mandela's promise that special projects to kick-start the RDP would be up and running within 100 days would be met. The President's self-imposed deadline to deliver on these projects is September 1, he said.

The final draft of the White Paper, which was due out last week, had been delayed because there

needed to be a more considered response to the framework document of the RDP.

"We want to make it a consultative process, to allow ownership of the White Paper by the major stakeholders both within and outside government," Mr Naidoo said. (297)

The government was also keen to make the process as public as possible. The draft White Paper would be completed next month. It would then be returned to government departments before being put before the parliamentary standing committee of the RDP for public hearings.

It would be presented to the cabinet by the middle of August.

Mr Naidoo said starting the four projects Mr Mandela announced to get the RDP on its way was taking longer than expected.

However, he added, the free medical health care to children under six and to pregnant mothers had already begun, and pilot projects on the nutritional programme and a public-works programme would start before August 18.

The health department had done an overview of all the areas where there was a need, and there would be a comprehensive nutritional programme by September 1.

The reason things were taking longer to implement was because the programmes had to involve all levels of government and the community, Mr Naidoo said.

"If it was just the government moving in and building houses, it wouldn't take so much time."

The same applied to the school feeding scheme. "If we hired (catering company) Fedics to do it, we could do it tomorrow."

By the beginning of September a major project on water would have been put into place in the eastern and northern Transvaal, he said.

On the issue of township rebuilding, which underpinned the public-works programme, a number of "flagship programmes" had been identified which would be implemented late next month.



## JOBS

# IDC builds on success in agricultural development

THE Industrial Development Corporation (IDC) has played a major role in financing some of the largest, capital-intensive projects in SA but its participation in smaller, labour-intensive industries will earn it equal praise.

The Industrial Development Corporation's financing of labour-intensive, agricultural projects will make a major contribution to achieving the goals of the RDP, writes **DON ROBERTSON**.

Project financing by the IDC in the years 1994 to 1996 is expected to generate 37 500 direct and indirect jobs, rising to 50 000 between 1996 and 1998.

Promotion of smaller industrial developments in the financial year to June is estimated at R480-million compared with R301-million in the past year and will generate 28 000 employment opportunities compared with 9 700 in 1993. The IDC also assists small and medium-sized companies and has authorised an allocation of R220-million in the current year aimed at providing 6 100 jobs.

But it is the IDC's financing of labour-intensive, agricultural-based resource development that will fit in best with the reconstruction and development programme and will help boost employment in remote and undeveloped areas.

In the past, the IDC's activities have been directed largely at the development of new agricultural in-

dustries, but experience has shown that expansion of already successful export industries offers equal potential for large-scale job creation, says managing director Carel van der Merwe.

The corporation is now assessing a number of opportunities, particularly citrus, deciduous and semi-tropical fruit in a number of areas where water storage, irrigation and packaging facilities would have to be provided.

About 6 000ha of land has been identified as being suitable and should development go ahead about 20 000 job opportunities could be created.

Among the newer projects the corporation is looking at is a 40% participation in a R286-million synthetic lysine project with ABICI in Natal which should create about 3 000 jobs. The plant, due for completion in mid-1995, will have a capacity of 10 000 tons a year and will produce feed additives for livestock.

An investment in a R400-million glycols plant producing 50 000 tons a year is being investigated. If completed, exports could earn R340-million a year and create about 5 500 jobs as a result of higher tonnage of sugar cane required.

On a smaller scale, R2,4-million has been approved for initial expenditure on a R18-million pistachio nut development near Pekaia in the Northern Cape. The 10 000ha estate could earn the foreign exchange of R45-million a year in about five years. If expanded to 15 000ha, it could provide jobs for 4 000 people.

A decision has been taken to develop smallholdings on 850ha to grow cashew nuts near Ingwavuma in Northern Natal. Expansion of the plantation could support 600 families.

Investments by Sapeke, an IDC subsidiary, has resulted in a stabilisation of the paprika industry near Brits and the 100-ton production of oleoresin from exports. It is planned to double production over the next five years and provide 5 000 jobs.

An asparagus farming and canning plant near Pletstburg in the Free State is to be expanded providing jobs for 2 500 people. Coffee is being grown near Tloboyanou, Bushbuckridge and Levubu and plans to increase production will add another 3 000 jobs.



LOOKING FOR WORK Frans Barker, NMC chairman



CAREL VAN DER MERWE... expansion of successful export industries offers potential for job creation



# US aid package for SA

The Argus Foreign Service

(297)

WASHINGTON. — The Clinton administration is putting together an aid package of between \$160 million and \$170 million (about R600 million) for use by South Africa once the new government has taken over.

ARG 19/4/94

An administration official said yesterday that the Agency for International Development (Aid) would be the first American agency to grant aid to the new government.

Officials will wait until the election has been declared free and fair before announcing the new assistance.

(News by P Fabricius, National Press Building, 14th and F streets, Washington DC)

# The role of NGOs in the future SA

By Russel Molefe

Sowetan 19/4/94

(293)

IN THE years when black liberation movements were banned, non-governmental organisations fostered an environment in which people could organise and both resistance and delivery of services could be carried out.

Concerted, however, has been criticised that in the new democratic era, NGOs seeking to provide a voice independent of the government will be faced with tensions over when to challenge allies on the "inside" and in what format.

With more allies expected to be in the new democratic government after the April 26-28 elections, does that mean there will no longer be a need for NGOs?

## No simple formula

Mr Jim Schultz, director of the United States-based Advocacy Institute, says there will be no simple formula. South African NGOs will have to struggle with when to challenge their political allies and with how to make those challenges "in a way that does not burn important bridges".

Schultz believes that even in the

democratic era South Africa will still need a strong and independent NGO sector.

To gain valuable information on advocacy which could be used during democracy in South Africa, five National Progressive Primary Health Care Network officials visited the US at the invitation of the Advocacy Institute.

The South African word that comes closest to the American term "advocacy" is "persuading", which comes from the South African tradition of resistance.

According to Schultz, the NPPHCN officials during their visit in the US constantly asked: "Why would we want to attack our friends?"

Schultz says advocacy does not only mean attack. It could be most effective when it can move by persuasion.

In an authoritarian regime such as South Africa has had, Schultz says, efforts to influence from outside were almost adversarial and the response often violent.

"In a democratic society where formal authority is delegated by the will of the people and where those who

hold it are expected to be public servants, the chemistry of advocacy is different," he says.

In the US, advocacy strategies almost always take two basic directions carried out simultaneously - expand the political space of your allies and limit the political options of your opponents.

## Public opinion

"Both allies and opponents, once inside a democratic government, are extremely sensitive to their perceptions of public opinion.

"Allies need to know that what advocates are calling for is not only right, but has public support. Opponents can similarly be moved, if they have a sense that the advocates' agenda is backed by strong public sympathy," says Schultz.

However, Mr Wallace Mgoqi of the Legal Resources Centre in Cape Town described the current position of NGOs in advancing their interests through the constitutional process as one of "wait and see".

"This is so in the sense that most of the work of the creation of a new

constitution and the Bill of Rights is left to political groups or individual lawyers," Mgoqi says.

To exist as a vibrant sector, he says, the NGO sector requires an enabling environment in which, among others, fundamental freedoms and duties are clearly defined and respected.

In his book, *Advancing Human Rights in South Africa*, ANC head of Constitutional Affairs Mr Albie Sachs wrote that for NGOs to make contributions to solving national problems, attention would have to be paid to achieving five objectives. The objectives are:

- The right of these bodies to exist and function actively with the requisite degree of autonomy;
- Their right to co-operate with each other and with the government to achieve the objectives of the constitution;
- The right to receive certain backing or benefits when undertaking certain activities that promote the national interest;
- The right not to be co-opted or muzzleed when co-operating (or not co-operating) with the government; and

● The right to be consulted and to be involved in the process of elaborating new legislation which touches their areas of interest, and to monitor the laws and ensure that they are applied in a just and effective manner.

## Advocacy by NGOs

But Mgoqi says these rights will not become a reality by mere affirmation but by continuous, strong assertion and advocacy by NGOs.

"They will have to be fought for in an organised way, through effective networks and coalitions. The constitutional framework will only provide pedestals from which these rights can be asserted as opposed to the state of affairs during the apartheid era.

"Until now the kind of advocacy South African NGOs are familiar with has been that of opposing repression, instead of being able to engage the government in positive and constructive directions.

"A fundamental shift will have to take place, and there are signs that South African NGOs are already preparing themselves for the new democratic era," Mgoqi concluded.



# Millions to win in dicey lottery

CT 19/7/94 (297)

## Staff Reporter

A MILLION RAND lottery with monthly draws, aimed at funding a national literacy campaign, was launched yesterday in spite of a Department of Justice warning that the Gambling Act legislation which outlaws lotteries is still in force.

Funds raised by the Laduma lottery will be used to create about 5 000 jobs and combat illiteracy, said Mr Kumi Naidoo, director of the National Literacy Co-operation (NLC).

The NLC is an umbrella body of over 100 adult basic education organisations involved in literacy training.

Mr Naidoo said the NLC had

consulted with the government and the lottery had the support of ANC deputy president Mr Walter Sisulu, patron of the NLC

The Gambling Board, launched on June 17 to investigate the issue and advise the cabinet, will not do so until a chairman has been found. Professor S Strauss announced recently that he was unable to fill the position because of ill health.

"When the Gambling Board is ready we will make our presentation and hope they will approve it," said Mr Naidoo.

He said their lottery was on the same footing as existing lotteries like Ithuba and Viva.

Twenty percent of the revenue from ticket sales would go to the

NLC, 50% to prize money and the remaining 30% would be spent on advertising, administration costs and VAT. Ticket sellers could earn over R2 000 a month, he said.

Standard Bank is distributing the tickets and will pay out weekly prizes — with a main prize of R1 million.

Tickets will be sold in packs of 100 for R120. Buyers will in turn sell them to the public for a profit and this is expected to create jobs for tens of thousands of ticket sellers.

Mr Gary Foweraker, project manager of the strategic marketing division of Standard Bank, said lawyers working for the government had assured them the lottery was legal.

Imminent restructuring denied

# Development Bank in bid to limit damage

B1 Day 1917194

DAVID GREYBE

CAPE TOWN — The Development Bank of Southern Africa acted swiftly yesterday to stem staff fears of a major restructuring and job losses at the bank after recent allegations of senior officials' plans to sabotage government's reconstruction and development programme (RDP).

In an internal memorandum, acting CE Nick Christodoulou reassured staff that changes would be contemplated only "after consideration of all the options and consultation with all interested parties".

He dismissed as unfounded reports implying "a change in management arrangements" was imminent. These reports were intended to disrupt SA's development process "by continually attacking the integrity of the bank's staff".

A bank source said Minister without Portfolio Jay Naidoo's department had set up new rules which required that new bank projects secure the department's approval before being implemented. However, there was concern about substantial delays in implementing projects because the department did not have the necessary resources or infrastructure. The source warned that the RDP could be delayed by three to four years if government dismantled the bank, which was considered to be a key player in the RDP's success.

Christodoulou urged those who had implicated senior staff in an alleged plot to undermine the RDP to "come forward". He invited them to discuss their grievances with bank chairman Wiseman Nkuhlu today. The anonymous group of professionals gave Naidoo a document identifying alleged saboteurs.

Christodoulou also defended former non-executive board member Desmond Krogh, who resigned in the wake of accusations that he had plotted to sabotage the RDP.

Christodoulou said that after examining the tapes of the audit committee's May meeting, at which Krogh was alleged to have made the remarks, "it is clear that Krogh did not make the statements".

Krogh reportedly said the bank should appear to go along with the RDP, but guarantee its failure by making sure provincial projects did not succeed. (297)

Meanwhile, a government interdepartmental working group of Naidoo, Deputy Finance Minister Alec Erwin and representatives of the Reserve Bank and State Expenditure and Finance Departments has been studying development agencies' roles. Erwin said the group, which met Christodoulou on Friday, would soon start discussing proposals with the provinces and development agencies.

"Our prime objective is to develop the most effective means of financing and implementing development, and we intend managing the process with care, in consultation with all interested parties."

The proposals would help provinces implement their RDPs, but he warned "it would be unwise to take any actions which could delay delivery pending the outcome of this review".

Christodoulou said the working group's recommendations, which would include input from the bank, would be presented to the Cabinet.

● Comment: Page 6



# Key aid for SA finance out of reach

297

From LINDA ENSOR

LONDON. — SA would not receive substantial foreign aid to meet its future financing requirements, while major inflows of new private direct capital investment over the next two to three years was unlikely. This was the conclusion of a briefing paper on SA by the Overseas Development Institute (ODI), an independent research centre, which was released yesterday.

Furthermore, the prospects for SA's major mineral exports were far from bullish.

It said SA would in future need significant capital inflows to help finance growth but additional concessionary finance was likely to play a relatively minor role in this.

"All the major OECD donor countries will want to mark their support for the new government with pledges of aid funds and, in the short term, this is likely to result in annual aid commitments running into several hundred million dollars.

"But there are unlikely to be additional aid flows on a scale which will make a significant difference to SA's financing requirements."

The ODI paper cited three reasons why direct capital investment would be slow in coming to SA. Firstly, the size of current flows of direct foreign investment, usually a good indicator of future trends, was small.

## Investors

Secondly, most potential investors would require a significant reduction in political violence and clarity about the investment environment before committing themselves.

Thirdly, major investment decisions were likely to await clarity on the timing and extent of SA's trade liberalisation programme.

"Nonetheless, private foreign direct investment will continue. At a minimum, there is evidence that SA is being viewed as a more favourable locale for investment than the former Soviet republics."

On mineral prospects, the ODA said the outlook for the gold price remained low when compared with gold production costs in SA.

ODI said prospects for chrome, nickel, zinc, copper and uranium prices remained depressed, adding SA had lost market share.

Little major change in the price or demand for diamonds was expected, with the best prospects for minerals being for coal and platinum group metals. However, these only accounted for less than 15% of total export earnings.

In conclusion the ODI paper said the significant degree of optimism present throughout SA could play a major role in its economic future if international experience was anything to go by: "SA's economic future and its ability to steer itself away from the violence of the apartheid system thus depend crucially on the ability and commitment of its own people to work together to build that future."

# Cost of upliftment challenged

Owa Correspondent

JOHANNESBURG. —  
The NP and the ANC are  
each grappling with a  
taxing question — what  
will the ANC's recon-  
struction and develop-  
ment programme cost?

The NP yesterday re-  
leased its cost estimates  
based on what the party  
said was an independent  
assessment. The study  
was done by Rand Afri-  
kaans University econo-  
mist Mr Roelof Botha and  
a British Conservative  
Party election strategist,  
Mr Tony Kerpel.

The ANC last week said  
R39bn would be spent  
over five years.

Public Enterprises  
Minister Dr Dawie de  
Villiers claimed the pro-  
gramme's projected five-  
year cost would be more  
than R600bn. (297)



# Red tape hampers Development Bank

Biday 20/7/94

GRETA STEYN

THE Development Bank of Southern Africa has virtually stopped granting new loans with delays in provinces receiving borrowing powers and in appointing the fiscal and financial commission threatening to hamper the development process.

The bank, fighting to clear its name in the wake of allegations that officials wanted to sabotage the reconstruction and development programme, also faces government scrutiny of projects approved.

Bank financial director Richard Kirkland confirmed that new commitments had been affected by problems relating to the transition. Only R90m had been committed to new projects in the first three months of this fiscal year. "In view of the delays, which could last months, we will not reach the level of commitments seen in the last two fiscal years. (297)

The bank committed a record R1,7bn to new projects in the past fiscal year.

Kirkland said one major reason for the problem was the delay in granting borrowing powers to the provinces. "We agree with government that we cannot lend until there is certainty about contractual obligations." He said there was a lag of 18-24 months between loan commitments drying up and a slowdown in actual funds paid out.

The delay in setting up the fiscal and financial commission was also affecting

approval of new projects, as it had to rule on the distribution of resources between the provinces. The original deadline for appointing the commission was June 30.

A source said the vacuum would cause the development process to lose momentum, but that it was probably better if all the issues affecting the bank were dealt with simultaneously. A government inter-departmental working group, headed by Deputy Finance Minister Alec Erwin, is investigating the role of the bank in financing the provinces.

An analysis of the bank's past commitments shows only a tiny fraction lent to the Western Cape (R47m) compared with R1,7bn to the Eastern Cape.

The Northern Cape, Free State and Eastern Transvaal had also received a small share of the total of almost R9bn in the bank's fixed commitments.

Kirkland said there had been a certain amount of "foresight" in the bank's heavy loan commitments of the past two fiscal years. As a result, actual loan payouts were progressing well despite the difficult environment. Loan disbursements were more than 70% up on the same period last year. The bank was cash flush — it had more than R1bn at its disposal.

# Trust planning R60m project for schools

8 Day 2017/194  
KATHRYN STRACHAN

THE Independent Development Trust is planning a R60m project with a range of non-governmental organisations to upgrade SA's 1 000 poorest black schools.

The trust hopes the "1 000 schools project" will serve as a model of what can be achieved in improving the quality of education and that the project will be extended to cover many more schools. (297) (33)

Trust education project manager Glenmire Gillespie said non-governmental organisations would form consortiums according to their regions and offer the 1 000 selected schools educational assistance packages.

These would include upgrading learning in maths, science and English, as well as teaching new methods of developing cognitive skills.

Management training for principals and governing bodies would also be offered.

About 20 non-governmental organisations across the country, including READ, the Science Education Project, the Centre for Cognitive Development and the Independent Teachers' Enrichment Centre were involved in the project.

The organisations were currently selecting according to need and region the schools which would take part in the project.

A vital criteria for selection would be the existence of accountable governing bodies — a factor which ensured the school's accountability to the community.

Control would lie with the schools, which would decide exactly which "package" of services they needed.

The project would be under way in classrooms by January, said Gillespie.

The trust hoped that after six months other agencies would be drawn into funding the project. This would enable it to be extended to other schools.

## SA's election role on agenda



## ANC calls on business to fund youth ministry

ET 21/4/94 (297)  
Staff Reporter

THE government of national unity and big business should jointly fund a youth ministry to address the needs of the "marginalised youth", ANC Youth League president Mr Lulu Johnson said yesterday.

Mr Johnson was debating the future of the so-called "lost generation" with DP youth chairman Mr Colin Douglas at UCT.

Mr Johnson said all South African youth, irrespective of race or religion, needed a "mechanism for reconstruction and development" in a new state.

Mr Douglas disagreed saying "it is a fundamental waste of extremely scarce resources which should be spent on benefiting the youth instead of fast cars and big houses."



# Shake-up imminent at Development Bank

From GRETA STEVEN

## Keys upbeat on SA growth

JOHANNESBURG. — Development Bank of Southern Africa CE Andre-la Grange would cut short his leave tomorrow to join chairman Wise man Nkulu in telling bank staff that "fundamental change must occur," Nkulu said yesterday.

A meeting of staff had been arranged to keep them informed of discussions with government on the bank's transformation. "We are aware of the need for rationalisation and for the bank to acquire a narrower focus. Changes are needed and they must be fundamental," Nkulu said.

His comments came in the wake of allegations by staffers that bank officials had planned to sack the RDP.

The allegations have been added to the urgency surrounding a government investigation into the bank's role. Sources predicted that government was likely to announce steps to reform the bank within two weeks.

As a first step towards change, it was suggested that the provinces be presented on the new board. He would not be drawn on which other representatives should be included, other than to say it should be borne in mind that the bank remained a bank.

Nkulu said he would use the meeting to deal with staff fears about their careers. Sources said it seemed unlikely that a new board would be in place for at least another two months. Staff expect the bank's policy function to be scaled back considerably, with experts being seconded to government. The unit monitoring homeland finances was

JOHANNESBURG. — SA is aiming for economic growth of substantially more than 3% a year in the next five years, a rate not seen in as many years, Finance Minister Derek Keys said.

He told a US investor conference that in the process much would be done to reduce excessive government consumption spending which, at 21% of GDP, was one of the highest anywhere.

He added that an upturn in gross do-

mestic fixed investment was evident in the second half of 1993, and there was every reason to expect it to gather momentum. "This has been achieved without any signal direct investment from foreign entrepreneurs. We would be delighted to base our plans for a brighter future on such activity (although) it is welcome when it comes."

"The entire cabinet is seized with the importance of correcting defects."

expected to be disbanded, as central government would keep an eye on the provinces.

Acting CE Nick Christodoulou said there would be no witch-hunt against staff who had implicated senior staff in the alleged plot to undermine the RDP.

He said staffing matters would be left for the second phase of the restructuring process, but he did not foresee any large-scale redundancies.

A senior development agency source said the Cabinet would discuss at its next meeting the restructuring of the bank and other parastatal agencies, such as the Small Business Development Corporation and Industrial Development Corporation.



# RDP could upset export markets'

(297) AFR 21/7/94

## Business Staff

**DURBAN** — Substantial long-term business potential exists for South African exporters in South-East Asia.

But implementing its RDP, the country must take care not to upset delicate markets.

These points were made in an interview by Alan Wilson, chief executive of Masonite Africa and president of the Durban Regional Chamber of Business.

He and colleagues from Masonite's US parent company recently visited China and various countries in South-East Asia to study markets.

Masonite Africa, based in Durban, has a big export profile but recently has tried to build up its more lucrative value-added export component —

with deep-panelled doors a major product.

It has found simple commodity exports more subject to price fluctuations.

Plywood prices are a critical factor in this respect, because Masonite products are seen as an alternative to good plywoods which come from exotics woods in tropical areas.

Masonite exports tend to benefit when plywoods increase in price.

Before the recent marketing visit, plywood prices were strong.

China had been stockpiling plywood for some time, which had driven up prices.

However, that huge country's current balance of payments difficulties resulted in a draw-down of stocks, and a drop in Chinese imports, with lower

demand slimming the price of plywood.

This, to a degree, affected Masonite's short-term sale prospects.

However, long-term prospects for South African exports remain good.

Mr Wilson also found the experience of Indonesia interesting in light of controversial suggestions in the ANC's Reconstruction and Development Programme document that there should be cutbacks in export of certain raw timber products such as wood chips.

He says Indonesia, concerned about the export of its precious exotic tropical woods, decided to pull secondary processing into the country.

It therefore taxed the export of logs, inducing processors to move onshore.

The Indonesian result has been successful, but South Africa should be careful not to draw the wrong conclusions, and upset hard-won markets.

Attempts to enforce local beneficiation could backfire in sectors where a country does not have a unique product.

Whereas Indonesia is one of very few countries with tropical basin hardwoods, competition for South African timber comes from a variety of countries, from Australia to Chile.

South Africa is not a major forestry country, with less than 1 percent of its land afforested.

There are, however, opportunities for providing renewable wood fibres.

In spite of the RDP document's conclusions, it would be dangerous to fiddle with hard-

won markets, such as the Japanese wood chip contracts shipped through Richards Bay.

Japan, as a major customer, would simply turn to other suppliers.

The RDP document says: "The current usage of timber is wasteful and we are opposed to the massive and growing export of raw woodchips."

It adds there is enormous scope to add value to raw timber materials before export.

Mr Wilson says in a search for beneficiation opportunities South Africa needs to look for products with unique qualities — possibly diamonds or gems of some sort.

Turning back to his export drive, Mr Wilson said Masonite and its parent were thinking of opening an office in Beijing.



## RECONSTRUCTION &amp; DEVELOPMENT

Fri 22/4/94

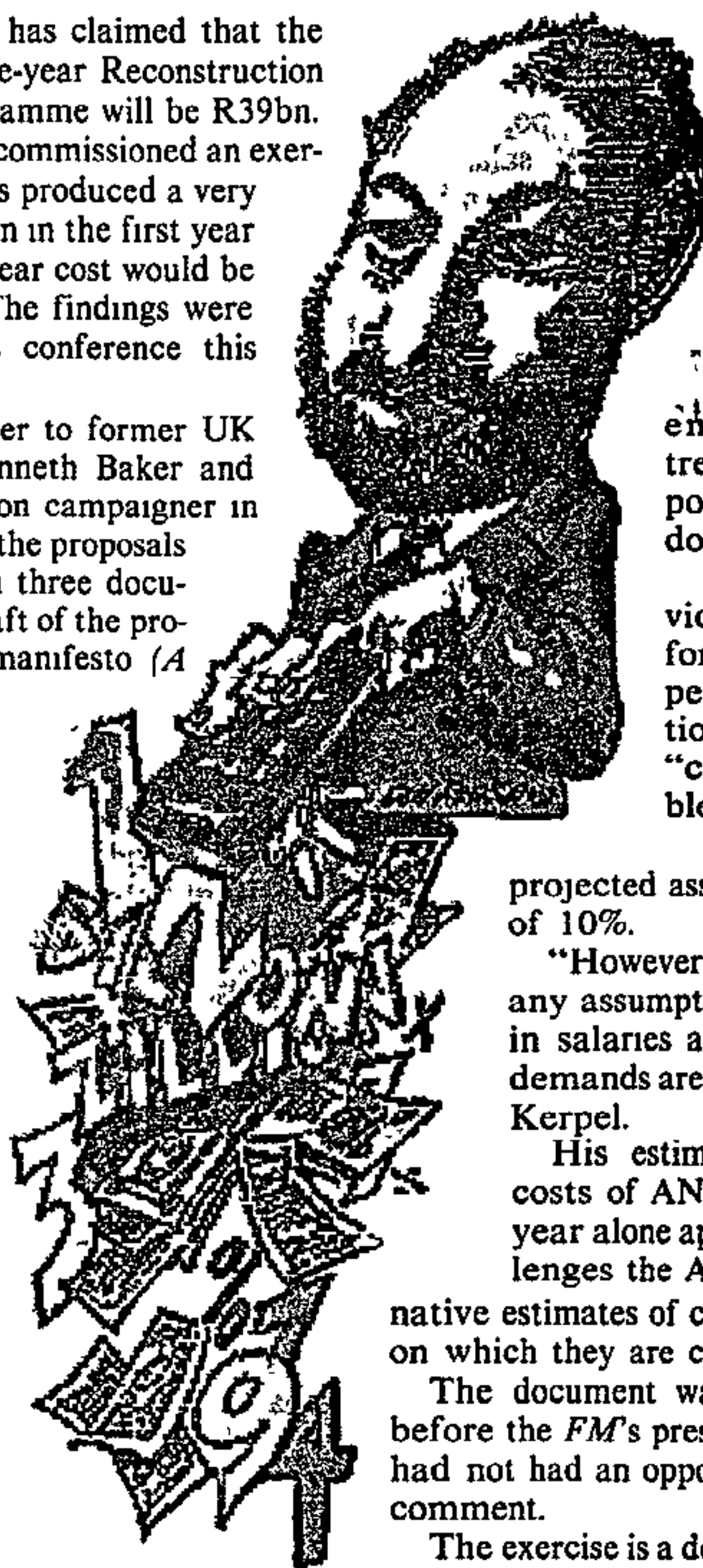
# Putting a price tag on ANC promises

**ANC's Trevor Manuel** has claimed that the cost of the party's five-year Reconstruction & Development Programme will be R39bn. However, the NP has commissioned an exercise on costs which has produced a very different figure: R70bn in the first year alone, while the five-year cost would be more than R600bn. The findings were presented at a press conference this week.

Tony Kerpel, adviser to former UK Cabinet Minister Kenneth Baker and an experienced election campaigner in the UK, has analysed the proposals made by the ANC in three documents: the seventh draft of the programme, the ANC manifesto (*A Better Life for All*) and *Ready to Govern*.

His methodology is the same used to estimate the cost of UK Labour Party policies in the 1987 and 1992 general elections. He was assisted by Roelof Botha, senior lecturer in economics at RAU and former economic policy adviser to the Department of Finance.

Says Kerpel: "All proposals costed here are based on the precise wording used in the ANC policy documents.



Where similar promises have been made in the programme and the manifesto, these are costed as a single proposal. Where promises cover the same area but use different words, these are treated as a single proposal. There has been no double counting."

The ANC has not provided a budgeted figure for each promise, so Kerpel has made assumptions he describes as "conservative and credible."

Future costs have been projected assuming annual inflation of 10%.

"However, we have not included any assumption about real increases in salaries and wages, though such demands are likely to be made," says Kerpel.

His estimates of the additional costs of ANC proposals in the first year alone appear here. And he challenges the ANC to provide alternative estimates of costs and show the basis on which they are calculated.

The document was released only hours before the *FM*'s press deadline so the ANC had not had an opportunity to study it and comment.

The exercise is a departure from tradition-

al SA electioneering with politicians concentrating on emotive issues and invoking long-established allegiances at the hustings.

Voters however have changed little and the analysis is unlikely to influence the mass of ANC supporters.

Kerpel's analysis is, of course, also a party propaganda exercise, but the detailed breakdown makes it more credible than the global figure provided by the ANC.

It provides a useful perspective of the challenges involved in implementing development programmes.

## First-year cost: R70bn

**Promise:** 10 years of free and compulsory education.

**Basis of costing:** Current average per capita annual expenditure of R2 730. Department of National Education estimates 1,6m children are not currently enrolled.

**Additional cost in the first year: R4,368bn.**

**Promise:** Pre-school reception year.

**Costing:** 901 900 five-year-olds in 1995 (extrapolation from 1991 census). Per capita cost of R2 730.

**Cost: R2,464bn.**

**Promise:** Adult literacy programmes.

**Costing:** 1 800 000 students a year; 45 000 teaching staff; bottom salary scale R44 838 a year; equals R2bn. Non-salary expenditure R766m.

**Cost: R2,783bn.**

**Promise:** Education completion for youths.

**Costing:** 1 512 000 people (extrapolation of

## FINANCIAL MARKETS TAKE HEART

**Tuesday's dramatic** resolution of the political crisis over participation of Inkatha in the general election had its counterpart in the financial markets. The most sensitive indicator of all, the financial rand closed at FinR4,91/2 to the dollar, against the previous day's close of FinR5,33/5.

Its discount to the commercial rand (which rose to R3,5550/60 to the dollar, compared with the previous day's R3,6430/60) declined sharply to 27,6%. The discount had peaked sharply on Johannesburg's Bloody Monday in the last week in March at around 37%.

Gilts responded well. The R150 closed

at 12,93% against the previous close of 13,255%, while the Eskom E168 rose to 12,98% from 13,305%. The JSE overall share index closed at 5 079 against 4 969 and the JSE industrial index moved up strongly to 5 914 from 5 759. However, the all gold index reacted to a fall in the afternoon bullion fix to US\$373,10/oz from the previous afternoon's \$378,10. This fall may have reflected unwinding of speculative long positions based on fears of interruption of SA supplies.

There is support for this theory in the movements in the platinum price. In January, the two prices hovered around parity. As political fears took off during

February, platinum's premium to gold rose to a peak of around 5%. At the beginning of this month the premium peaked again at over 9%. But this Tuesday afternoon the premium fell to around 3,1% from the previous day's 4,25%.

The reason: gold stocks above ground are vast compared to current output, and SA produces only one third of current world output. Platinum stocks are modest and SA produces 75% of world output. So platinum prices are more sensitive to local events than gold.

But a period of stability is needed before fears sparked by recent destructive events are overcome.



# Prostitution: Govt studies call to legalise

Staff Reporter

HEALTH Minister Dr Nkosazana Zuma is studying a recommendation, included in a national Aids plan, for prostitution to be decriminalised.

The Aids plan was drawn up by Nacosa (National Aids Convention of South Africa) and accepted by the minister yesterday.

One of the "activity areas" listed in the plan calls for the "abolition of criminal offences for same-sex relationships and commercial sex workers."

Asked whether acceptance of the report meant top-level approval of this facet of it, Dr Malcolm Steinberg, convenor of the Nacosa task team which drew up the report, said Dr Zuma was familiar with the document.

"She did not go into specifics when she received it, but she did speak about addressing discriminatory practices," he said.

Nacosa felt that if prostitution were kept underground it could not be controlled and the people involved would not have easy access to information on HIV and resources to combat infection.

(297) CT 23/7/94

# SA told to 'stop begging'

(297) CT 23/1/94  
From LINDA ENSOR

LONDON. — Deputy President Thabo Mbeki faced tough questioning at a press conference yesterday over South Africa's "begging" for aid in competition with poor countries.

After Mr Mbeki said there was a willingness by all sectors of British society to help South Africa, Caribbean Times' Africa correspondent Mr Gonny Govender attacked a "War on

Want" advertisement in yesterday's Guardian.

It showed President Nelson Mandela with a headline saying "After the vote he needs you to stand up and be counted"

Mr Govender said it was "utterly immoral" for a rich country like South Africa to compete for scarce resources with a very poor country like Rwanda.

"Instead of flaunting your beggar's bowl, you should show

some self-respect and start by contributing part of your over-large salary to the type of development you want the people of Europe to fork out for."

Mr Mbeki said the country did not have the capacity to feed a million refugees but it had done what it could.

The government was committed to cutting government expenditure and using its own resources to develop the country.



# 'RDP hampered by white control'

(297) ARG 23/7/94  
**CLIVE SAWYER**

Weekend Argus Political Correspondent

MEMBERS of the African National Congress caucus are frustrated that full implementation of the reconstruction and development programme cannot proceed until there has been a change of political control at all levels of government.

Leaving power in the hands of whites, many of conservative bent, threatens to hamstring progress in several parts of the country in delivering on basic needs such as housing.

The National Party is also keen for local elections to be held, but wants issues including control of finance sorted out first.

From several quarters there is pressure for the establishment of a separate full ministry of local government, with some pinning hopes such a cabinet appointment would serve as a catalyst for progress.

This possibility has moved closer with speculation the National Party, which is owed a cabinet post because of the resignation of finance minister Derek Keys, will be given the local government portfolio.

At present local government is part of Roelf Meyer's constitutional and provincial affairs portfolio.

Speculation this week was that the local government ministry would go to Kwazulu-Natal NP MP Danie Schutte, a former cabinet minister.

Another possibility being mentioned in NP circles was that the post would be given to Sam de Beer.

The appointment of a Nat to a ministry which will play a key role in political transition at local level would have to be accepted by ANC MPs keen to get local government reform underway.

The crisis in local government and legacy of inequitable distribution of resources was painfully underlined

this winter by flooding in the Western Cape.

People looked to central and provincial government for help in solving what in a normal society would be municipal problems of stormwater drainage and basic housing.

An indication of some willingness to get preparation for local government elections underway was the appointment by Mr Meyer of a advisory committee.

But those keen to avoid prolonged delays in local government elections believe further steps should be taken, including immediate pressure for the compilation of voters rolls.

The difficulty in finalising voters rolls before metropolitan and municipal boundaries are decided has been cited as a significant obstacle to holding elections.

Those in the ANC parliamentary caucus eager for local elections to be held are hoping this will be done no later than April next year.

There is pessimism this would be achievable given the administrative obstacles.

NP local government spokesman Jaco Maree said his party was "anxious" local elections should be held as soon as was practically possible.

"Our basic approach is that we ensure future structures are such as to ensure good local government which employs sound financial discipline."

He said moves to speed up preparations for local elections depended on progress with provincial governments being able to function properly.

"We are still struggling to get first and second-tier government going."

The political focus would shift to local government, he said.

Selection of NP candidates for municipal elections was likely to follow the same lines as those used to choose parliamentarians.

It is unclear at this stage what body will run local government elections.

## We're behind RDP, says bank

MIDRAND — The Development Bank of South Africa yesterday reiterated its support for the government's reconstruction and development programme (RDP) after claims that the bank was undermining the plan. (297) ARG 23/7/94

After meeting with staff to discuss the claims, DBSA chief executive André la Grange said the bank's intention to "support development and to move the RDP forward in a constructive way should be very clear".

A non-executive member of

the board of directors, Dr Desmond Krogh, allegedly tried to sabotage the bank's involvement in the RDP during an audit committee meeting in May.

Board chairman Professor Wiseman Nkuhlu said a recording of the May 24 meeting showed Dr Krogh had not made the remarks attributed to him. But, Mr la Grange said there had been disagreements with Dr Krogh about "his conservative and critical approach over a period of time" to the RDP and other issues. — Sapa.



... the race for the White Paper on reconstruction and development has already been missed. The draft is scheduled to be circulated for comment next week. The final version should come before parliament in September. But there is a possibility that these new deadlines will not be met. What are the implications of a delay? How important is it that SA produces the RDP White Paper as quickly as possible?

There are two major negative indications in a delay — continued uncertainty over economic policy and failure to deliver on the development front. Uncertainty over economic policy is inhibiting foreign and local investors, and has driven long-term interest rates, adding government's borrowing costs and failure to deliver on development contradicts everything the ANC stands for but is a real possibility. The example is the drawn-out debate over the Development Bank of Southern Africa's future.

But the advantage of taking time that the right policies are more likely to be formulated and consensus is reached. There is an argument to be made in favour of delaying the White Paper to allow proper debate but this will require careful management of the trade-off between taking time to arrive at consensus policies that will stand up over time, and the need to deliver rapidly.

It is understood that "RDP Minister" Jay Naidoo's office favours cutting the delay short. But those looking for a lot of detail in the White Paper are likely to be disappointed by the draft.

The approach is apparently to avoid too much quantification of pending needs. Explicit targets are apparently few. Those who believe the White Paper will set a definite course for virtually every sphere of policy are also likely to be disappointed. The draft will probably define an approach and set the tone for new modus operandi. The present thinking is apparently that the focus could be on the mechanism for implementing the RDP, and the overall institutional and policy framework

# Govt trapped by need for speed and realism in RDP

GRETA STEYN

29/7/94

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Officials say it describes a philosophy rather than a programme.

According to the letter written to a range of interest groups asking for submissions on the RDP, the issues to be dealt with are: an outline of the appropriate overall approach and objectives; specific programmes; procedures to rearrange priorities, improve efficiency and prepare programmes; improving the co-ordination and integration of programmes within and between functions, levels of government, departments and other government institutions; mechanisms for funding the relevant programmes with special reference to sources of finance such as efficiency gains, rearrangement of spending priorities, user charges, donations, budget allocations and inter-governmental transfers; and capacity building and community participation.

Part of the reason for the lack of detailed targets is that policy making has not developed far enough. Ministers are still getting to know their portfolios and are developing a sense of the art of the possible. In housing, for instance, there is a quiet return to an acceptance of some form of site-and-service — which is against the RDP the ANC used in its election campaign.

One senses a debate among people involved in writing the RDP White Paper over the level of detail needed. There is a possibility that Naidoo might decide on more detail. He

vague document that commits government to everything and nothing. If a decision is taken to provide more detail, the draft will be no more than a series of chapter headings and a serious delay could be in the offing. Some of those in the know believe it is impossible to produce credible quantification and targets by September — unless government can swallow its pride and draw heavily on the Development Bank's work.



The RDP has taken on major symbolic significance in the nation's psyche. That is why there is pressure on Naidoo's office to produce as quickly as possible. But it is also a reason not to rush what is arguably one of the most important economic policy statements this country will make. With electioneering out of the way, SA has been presented with the ideal opportunity for a high-level debate. But there are signs that this opportunity might slip by.

As Jacob economic affairs chairman Ronne Bethlehem put it this week — there was a danger constructive criticism of the RDP would be seen as unpatriotic. Supporting the RDP could be seen as a patriotic duty. In the bad old days of apartheid, "reds under the beds" were enemy number one. Now being found to be "anti-RDP" is the kiss of death. Soon after becoming president, Nelson Mandela made support for the RDP a prerequisite to becoming a Cabinet member. The Development Bank is fighting to re-establish credibility after being accused of "anti-RDP" sentiments.

Everyone is jumping on the RDP bandwagon. Cynics point to the JSE's planned creation of a "reconstruction" sector. The concept of "venture capital" is not the only one to be ditched in favour of RDP, which does have a certain politically correct ring to it.

Development Bank chairman

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Even though the election is out of the way, egos remain fragile. The issue of who takes the credit is still intruding on the RDP debate. The furor over the Development Bank also illustrated that.

Through a combination of its strong research capacity and quick response to the changes in SA, the bank has become increasingly powerful. It has the potential to steal the thunder of elected officials. For that reason alone, the chances of it surviving intact are small. The bank's policy making capacity would serve government better inside government. Then government can take the credit.

It would be a pity if the Development Bank's relative independence from government was destroyed. The arms-length relationship could provide an environment for debate and constructive criticism to flourish. Let's hope the signs that the debate about the RDP is to be stifled are false alarms.

Government is caught in a trap of the need to provide clarity on policy as soon as possible, and the difficulty in setting realistic targets with the information at its disposal at present. If the RDP White Paper is really vague, it could aggravate the uncertainty over economic policy. It could do more harm than good. If it is too specific, it could lock government into impossible targets. It would also be a serious mistake to fail to take proper account of the fiscal policy constraints.

SA already has a vague economic policy document. It does not need more of the same. Difficulties in arriving at consensus make vagueness a tempting way out. But is there any security in a consensus arrived at with smoke and mirrors? A delay in producing the RDP White Paper would be preferable to uncertainty





Development Bank of Southern Africa CE Andre la Grange and chairman Wiseman Nkuhlu at a news conference in Johannesburg on Friday.

Picture ROBERT BOTHA

## 'Race sensitivity' at bank

THE sensitivity of black staff at the Development Bank of Southern Africa to remarks by senior white staff that could be construed as racist needed to be addressed, bank chairman Wiseman Nkuhlu said at the weekend.

Speaking after a two-hour meeting to address staff problems, Nkuhlu said: "Casual remarks are made about the capacity of government officials. As a professional institution, it is nothing new for us to talk or joke about having more expertise than government."

"But in the past, it was whites talking about other whites."

When the remarks were made by whites about blacks, Nkuhlu said, "a lot of emotion" was stirred. (EE) (297)

These sensitivities needed to be addressed.

He believed relations between management and staff were "fragile" and was disappointed that a relationship of trust had not been established. He believed the breakdown in relations was part of the birth pains of the new SA, rather than the result of the Development Bank's past as "an apartheid institution".

Because the bank had proceeded rapidly with affirmative action, there was a large pool of black staff that could potentially feel mar-

ginalised. Other companies would begin experiencing the same problems.

Nkuhlu said there was an eagerness among black staff to be seen "by their peers on the other side" as playing an important role in the development process. They felt frustrated when presentations were made by white officials, which was in line with the policy that the most senior people acted as spokesmen. "It is important to understand these sensitivities and learn to manage them." 25/7/94

Sources said bank CE Andre la Grange told staff at the meeting that he was prepared to resign if that was what they wanted. However, they wanted him to stay. The anonymous bankers leading the campaign against management failed to come forward at the meeting.

La Grange emphasised the bank's commitment to the reconstruction and development programme, which had been questioned by the anonymous staffers. He noted that he had disagreed with the "extreme free market views" of former bank director Desmond Krogh over a period of years. Krogh resigned after being accused of being anti-RDP.



# JSE 'reconstruction' sector in pipeline

(297)  
CT 26/7/94

From PETER GALLI

THE JSE is about to create a new sector on its main board allowing financial institutions to list vehicles designed to bolster black empowerment and the reconstruction and development process.

JSE president Roy Andersen said yesterday the exchange had been looking at the role it could play in reconstruction and development and had come up with the idea of a new main board sector which probably would be known as the reconstruction and development sector.

The R2m minimum capital requirement would be maintained, but the exchange was considering certain dispensations.

"We are prepared to do away with the need for a detailed past company profit history as our goal is to create vehicles that can raise capital to be lent to emerging black entrepreneurs or groups involved in the reconstruction of the country."

The exchange was talking to merchant banks and would not be overly prescrip-

tive about the structure of the vehicles it allowed to list, but investor protection would have to be built in.

The JSE expected institutions and merchant bankers to create a variety of vehicles to fund emerging black entrepreneurs. "They will deal with all the paperwork and administration and these vehicles will in all probability be market related and competitive. Shares will be issued and dealt with on the floor in the usual way," Andersen said.

This would provide a pool of capital for emerging and small black business. A prospectus of some form would be required, clearly spelling out the risk profile by detailing the investment criteria and spread. Such companies would pay dividends or use the share like a bond where a minimum interest yield was guaranteed.

To cater for the larger or more established businesses that wanted to list and raise their own capital on the exchange, changes had been proposed to the venture capital market. The JSE was considering "substantially" lowering the R2m capital threshold requirement.

These two issues would be debated by the listing advisory committee this week and Andersen hoped the changes would be included in the draft document on new listing requirements — which would be circulated to all members and other interested parties within two months.

No changes were being considered to the development capital market as the exchange was waiting to see if there was sufficient demand to justify restructuring.

"We are also involved in other initiatives to position ourselves in the new SA. We will be awarding a number of bursaries to black students today and are looking at allowing black brokers from underprivileged communities to work under the supervision of host brokers. The host would assist them with the administration and the measurement of risk positions."

The JSE was also moving into the second phase of its investor education programme to popularise JSE investment. This involved an audiovisual using industrial theatre, an investment game and the launch of an investor training programme.

# Sacob sees dangers ahead in RDP

Own Correspondent

JOHANNESBURG. — The SA Chamber of Business has warned that government's reconstruction and development programme (RDP) has not adequately outlined the role of business.

Responding to calls from government to comment on a draft of an RDP White Paper, Sacob director-general Raymond Parsons said he hoped there would be enough time for further discussion on the draft and that it would be "business-friendly".

He said any RDP policy document had to view business as a partner and not a contender in the future of the SA

economy.

Sacob said it accepted that the RDP was vital for SA, but warned that a White Paper had to be "right first time". The pre-election RDP belonged to the ANC, but the private sector now also owned it and wanted it to succeed.

Sacob economic affairs commission chairman Ronnie Bethlehem said there was a danger that supporting the RDP could be seen as a patriotic duty and that it was unpatriotic to constructively criticise the programme. This was nonsense, he said.

Bethlehem warned that when government formulated policy it should set realistic objectives. Fail-

ure to achieve those objectives would result in a loss of credibility and could lead to government coercion to achieve them. This would ultimately destroy confidence in the SA economy locally and abroad.

Sacob supported privatisation to increase government revenue. While state intervention in modern industrial economies was unavoidable and on occasion necessary, intervention by the state had to be "market-friendly".

However, specific public utilities and parastatals had to be investigated individually before it was decided whether full privatisation was necessary. Sacob called on government to act as a facilitator — not a manager —

of the private sector.

Sacob said the private sector's most important role would be investment in human capital and the provision of employment activities.

"The survival of business and the jobs associated with its survival depend ultimately on the correctness of the business decisions taken by its management. The lack of black participation in management is perhaps the country's most serious present deficiency."

Sacob warned that the speed of the implementation of the programme depended on the time it took to establish provincial and local authority structures.



# Aid welcome, but SA needs cash

Business Editor

THE announcement yesterday of a massive British aid package for South Africa was welcomed by the SA Chamber of Business (Sacob), the Cape Chamber of Commerce and Industry and leading economists — but they stressed that South Africa's most urgent need was for direct foreign investment.

Sanlam chief economist Mr

Johan Louw said: "What we actually need is direct investment from the private sector."

"But confidence in South Africa is still fragile and I am worried that action by Cosatu will further discourage foreign investment."

"If we don't get large sums of money coming into the country in the next two months we could be in a very difficult situation."

Sacob economist Mr Keith Lockwood said "while this package appears to be well structured, Sacob cautions against developing a reliance on aid money."

"The ultimate test of our success will be our ability to persuade investors to invest in job-creating ventures."

Old Mutual economist Mr Rian le Roux said: "Aid pack-

ages like this help our economy in the longer term. But what we really need is a direct injection of cash in the short-term."

The Minister of Finance, Mr Derek Keys, the Director-General of Finance, Mr Estian Calitz and the Deputy Minister of Finance, Mr Alec Erwin — who returned from London yesterday — were not available to comment.

# Funds crisis for NGO projects

■ BY HELEN GRANGE

Several non-government organisations serving township communities are on the verge of collapse following a recent decision by some US agencies to withdraw their funding of social justice projects.

At least three such agencies have re-channelled or rationalised their investments in the wake of the scrapping last month of US legislation compelling US-based companies with

more than 25 employees in South Africa to allocate 6 percent of their salary bills to social justice projects.

This has effectively put the squeeze on a number of community-based projects focusing on education, health, the disabled and youth. (297)

The move has also created a concern that scores of NGO workers will be left jobless.

Jill Oertel, director of Khutsong Trust — which funds the Alexandra Edu-

cation Centre — said on Tuesday that she did not question the removal of the mandatory aspect of the funding, "but I do think greater wisdom could have been applied in the withdrawal — some recognition that you can't leave good work high and dry".

One of the companies which has withdrawn its funding, Harnisch Feger, was supporting a clinic, two orphanages and schools, as well as providing bursaries to black students.



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(297) (348) CT 28/7/94

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# Lottery: Boesak v Boesak

Political Staff

CT 29/7/94

A CONSERVATIVE new church body co-led by Dr Willa Boesak — brother of Economic Affairs Minister Dr Allan Boesak — has been formed to petition for a national referendum to halt state lotteries, abortion on demand and prostitution.

The ANC leader will be a key figure in the setting-up of local state lotteries. He is known to be in favour of well-controlled lotteries as a crucial source of provincial revenue.

The South African Body of Churches held its inaugural pastoral congress at the weekend at which it decided to collect signatures for the petition.

Dr Willa Boesak works at the Theological Faculty of the University of the Western Cape.

Other members of the new church body include Professor Phil Robinson and medical practitioner, Dr Desmond Stumpf.

Dr Allan Boesak returns on Sunday from Sweden and was not available for comment yesterday.



# Handouts warning sounded by Rasool

297  
APR 29/7/94

PIETER MALAN, Staff Reporter

PEOPLE should not look to the government for handouts but should ask themselves what they could do to help uplift their own community, says provincial Health Minister Ebrahim Rasool.

Addressing community leaders in Kleinvlei near Blue Downs yesterday, Mr Rasool said: "Some people think if they break a finger they must get disability — that's wrong."

"Why must you get a government grant for doing nothing if there is so much you can do for your community?"

Everybody must get involved in the Reconstruction and Development Programme to help make it a success.

Mr Rasool visited Kleinvlei to discuss health care issues with community leaders from the greater Blue Downs area.

He said that during the apartheid years health care was provided for only part of the Peninsula.

Selling under-used hospitals like the Volks Hospital and Karl Bremer could pay for community-based health centres.

"Let's do a transplant of our own and transplant one of those under-used hospitals into Blue Downs."

The vice-chairman of the local community health forum, Alec Keiller, suggested to the minister that an existing but more convenient and bigger building be bought to house the present inadequate day hospital.

As a long-term solution, Mr Keiller suggested that all clinics in the area be upgraded to community health care centres and that a central facility be built in the area where minor operations could be performed.

Mr Rasool responded that he was glad that the community saw the need for a community-oriented every-day medical facility rather than "a big 200-bed hospital".

# Government plans major revamp for aid agencies

STimes (Buss)  
31/7/94

THE Independent Development Trust (IDT) and the European Union-backed Kagiso Trust are likely to merge as part of a major government initiative to restructure the country's development agencies.

The reorganisation, headed by Jay Naidoo's RDP department, is also set to see a revamped board and function for the Development Bank of Southern Africa (DBSA).

The future role of the development institutions will be discussed by a special Cabinet committee this week. The committee will be chaired by Mr Naidoo and draws together the Ministers whose departments feature strongly in the RDP, such as education, housing, health and finance.

A number of proposals are being considered, but insiders believe three separate financing structures will be established:

- A national grant-funding institution set up by merging the Kagiso Trust and the IDT, the latter best known for its R750-million annual support of low-cost housing.

Other non-governmental organisations, with combined budgets of about R6-billion, could also be drawn into the new body. Sources indicate that the IDT and the Kagiso Trust have met a number of times to discuss a possible merger.

Kagiso Trust chairman Eric Molobi is likely to head the new institution. He is well respected by international donors, who will be the major providers of grant finance.

By SVEN LUNSCHÉ

Bernie Fanaroff, Mr Naidoo's chief adviser, says the Department of Finance is currently evaluating all foreign-aid receipts to establish whether the funds fall into the category of grant funding, concessionary (development) loans or trade-related financing.

- The restructured DBSA will supervise the development loan function. The bank has the largest pool of development expertise in the country and has been involved closely since the drafting of the original RDP.

Its annual R1-billion payments to development projects is likely to be augmented by budgetary contributions and foreign contributions.

DBSA chief executive André la Grange hopes the bank will be relieved of some of its old functions which do not fall within the ambit of a national wholesale bank. These include administering the fiscal relations between the central government and the provinces as well as funding the old homeland universities.

- The third tier is a non-concessionary lending arm. This will comprise private sector loans and possibly financing from the Industrial Development Corporation (IDC).

Involving the IDC in the RDP's financing structure raises the prospect of the sale of some of its substantial holdings in companies such as Foskor, Siemens and Sasol to release funds for RDP projects.

Still to be decided is the

role of the Small Business Development Corporation and other organisations, which receive private sector backing.

Analysts point out that one of the keys to the success of the RDP will be the involvement of provincial governments, as they are expected to initiate most of the RDP grassroots projects. (297)

Establishing the distribution of resources and revenues from the central government to the nine provinces will be the function of the Fiscal and Financial Commission (FFC).

Finance Minister Derek Keys is expected to announce the composition and the frame of reference of the FFC over the next few weeks, but most insiders believe that IDT and DBSA chairman Professor Wiseman Nkuhlu will chair it.

Professor Nkuhlu, South Africa's "Mr Development", is well known and respected by community organisations, financial institutions and foreign donors.

If appointed he will have to give up the chairmanship of the IDT and the DBSA. His term at the bank, and that of his fellow directors, expires in December and the government is likely to use the opportunity to diversify and democratise the board following recent criticism of some of the directors.

Mr la Grange suggests that both central and provincial governments, as well as development experts and major borrowers should in future be represented on the the board.



SOCIAL SECURITY - GENERAL

1994

AUG. — DEC.



**ne RDP:** Like the new flag, it stands for all things bright and beautiful

# A restructuring plan for all seasons

The RDP means too many things to too many people, argues **Reg Rumney**

5(297) Wm 8-14/7/94

— **Q**OW does a new roofing system fit in with the ANC's Reconstruction and Development Programme? Or brick-building? Or the electronics industry?

**A**nswer All ways and not at all. Not a day goes by without *Business Mail* receiving a press release that drags in the RDP by the hair or pledges support for the programme. It is tempting merely to laugh off attempts to link the RDP to various projects and institutions. But it points to a broader paradox.

After all, Finance Department director general Estian Calitz can describe the whole Budget as an instrument of the RDP.

Inasmuch as the RDP cannot work without mobilising the resources of the state and the private sector, everyone can be said to be responsible for its success or failure.

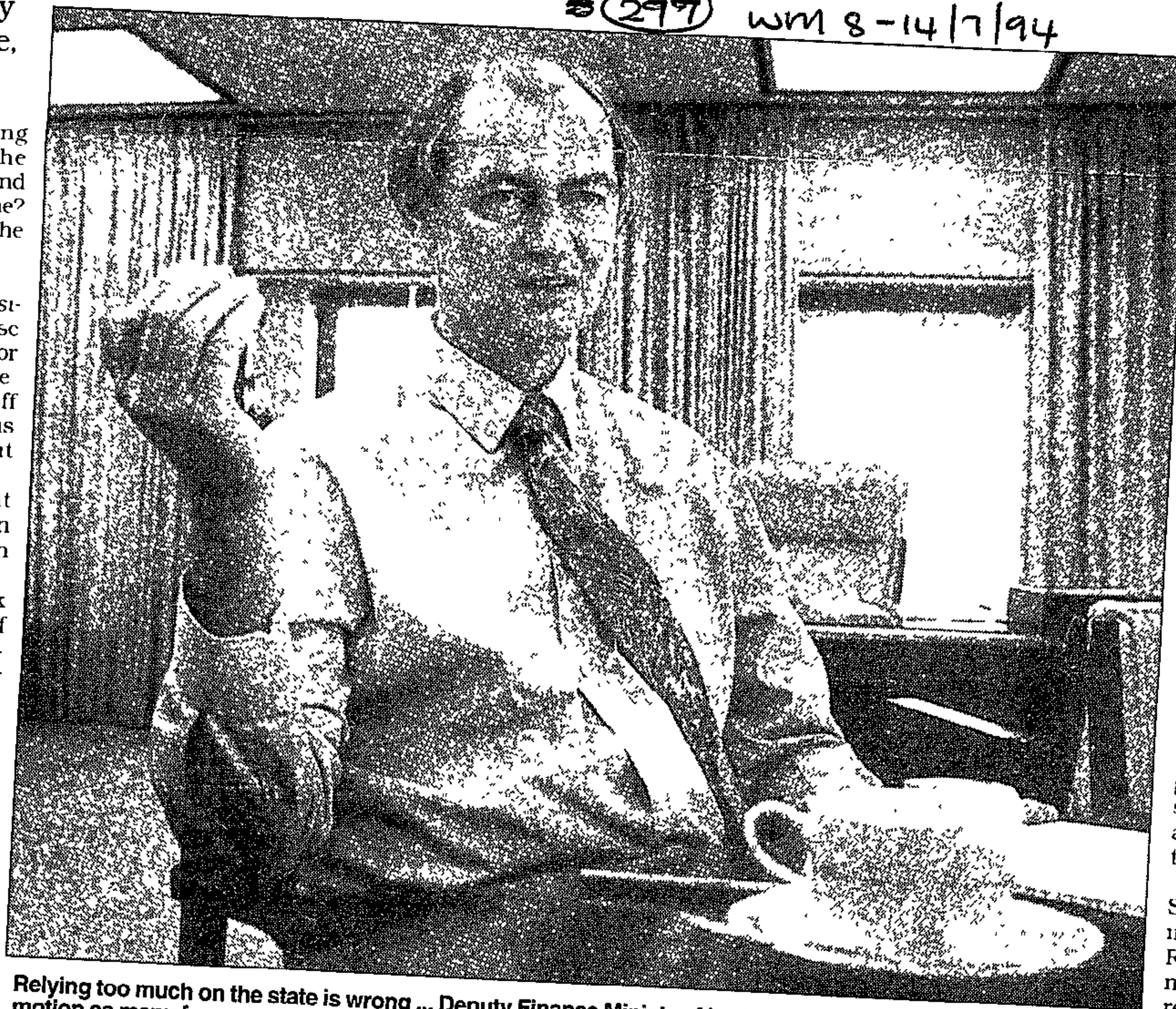
As Deputy Finance Minister Alec Erwin stressed in a pre-election seminar on the RDP, arranged by the Centre for Policy Studies, seeing the RDP as relying too much on the state is wrong. It seeks to set in motion the widest possible array of resources and organisations.

So it is not surprising that the RDP has been embraced by so many different interest groups. It is symbolic enough to stand, like the new flag, for all things bright and beautiful.

Few can doubt the RDP's stress on meeting basic needs, on achieving socio-economic goals which lay the foundation stone for economic growth.

From inside the country the need to try to lessen the gap between the haves and have-nots seems overwhelmingly urgent. It is the touchstone of national unity, in that any minister who disagrees with the RDP will have a tough time staying in the cabinet.

Yet foreign investors have expressed their criticism of the programme, the cornerstone of the new government's economic policy, indirectly. Their hesitance about committing big sums for direct investment is conspicuous.



Relying too much on the state is wrong ... Deputy Finance Minister Alec Erwin stresses the need to set in motion as many forces as possible to fund the RDP

PHOTO NATASHA PINCUS

Criticism of the RDP inside the country has been muted of late. Initial critiques tended to miss their target by, for instance, focusing on cost estimates. The Budget has cleared up how much extra money the government hopes to spend on the RDP.

The government has set a target for a separate RDP fund of around R37,5-billion, to be made available from the Budget, over five years. This year's Budget kicked off with an initial, modest R2,5-billion being put aside for this fund. That R2,5-billion is 3 percent of government consumption spending, and the government believes it can peg diversions to the fund at that level in the next four years.

Part of the misunderstanding around the RDP arises from semantics.

It should be called the Restructuring and Development Programme. Development of the wasteland left by apartheid is a necessity. But redirecting spending within the Budget is also part of the RDP.

And some of the RDP's programmes, according to Erwin, must put right the structural legacy of the past, and he mentions affirmative action programmes, designed to broaden the economy by creating more employers and employees.

In the RDP's broadness of vision lies one of its major flaws.

Erwin acknowledged the RDP's potential weakness is that it explic-

itly proposes to mobilise resources within the government and civil society.

"That is a tremendous task, perhaps too large for our institutional and managerial capacity, whether in government or in civil society."

The RDP presents another less obvious problem, in what, as the shaping force behind economic policy, it leaves out — and what foreign investors might, indeed, be looking for. It is still probably too half-hearted for callous and indifferent foreign markets.

Privatisation, a fad all over the world, receives no attention as a source of finance or efficiency.

The tone is bullying at times, promising to force socially desirable

investments on financial institutions rather than persuade them with incentives.

Rand Merchant Bank economist Rudolf Gouws pointed out at the same CPS seminar that while the RDP commits the ANC to create a certain number of jobs over the next five years, no government will be able to create more than a fraction of the number of jobs needed.

"In particular, it (the RDP) does not directly address a major prerequisite for creating jobs — namely vigorous private sector fixed investment, and the savings which underlie such investment," said Gouws.

He argued that public works programmes could actually destroy jobs if they continue the past pattern of massive increases in state spending.

South Africans were neither saving nor investing at all, when the sums are done.

**T**he RDP provided a good analysis, remarked Gouws, of what went wrong under the previous government in the socio-economic sphere. But what the RDP lacked is an awareness of what went awry in the business environment itself.

Political economist Charles Simkins also noted at the CPS seminar that consensus on what the RDP says about meeting basic needs and developing human resources was not matched by consensus on industrial policy and the financial sector.

Most worryingly, Simkins pointed to how difficult the economic circumstances were for the RDP to be implemented. He drew a parallel with the inability of the British Labour government to implement its programmes after accession to power in 1964 because of the balance of payments crisis it was faced with.

"And as far as the balance of payments is concerned, we are as good as in the hands of the International Monetary Fund, at a deeper level of conditionality than we've consented to in the past."

"We will simply not manage without some more balance of payments support from the international financial institutions, as far as I can see."



# Kagiso, IDT explore options

GRETA STEYN

THE Kagiso Trust and Independent Development Trust confirmed yesterday they had started talks about possibly rationalising overlapping functions and activities.

But a complete merger was not on the cards in the near future. *BIDAY*

Kagiso Trust CE Eric Molobi said several informal meetings had taken place between his organisation and the IDT to "explore possible avenues of collaboration and rationalisation of overlapping functions and activities". *218194*

IDT CE Wiseman Nkuhlu said government had asked the two organisations to explore the possibility of creating a single wholesale grant-making institution.

As a wholesale outfit, it would make finance available to non-government organisations and community-based organisations. He said there was a good case to be made for government to have a grant-making development arm, but more intensive discussions were needed on its form.

"Increased co-operation between Kagiso and the IDT will have benefits. But a merger is not possible at this stage."

A development source said any rationalisation between the two organisations would have to fit in with an overall strate-

gy towards development institutions. Not enough progress had been made on the strategy for any immediate action to be possible. The first step will be the appointment of a new board for the Development Bank of Southern Africa.

The source said the IDT's experience in empowering communities through the drought relief scheme had shown it was effective in the speedy channelling of finance to communities. This experience should be built on in any new grant-making organisation that government envisaged, while Kagiso's regional network and experience in dealing with non-government organisations were of major importance.

Kagiso said it wanted to reassure partner non-government organisations, community-based organisations, the European Union, the Japanese embassy and its own staff that it would not enter into new arrangements without consulting as widely as possible.

The trust had been involved in discussions with Minister without Portfolio Jay Naidoo and Deputy Finance Minister Alec Erwin. *(297)*

NP hits at

# ANC over

# spending

297

CT2/8/94

THE National Party launched a vigorous attack on the ANC when the Budget debate got under way yesterday, only hours after NP leader Mr F W de Klerk promised not to "rock the boat" in the government.

It also became increasingly clear that many ANC MPs regarded the Budget as a less than satisfactory compromise between the legacy of apartheid and the needs of the new South Africa.

The first NP speaker in what will be a week-long debate on Finance Minister Mr Derek Keys' last Budget speech, Mr Marthinus van Schalkwyk, said the ANC's actions and statements in the past three months had caused the organisation itself to become the greatest threat to realising the Reconstruction and Development Programme.

The ANC was trying to spend "extravagant amounts which are truly unnecessary" by creating thousands of new civil service posts, he said.

Its ministers had "spendthrift ways", its ideological prejudice against privatisation would cost the economy dearly and the strikes led by the ANC's partner, Cosatu, were doing inestimable damage to economic growth.

## FUNDS FOR RDP ALL USED UP — NAIDOO

See PAGE 2

"In the light of all this, the ANC must not later point fingers at other parties if important aspects of the RDP do not succeed," he said.

In the National Assembly Trade Minister Mr Trevor Manuel described the Budget as "loaded with apartheid baggage," ANC secretary-general Mr Cyril Ramaphosa said he had "certain reservations" about it, while their ANC colleague, finance committee chairwoman Ms Gill Marcus, said it would be essential for ministers and departments to re-orient spending towards RDP priorities in future.

The Budget needed to be read in the context of the economic consequences of years of spending to maintain an "apartheid fortress South Africa".

Mr Ramaphosa also said those responsible for stripping state assets should be charged in a high-profile campaign to identify culprits.

In the 1994/95 Budget, Defence, Police, Correctional Services and Home Affairs were each granted increases of more than 10% — a total of R3,2 billion. This was larger than the entire R2,5bn set aside for the RDP.

However, Mr Piet Coetzer (NP) said the legacy of apartheid was only one side of the coin. This could be addressed through the development side of the RDP.

But the reconstruction side also had to address the destructive side effects of the freedom struggle. The ANC had "plenty to say sorry for".

Earlier Mr Hennie Bekker (IFP) had also warned that with strikes, demonstration and toy-toting becoming South Africa's "national sport" the future was grim.

He urged the ANC to get its house in order. The IFP was joined in matrimony with the ANC, but only as a third wife.

"You can't hold us responsible for the misbehaviour of your babies from your first marriage," he said. — Sapa



# Red Cross 'faces R2,5m deficit, may have to cut down projects'

(297) AALF 2/8/94

**PIETER MALAN**  
Staff Reporter

THE South African Red Cross Society faces a R2,5 million deficit this year and has been forced to dip into reserve funds for the past few years.

Western Cape area manager John Stone said that unless the organisation could make up the deficit it would be forced to cut back some of its projects.

Mr Stone said the money given to the special flood relief fund could be used for nothing else but flood relief work.

"We want donors to know that their money donated to the Red Cross's special funds will go only to the cause they had in mind."

Money given to specific funds could go towards general expenses only with the donor's consent.

After this year's flood disaster the society was given huge donations of blankets — "which were really wonderful and much appreciated" — but such gifts were not worth much if the society did not have the money to distribute them.

The winter storms were no different from those of previous years, he said. The only difference was that the plight of those affected was noticed by the government.

Mr Stone said that because it would take years to provide better houses in all the problem areas, interim action should be taken to alleviate the worst of the problems.

Even though such solutions would not be perfect, they would at least be a step in the right direction.

"By doing this you would ensure that if a major disaster struck again it would not be necessary to spend millions to bring relief to the stricken communities."

● The South African Federation of Civil Engineering Contractors handed a cheque for R23 500 for the Red Cross's flood relief fund yesterday.

Chairman Graham Power said the organisation's individual members would be happy to give advice to communities who wanted to tackle immediate problems in their areas.



Picture: PIETER MALAN, The Argus

**DONATION:** Chairman of the South African Federation of Civil Engineering Contractors Graham Power, left, hands a cheque for R23 500 to national Red Cross president Sylvester Samson while Western Cape Red Cross chairman John Stone looks on.

# 'Wasteful ANC threat to RDP'

(297)

VUYO BAVUMA  
Political Staff

AKU 2/8/94

THE National Party has lashed out at the African National Congress, accusing it of being the greatest threat to the reconstruction and development programme.

In a hard-hitting attack during the Budget debate in parliament yesterday, the NP's Marthinus van Schalkwyk said the ANC should not point fingers at others when the RDP failed.

The "moment of truth" had arrived for the ANC to get its house in order.

After the elections there had been a spirit of optimism in the country and President Mandela had laid perfect grounds for national reconciliation.

Since then different incidents had eroded that spirit of optimism, Mr Van Schalkwyk said.

The NP would continue to play a stabilising role within the government of national unity, but the ANC's actions over the past three months undermined this.

The ANC attempted to spend "truly extravagant" amounts of money by creating 11 000 new civil service posts before the rationalisation was complete.

The ANC had an ideological prejudice against privatisation, which could be an important source of income for financing the RDP.

He said the labour strikes planned, organised and executed by ANC members, seriously threatened the private sector's contribution to the RDP.



# NP hits at ANC over spending

297 220  
CT2/8/94

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## FUNDS FOR RDP ALL USED UP — NAIDOO

See PAGE 2

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# Funds for RDP all used up — Naidoo

Political Staff

FUNDS allocated for the Reconstruction and Development Programme had all been used up, and additional funds were being sought for new projects, Minister Without Portfolio Mr Jay Naidoo said yesterday.

Mr Naidoo said that, far from struggling to spend the R2,5 billion allocated in the budget for the programme, all of the funds had already been allocated to specific projects.

New projects to spearhead the reconstruction and development effort were being discussed, and many of these would be revealed by President Nelson Mandela in his speech to Parliament marking the government's first 100 days in office.

The new projects would be in addition

## New plans in pipeline

to the four projects already announced, which involve health care, school feeding and the national works project

It is understood that the further funding could come from contributions from foreign governments and the private sector.

Mr Naidoo said he had not yet discussed the RDP extensively with the diplomatic corps.

He said the proposed RDP bond issue was still being discussed and would need

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careful planning.

"It's not off the table, but it's not under immediate consideration," he said

Mr Naidoo declined to provide details of what the new projects would entail, but suggested that the rural areas would be among the focuses of the effort

Mr Naidoo returned recently from a nationwide tour to discuss the RDP with regional governments

He stressed that the way in which the RDP was implemented was critical, since one of its major intentions was to change the way the public sector operated.

For the school feeding scheme, for example, the implementation should not be conducted simply by granting distribution rights to a catering company

It was critical to involve the local community in providing the service, he said



# VAT, fuel price may increase to meet RDP costs

AKG 3/8/14

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## □ Zero-rated food will protect poor

**BRUCE CAMERON, Business Editor**

THE government will have to reconsider income sources to fund the Reconstruction and Development Programme, including VAT and the fuel levy, or economic growth will be undermined.

This is the conclusion of the Bureau of Economic Research at the University of Stellenbosch in an inconclusive study of the RDP.

The bureau has recommended the RDP be financed by:

- An increase in VAT and fuel levies. The advantages were that it would not affect the poor because of the zero rating of basic foodstuffs; unlike an increase in direct tax it would not have a negative effect on the incentive to work; and it could encourage savings. A growth in savings would increase investment and growth.

- "Prioritising" the goals of the RDP.

- Reducing public sector employment, which absorbed more than 60 percent of government spending.

The analysis was undertaken by the bureau's George Kershoff.

He said the key to success was to ensure growth in the economy through the promotion of exports.

Mr Kershoff said there were still many unclear factors about the RDP

from the sources of finance to the allocation of funds. Further studies were required to establish the full effect of the RDP on the economy.

He found a number of sectors of the economy would benefit from the plan, including construction, but he warned that job creation through public works programmes were "only a temporary solution".

Mr Kershoff warned that a major problem facing the programme was the source of funding.

The possibility of raising extra money from the sources labelled by the ANC before the elections was slim.

Savings from the scrapping of apartheid structures were unlikely with the creation of the new provinces; military spending would remain high with the integration of the Defence Force and the need to replace capital equipment; the civil service was more likely to increase in size and cost than decrease, particularly because of affirmation action; and "less waste corruption" was unlikely to be a source of savings because no government was immune to this.

The result will be the government will have to pay for the programme through loans which would threaten the upswing in the economy because of the competition for capital from the private sector to finance growth.

pre-school tracks

there were fewer wild

# RDP 'may cause over-heating'

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CT 3/8/94

By AUDREY D'ANGELO  
Business Editor

A PUBLIC works programme intended to "kick-start" the economy may cause it to overheat since the upswing is in progress, the Stellenbosch Bureau for Economic Research warns.

In an evaluation of the Reconstruction Development Programme, Mr George Kershoff says high economic growth with more jobs will be sustainable only if investment increases and the economy becomes more export-orientated.

A public works programme is a temporary solution to the need for jobs for unskilled and semi-skilled workers.

It is justifiable given the large backlog and that the new government has to deliver immediate results to maintain political stability, he said.

But "a public works programme can be sustained only as long as it can be justified or financed".

Yesterday Minister of Public Works Mr Jeff Radebe said he would this week name a task force to "kick-start" his national public works programme.

Discussing the argument that the RDP will kick-start the economy, Mr Kershoff says: "Most forecasts show an economic upswing in progress.

"If a stimulatory programme is introduced under such circumstances it may lead to over-heating of the econo-

my — rising inflation due to bottlenecks (capacity restraints) and shortages on the balance of payments."

The government could then be forced to abandon the public works programme after a few years and to adopt a restrictive macroeconomic policy which "would be unpopular because it would dash expectations, have high social costs and a negative impact on the performance of political parties in the 1999 election".

Apart from the cost of the RDP, it could cause shortages in the commercial and manufacturing sector, he says. This, too, could cause the government to adopt a restrictive policy.

"The RDP will have to be implemented gradually to build up the necessary institutional capacity. The required personnel have to be employed and trained, the sequence of sub-programmes must be worked out, an effective monitoring system devised and a new esprit de corps built on loyalty, high ethical values and efficiency must be promoted among public servants."

Mr Kershoff points out that increased demand for skilled and semi-skilled construction workers will force up wages.

"Higher wages in the manufacturing sector make South African exports internationally less competitive."

LOCAL PHARMACY



# Big German aid boost

The Argus Foreign Service

ARG 4/8/94  
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BONN. — The German government is to triple its aid for South Africa next year to a total of DM75 million as a contribution to the country's advance to the pivotal role Bonn believes it can play in the development of the entire African continent.

Fifty million marks is earmarked for a rural housing programme to help stem what the German Development Aid Ministry sees as a "flight from the land" in South Africa.

Development Aid Minister Carl-Dieter Spranger said Bonn was tripling its aid to South Africa from this year's total of DM25 million because it saw the country as a "new focal point" for its aid programme.

# AfDB loans likely once SA signs up

By AUDREY D'ANGELO  
Business Editor

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SA COULD be in line for loans totalling R3,6bn from the African Development Bank if it joins the organisation, the bank's president, Babacar N'diaye, said this week.

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And SA companies could earn 25% of the R11bn which the bank has allocated for projects in East Africa and Southern Africa this year.

"SA companies are particularly well favoured for projects in East and Southern Africa because SA involvement will reduce the global costs of these projects."

Angela Self of the Africa desk of the SA Foreign Trade Organisation (Safto) said that loans from the African Development Bank were made to the governments of member countries to pay for projects which were carefully vetted by the bank. The projects were put out to world tender.

She said that, although publicity had been given earlier this year to the bank's difficulty in getting loans to some member countries serviced, "it still has a triple A rating."

It is funded by governments and international organisations

But, she warned, it takes several months for loans to be approved and the money to become available over a period of time. "There are usually feasibility studies for each project."

Wesgro GM (international) David Muirhead said he expected the SA government to take its time in deciding whether to join the African Development Bank, which would be necessary to qualify for loans. "There are liabilities as well as advantages in membership and one thing this government has shown is that it will not be rushed into these decisions."



Stock Exchange: Diagonal Street aims to reach new black businesses

# JSE'S conscience surfaces

(297) ~~444~~ Wm (Em) 5-11/8/94

The JSE is set to make its contribution to the RDP by introducing a new Main Board market, writes **Jacques Magliolo**

**F**INALLY, the Johannesburg Stock Exchange is to show that it has the courage to launch itself into a world of black business and empowerment. For the JSE this was a previously unthinkable notion, but president Roy Andersen is adamant that the introduction of a new Main Board market, to be called the Reconstruction and Development Programme (RDP) sector, can play an important role in promoting the exchange as accessible to the man-in-the-street.

Andersen says: "Within the next three weeks we will be able to disclose full details of listing requirements for the new sector." This division will probably form part of the Industrial sector and will differ from other Main Board companies only in listing requirements. Present criteria for a Main Board listing are severe and restrictive and include:

- Companies must have a subscribed capital of R2-million in not less than 1-million shares in issue;
- A three-year profit history with a pre-tax profit level of at least R1-million;
- The public must hold 30 percent of the first million shares issued and the number of public shareholders must amount to at least 300; and
- The issue price must be at least



In search of the new South Africa... Emmanuel Lediga, the JSE's first and only black analyst, ponders the new RDP sector which is about to be introduced on the JSE's Main Board

100 cents. In contrast, companies that will list on the RDP sector will not have to provide the exchange with a profit history and the R2-million subscribed capital may also fall away. The latter is, however, not finalised.

While somewhat stunned by this disclosure, analysts admit that with a total market capitalisation of over R700-million, the JSE has substantial influence in South Africa and "can certainly persuade institutions to invest in

such companies".

Andersen explains that the aim of this RDP sector is to provide investors and institutions with a vehicle to raise capital "to be lent to emerging black entrepreneurs or groups involved in the reconstruction of South Africa".

Sceptics ask the obvious: "If requirements are minimal, what makes Andersen think that institutions will invest in such a market, given the failure of the Venture Capital Market (VCM) and the dismal performance of

the Development Capital Market?"

In his reply Andersen says that the listing requirements may be different, but not without restrictions. A company wishing to list will have to set out its investment criteria, show how they intend to invest and perform in particular sectors of the economy and set out risks associated with proposed projects. "The participants will have to demonstrate that their company will clearly

Continued on PAGE B3

*Some unpleasant shocks forecast for RDP*

# Higher growth is not sustainable, says BER

Star 5/8/94

■ BY CLAIRE GEBHARDT

The RDP's hoped-for higher economic growth is unsustainable, says Stellenbosch's Bureau for Economic Research (BER).

Neither will job creation be sustainable through macro-economic stimulation, it says.

In a critical evaluation of the Reconstruction and Development Programme (RDP), the BER says the reduction in government consumption spending proposed is also unlikely to be achieved for a number of reasons:

■ The level of public sector employment increased substantially during the Eighties, while the level of private sector employment remained constant.

■ The jobs of all civil servants of the previous government are guaranteed by the constitution.

■ The integration of the South Africa Defence Force and Um-

kontho we Sizwe, affirmative action in the civil service and the repayment of favours after the election by means of jobs will increase public sector employment further.

■ The civil servants are well organised and mobilised and will not accept job and pay cuts without putting up a fight — a new government will consequently avoid retrenchments and pay cuts.

On the income side, there is not much scope for the Government to increase inland revenue.

"If the tax bias against women and fiscal drag are eliminated, as advocated in the RDP, government revenue from direct taxes could decline.

"Revenue from indirect taxes could also decline if basic necessities are zero-rated, the surcharge on imports abolished and lower tariffs introduced to accord with the Gatt agreements."

Given the impossibility of eliminating government dissaving, loans would have to be raised to make up the shortfall implying: (297)

■ Higher interest payments on public debt which would lead to even higher government consumption spending and consequently higher government dissaving.

■ If the larger fiscal deficits were financed domestically, private sector investment would be crowded out, given an economic upswing, inflationary pressures would increase and indirectly lead to a deterioration of the external balance.

The BER says bottlenecks and implementation obstacles may have unanticipated repercussions, forcing the Government to adjust its policy goals.

"If the upswing in the construction sector in the first round is so substantial that it causes shortages in the commercial and manufacturing

sector in the second and following rounds, the Government will be forced to reduce its infrastructural and housing goals and introduce a restrictive macro-economic policy to restore internal and external balance.

"Nobody is served by such developments, especially those who were supposed to benefit from the RDP in the first place."

Certain measures proposed in the RDP to reduce waste and corruption are unlikely to be a source of savings.

"No government is immune to waste and this government still has to prove its competence."

Finally, "If goals are compared to the socio-economic backlog, it becomes clear that the programme is totally inadequate."

"If the programme is implemented in its present form, it will only serve to stop further increases."



# Mandela's fund for street children delayed

THE distribution of money from President Mandela's trust fund for street children and child detainees has been held up by an application for its registration as a welfare organisation.

This was confirmed by African Bank chairman Sam Motsuenyane, a trustee of the fund to whom Mr Mandela handed an initial R150 000 in June, who told Weekend Argus the first meeting of trustees would take place soon.

Mr Mandela kicked off the fund on June 16 with his first R150 000 donation, promising to pay the same amount into the fund each year for the next five years.

■ President Mandela's trust fund for street children is being held up by its application to be registered as a welfare organisation, reports DI CAELERS.

Donations from several other people and organisations have followed.

Mr Mandela said at the time of the launch that the purpose of the fund was to "attend to the problems of street children, to cater for the needs of children in prison awaiting trial — the youngest of whom is 13 years — and scholarships for the youth".

Dr Motsuenyane said papers applying to

register the fund as a welfare organisation had been submitted about a month ago and that they expected confirmation at any time.

"We have received applications from organisations handling street children but we will only start distributing money once we're legal."

Other trustees of the fund — 29 in all —

include University of Cape Town vice-chancellor Mamphela Ramphele; Arts, Culture, Science and Technology Minister Ben Ngubane; former Pan Africanist Congress deputy president and IEC commissioner Dikgang Moseneke; former Kgwanwe chief minister Enos Mabuza; businessman Richard Maponya; De Beers deputy chairman Nick Oppenheimer; Liberty Life Foundation executive trustee Hyllon Applebaum; Rembrandt Group vice-chairman Jan Rupert; Trade and Industry Minister Trevor Manuel; and the president's daughter Zinzi Mandela-Hlongwane.

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# New army will cost R7 000m

By ANTHONY JOHNSON  
Political Correspondent

TAXPAYERS will have to fork out at least R7 000 million for the new-look Defence Force, SA National Defence Force chief, General Georg Meiring, disclosed yesterday.

Lifting the veil on plans to reintegrate homeland and liberation armies into the regular force, he said the process would result in the Defence Force swelling by 30 000 to 40 000 members — with a similar number being retrenched over the next three years.

General Meiring said the average cost of retrenching a member, ranging from generals to private, was R40 000 — but it was impossible to say at this stage what section of the integrated force would be most affected by the rationalisation process.

He said that many of the 19 000 uMkhonto weSizwe members, 6 000 Apla members and 10 000 from the TBVC armies integrated into the SANDF

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would be "put through their paces" in a 42-month training programme which would allow them to compete "on an equal basis" for places in the trimmed-down force.

However, ANC members on the committee expressed fears that the Defence Force's service brigade might end up serving as "a dumping ground" for MK or Apla members when the time came to prune the size of the force.

General Meiring said the process of finalising the composition of the Defence Force would be a highly complex one in which voluntary retrenchments and the completion of contracts would play a part.

The activities of a "replacement board" would be overseen by a British military team and the Minister of Defence, Mr Joe Modise, will be presented with proposals in the next few weeks spelling out plans for integrating women into the new force.

The aim was to end up with a defence force containing about 90 000 permanent members, General Meiring said.



# Defence Force<sup>(297)</sup> CT 9/8/94 to assist RDP

## Political Correspondent

THE SA National Defence Force has established a committee to work with Reconstruction and Development supremo Mr Jay Naidoo to maximise the support of the military for the RDP effort

Defence Force chief General Georg Meiring told a joint standing committee on Defence yesterday that the SANDF had already contributed R650m to the RDP programme through budget cuts — more than any other government department

Gen Meiring said the Defence Force was working on a five-point plan to help the RDP effort.

Measures included reassessing arms procurement costs, launching an arms export drive, handling stores more efficiently and running the SANDF in a more businesslike manner.

Projects indirectly supporting the RDP included skills training, assisting with health care, promoting rural development and supplying infrastructure.

# 'SA needs regional stability for RDP'

□ Kasrils: Navy to be leading edge of defence

JOSEPH ARANES  
Staff Reporter

IF the government's Reconstruction and Development Programme is going to work, South Africa needs peace and stability not only within her borders but also in neighbouring states.

This was said by deputy Defence Minister Ronnie Kasrils after he opened the South Africa and International Naval Co-operation conference at the Nassau Centre in Newlands yesterday.

Naval representatives from Argentina, Brazil, India, France, Britain and the United States addressed the conference on the role the South African Navy could play in the south Atlantic and south Indian oceans.

Mr Kasrils said the correlation between South Africa's socio-economic priorities and

that of defence was emotive and sensitive

"The RDP is the basis for stability, peace and progress in the country but is dependent on regional peace and stability. Because we will be playing a leading role in the region we have to apportion part of the budget for defence.

"In the final analysis government will decide, as elsewhere in the world, how much can be afforded for insurance and what risk we will have to live with."

Mr Kasrils said the navy would become the leading edge of the defence force.

● The need for the country to operate a coastguard was hotly debated by the more than 100 delegates, most of whom were navy officers.

Helmoed Römer-Heitman, a correspondent for Jane's Defence Weekly, said he foresaw

a situation where the oceans of the world — and the coastline of South Africa — were going to become very dangerous places in the near future. He suggested that the country needed a strong coastguard to protect its marine resources.

"We will not be spared piracy, smuggling at sea and other maritime disasters — and have to prepare ourselves adequately to protect our marine resources

"The navy, with its present infrastructure is best suited to perform these duties. A coastguard could become a separate branch of the navy with its own budget, and perform the function on behalf of other government departments."

Managing-director of Pentow Marine Reinhard Adelbert said he did not see the necessity for a coastguard, but felt the present patrols by various state agencies should be improved



# Boesak punts RDP investment window

Business Editor 297

THE RDP brings a wealth of investment opportunities, the Western Cape Minister of Economic Affairs, Allan Boesak, told the National Association of State Retirement Administrators (Nasra) — who control an estimated \$4 trillion of retirement funds — at their annual conference in Colorado yesterday.

And, he said, proposed anti-trust legislation in SA will result in a sale of assets held by the conglomerates.

This will make them available for foreign investment and black empowerment, and will lead to greater liquidity on the JSE as well as opening the market for new entrants.

"The objective is to transform the economy in a manner which will increase, not destroy, our capacity."

"This calls for careful management of change implementation."

"We require investment in new opportunities which will create jobs, contribute to sustaining our growth capability and stabilise SA by way of infrastructural enhancement. It is for this kind of investment that we look to the membership of Nasra."

# Welfare groups seek role in lottery scheme

Own Correspondent

JOHANNESBURG — The Supertrust Co-ordinating Council, representing four of SA's largest welfare and development trusts involved in scratch card gambling, is to apply to the Lottery and Gambling Board for a role in administration of a national lottery.

Chairman Mr Raymond Parsons said yesterday that according to council predictions, a national lottery could generate between R500m and R1bn in turnover, with profits going to development and welfare projects.

The board — which has not yet been formally constituted by Justice Minister Mr Dullah Omar — will regulate the gambling industry and advise the government on the creation and administration of a state-owned lottery.

CT 11/8/94  
The council supported the Howard Commission's recommendation that the board should distinguish between state control and state running of the proposed lottery. Any lottery should be run on business principles, with profits directed to social causes, said Mr Parsons.



## IDC takes pragmatic line

THE Industrial Development Corporation (IDC) would deviate from its main function and assist black ownership of non-industrial businesses when nobody else was willing to do so, corporation GM Malcolm MacDonald said yesterday.

MacDonald said some eyebrows had been raised at the IDC's involvement in the Methold takeover by Africa Life Investments earlier this year, as the IDC's primary role was to finance industrial businesses.

"The IDC acted as a third party to warehouse the deal as nobody else would do it, but in the long term the IDC should stick to industrial projects," he said.

Other recent examples of the IDC's role in promoting black ownership included financing black-owned clinics, which were now "going well".

As banks and the private sector made money available for this sort of

### MUNGO SOGGOT

venture the IDC's involvement would be phased out, he said.

Although most IDC finances were channelled into natural resource beneficiation projects, its manpower was mainly focussed on fostering small and medium sized industrial enterprises into which it had poured about R257m in the year to June.

The IDC planned to continue selling part of its major stakes to help fund these projects.

The IDC had recently sold shares to raise R1,9bn, he said.

Although companies in which it held other major stakes — such as Alusaf and Columbus — still had to come on line, MacDonald said there would probably be opportunities to sell stakes in these projects.

MacDonald said there was "great synergy" between the IDC and RDP.

# Govt expects about R1,7bn in total aid packages for SA this year

GRETA STEYN

GOVERNMENT expects about R1,7bn in aid from 24 packages to be spent on SA this year, according to preliminary estimates from the Finance Department.

The figures represent "mainly aid" and appear to be an effort to arrive at as close an estimate as possible of the cash component of development assistance packages. They are being used by Minister without Portfolio Jay Naidoo's team managing the Reconstruction and Development Programme (RDP). The figures were drawn up before the £1,25bn British package was announced, but most of that was in credit

guarantees and some of the cash had been announced previously — so it will not have a material effect on the overall figure.

According to a memorandum to the RDP office, the amount was arrived at from foreign missions' inputs and was based on the UN Development Programme. Most foreign donors were "extremely concerned" about what mechanism would be put in place to direct their funds to the appropriate target areas, after SA project proposals had been submitted. The biggest single amount this year, according to the memo, would come from the

US. (R490m) followed by the European Union (R431,5m) and Sweden, the UK, Germany and Japan with about R100m each.

France, which hinted at a package of about R3bn, has indicated less than R12m will be given in the form of direct grants this year. The memo noted that French assistance "will focus on lending more than on grants".

The memorandum said, and to SA last year amounted to almost \$307m, or more than R1bn at the average exchange rate

for the year. This year's expected amount represents a rise of about 70%, but is likely to be more in rand terms because of exchange rate depreciation.

Of the \$600m in aid from the US, \$528m will be distributed by USAid over three fiscal years, and the rest will go towards promoting US exports, according to the Finance Department's information.

Over three years, this would be spent on human resource development, democratisation and human rights programmes, housing, community development, small business, unions and humanitarian aid.

USAid declined to discuss details, referring all queries to the embassy. A spokesman said \$166m had been allocated for this year, with \$181m in each of the following two years. He could not say how much of this would be in the form of cash flowing into SA, as it depended on the proposals put to USAid by South Africans. However, there were plans to invest part of this year's aid in loan guarantees to commercial banks for low cost housing. But he noted that last year about \$27m of the \$80m spent on SA by USAid was spent in the US — mainly on scholarships.



# Foreign loans to increase — Keys

CT 12/8/94 (297)

## Political Staff

FINANCE MINISTER Mr Derek Keys yesterday indicated that his department would replace some of the foreign loans it had recently repaid.

Speaking in the Budget debate, Mr Keys said he could not immediately say what level of foreign funding was considered appropriate.

He said he was proceeding on the basis that "putting our toe in the water now can't be wrong".

"We are entitled to replace some of the many foreign loans we have had to repay," he said.

A critical step in deciding on the appropriate level of debt would be the "ratings obtaining" exercise that the Finance Department had embarked on, he said.

"At the root of the decision as to what rating to award us as a borrower, lies the question as to what level of

borrowing is a safe proposition from the lender's point of view," he said.

Once this was decided, the longer term strategy could be defined, he said.

Mr Keys said his department was working on South Africa's re-entry into capital markets.

In reply to a question on the zero-rating of books, Mr Keys said he was obliged to oppose any movement towards zero-rating.

If some products were zero-rated "then we start down a slippery path that has no end", he said.

"My courage failed me in this regard as a consequence of the unhappy experience of the drain of SA's foreign reserves month after month."

The situation had recently improved markedly, Mr Keys said, adding that he hoped his successor would take advantage of this fact.

# R1,7 billion in aid this year

Own Correspondent

297  
27/12/84

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France, which hinted at a package of about R3bn, has indicated that less than R12m will be given in the form of direct grants this year.

Last year aid amounted to almost \$307m (R1bn). This year's amount represents a rise of 70%.



## New water supply project

MICHAEL MOON

MORE than 400 rural communities had already submitted applications for help in water supply projects to the Mvula Trust, a non-governmental organisation set up to provide financial assistance for such schemes, trust executive director Piers Cross said this week.

The trust had been in operation for nine months and had already committed R30m to projects, he said at the launch of a new scheme at Turkey, near Tzaneen.

A total of R150m had been made available by the trust's founders, the Development Bank of Southern Africa, the Independent Development Trust and the Kagiso Trust, which had secured its contribution from the European Union. (52) (297)

Cross said the Mvula Trust was the only non-governmental organisation undertaking water provision funding on this scale. The majority of projects involved funding of between R250 000 and R500 000.

An important criteria in providing money was that the water projects had to be "community driven", with the trust providing the cash after a viability analysis.

The Turkey project will receive R700 000 to divert mountain spring water into village reservoirs. This will obviate the necessity for the rural community to dig for water in dry river beds, a supply that is unhygienic and has led to many cases of dysentery and bilharzia. Construction had provided 100 villagers with labourers' jobs.

# Farmers' levies

S/Times (Buss)

## may pay for RDP

By CIARAN RYAN

THE government is eyeing an estimated R1-billion of agricultural control board funds as a potential source of funding for rural RDP programmes.

Bernie Fanaroff, chief adviser to Jay Naidoo, the reconstruction and development programme's Minister Without Portfolio, says the possibility of using these funds has been brought to his attention and will now be raised with Agriculture Minister Kraai van Niekerk.

The funds — raised by charging levies to farmers — are used to stabilise and guarantee minimum prices to farmers.

The extent of the stabilisation funds built up by the 15 boards is not known but the Meat Board alone has R162-million in its fund.

Pick 'n Pay executive director, Gareth Ackerman, estimates the 15 boards control close to R1-billion with assets worth a further R1-billion.

"I believe we should be using these funds for rural upliftment programmes rather than have all these technical experts trying to push up food prices.

"It is now becoming feasible to import meat again. The sooner the control boards are dismantled, the better."

Nils Dittmer of the Organisation for Livestock Producers says although the

funds should be returned to the farmers "we are prepared to consider utilising them for rural upliftment or black farmer education".

David Cooper of the Land and Agricultural Policy Centre, an ANC think-tank, says the control boards need to be reformed to provide price stability, "but not to fix prices".

"We need price stability to ensure that we do not wipe out the producer base. If prices fluctuate too radically you could find one year we have to import maize, while the next year we have a surplus crop."

But Mr Cooper warns that appropriating control board funds belonging to farmers could also be unconstitutional.

"The government may find it has greater success in persuading the control boards to use more of their funds for rural upliftment programmes."

Mr Ackerman says meat prices have risen 40% in recent months and will continue to rise in the months ahead.

Although this is partly an after-effect of stock shortages brought on by the 1992 drought, the price increases are at the producer level, with retailers making no additional profit.

Of the 15 control boards, only the Maize and Wheat Boards fix prices, while

others operate floor price schemes to guarantee minimum prices to farmers.

The Sunnyside Group, which lobbies for appropriate regulation, also says the single-channel marketing system — where farmers are obliged to sell to control boards — must go.

The SA Consumer Council says it welcomes the revision of the single-channel marketing system announced by the government.

An increasing number of farmers are openly flouting the marketing system by selling direct to consumers, putting the control board system under siege.

Producer organisations and retailers are adding their weight to the call to overhaul the agricultural marketing system, which is blamed for contributing to rising food prices.

Last June food giants Tiger Oats, Premier, Maizecor and Foodcorp warned they might be forced to bypass the maize marketing system which they reckoned added R600-million to the country's food bill.

Yet farmers are receiving less for their maize this year than last while consumers pay through the nose to subsidise exporting the maize surplus.

The Maize Board acknowledges that the marketing system is being bypassed, but says it is obliged to stamp out the practice through its network of inspectors.



# Unbundling doubles IDC's profit

SI Times (Buss)

14/8/94

By CIARAN RYAN

THE Industrial Development Corporation will report profits in excess of R1,3-billion this year, twice last year's R602-million, following the unbundling of its two investment trusts, Natsel and Indsel.

The funds will be re-deployed to cover the IDC's share of the Alusaf, Columbus, Namakwa Sands and Sappi's Saiccor projects.

Once fully on stream, these four projects are expected to generate export earnings of between R5-billion and R6-billion a year, equal to nearly 30% of current gold exports.

Several other projects on the drawing board, including a Corex steel mill, a phlogopite plant to produce alumina, magnesia and potash from Foskor waste, a naphtha cracker plant, a zinc smelter and a sugar-based chemicals plant, could add a further R5-billion to R6-billion in export earnings, vastly reducing the country's dependence on mineral and precious metals exports.

The IDC is committed to investing R10-billion over the next five years in a variety of export-oriented projects. The total capital requirements of these projects is R30-billion, the balance to come from private sector partners.

The World Bank has criticised capital-intensive investments in Alusaf and Columbus for failing to create jobs. Both projects will create fewer than 3 000 jobs from a total capital invest-

ment of nearly R10-billion. The World Bank says a R50-million investment in clothing would yield between 25 000 and 40 000 jobs.

The Bank says poverty reduction and wealth redistribution in the absence of sustained economic growth cannot succeed without progress towards more labour-intensive investment.

Malcolm Macdonald, IDC's senior general manager in charge of finance and economics, says a healthy balance of payments is critical for sustained economic growth.

"We have to boom exports if the economy is to grow, and one of the most efficient ways of doing this is through mineral beneficiation."

Replying to the World Bank report, Mr Macdonald says the IDC has investigated the clothing industry but found it uneconomical.

"South Africa needs to produce higher quality clothing to crack the overseas markets, and this is not something that can be turned on and off overnight. But we will be looking more closely at this in future."

The IDC has been criticised for sitting on mature investments such as Sasol, Foskor and Iscor rather than investing profits from these investments in job creation schemes.

Mr Macdonald replies that the IDC had substantially reduced its holdings in Sasol, but the ongoing debate over privatisation

forced it to retain its shareholding in Foskor, while Iscor's share price had performed poorly since listing in 1989.

Bernie Fanaroff, chief adviser to the RDP's Minister Without Portfolio, Jay Naidoo, says the IDC is to play a pivotal role in reconstruction and development as part of a broader industrial strategy aimed at creating jobs.

"We are in full agreement with the framework of the RDP," says Mr Macdonald. "The country must maintain fiscal discipline and develop a macro-economic policy if we are to achieve the kind of growth rates required to make a success of the RDP. The IDC has a critical role to play in advancing the aims of the programme by increasing gross domestic fixed investment and the level of manufactured exports."

In addition to the R10-billion investment in beneficiation projects committed for the next five years, the IDC is behind several schemes aimed at boosting export capacity in small and medium-sized enterprises.

It has also assisted black economic empowerment by providing bridging finance to black investors in Metpol and other deals.

"One burning issue which has to be resolved is small business development," says Mr Macdonald. "There are several small business development organisations inherited from the homelands and these will have to redefine their roles."

# Work without pay for the RDP — call

JOHANNESBURG. — The National Union of Mineworkers (NUM) announced yesterday that all workers' earnings and company profits generated on selected public holidays should be contributed to the Reconstruction and Development Programme.

This was one of the resolutions passed at a NUM national constitutional congress in Pretoria at the weekend.

NUM president Mr James Motlatsi said at least 10 public holidays should be set aside on which workers would not be paid for working, and the money would go to the RDP.

"Rather than depend on borrowing money from foreign countries ... and from the World bank we can generate the money (for the RDP) ourselves."

He said up to R1 billion could be

made a day, if one took into account that about that amount was lost a day when the union was on strike, and this could generate up to R10 billion a year for the RDP.

Although the resolution still had to be taken to the Cosatu congress in September and to general members, no problems were expected with the implementation of the resolution.

Calls were also made for the formation of volunteer labour brigades in all communities to be involved in local RDP projects.

This would provide the human resources required, for example, to dig the foundations for a proposed school, he said.

The NUM also re-affirmed its commitment to the ANC/SACP/Cosatu alliance. — Sapa



# Kriel's RDP includes R20-m for District Six

CLIVE SAWYER  
Political Correspondent

THE Western Cape reconstruction and development programme includes R64 million for improvements to schools and R20 million for the development of District Six.

Premier Hernus Kriel announced this during his "State of the Province" speech at the opening of the Western Cape parliament today.

Mr Kriel said he had asked President Mandela to allocate 19 percent of the R2 500 billion national RDP budget to the Western Cape.

Other programmes for the province are R3million for tourism development and R12million for multi-functional community centres

Mr Kriel also called on local authorities to put a moratorium on service fee arrears.

He said the central government had agreed to absorb the cost of the R67 million arrears owed to black local authorities.

Arrears owing to white local authorities totalled R234 million.

"It is blatant discrimination if only one section of our community benefits

from writing off debts," Mr Kriel said.

He called on all city and town councils and regional services councils to put an immediate moratorium on prosecutions of defaulters who were in arrears for service fees up to and including January 1994.

Mr Kriel said he viewed with alarm that the quota for new police trainees for the Western Cape would be only 200.

"This is less than the normal retirements, deaths and resignations in our province," he said, calling for increased intakes.

(297) (SP)

ARG 15/8/94

# Compulsory welfare levy mooted

Star 15/8/94

Cape Town — The South African welfare system is overburdened and the Government will have to introduce a compulsory social security levy, officials said yesterday. (297)

"The State cannot continue to carry the increasing financial burden alone. A compulsory contributory scheme must be developed," welfare planning and development director Esther Chinkanda told a parliamentary select committee on welfare.

Welfare Department acting director-general Boet Schoeman said that of the R12 billion allocated for welfare in fiscal 1994/95, 86 percent would go to grants. This left R1,7 billion for welfare services. — Reuter.



# Social security tax?

## Political Staff

THE government is investigating the possibility of imposing a compulsory social security levy to pay for the the social welfare system.

This emerged in the parliamentary select committee on welfare's first open session yesterday.

The levy, which may take the form of an extra tax, immediately drew criticism from the Democratic Party's Mr Ken Andrew, who warned that a fur-

ther tax would just add a load to the already overburdened taxpayer.

President Mandela, in his "first 100 days" speech on Thursday, is widely expected to make an announcement on the tax structure — but no new taxes are thought likely.

But acting welfare director-general Mr Boet Schoeman said a task group would be established to consider the welfare levy, which may take the form of compulsory provision for retirement.

(297) CT 16/8/94

# Council submits RDP list

Municipal Reporter

THE city council has submitted a list of projects totalling R86 million to provincial authorities who have requested details needed for the local Reconstruction and Development Programme (RDP)

The list comprised just those schemes which could be implemented reasonably quickly. In case there would be money available on a longer-term basis, council officials provided another list

of projects costing R144m, and taking longer to implement

Included in the second list was an amount of R50m for housing in District Six.

The first six items on the more urgent list all relate to the provision of electricity

Eight million rand is required to upgrade electrical installations in flats in Guguletu, and R4m for the same sort of requirement in Langa.

(297) CT 17/8/94  
Huge problems have been caused in townships because former single men's hostels were supplied with lights only, instead of lights and plugs. Many of these flats are now family accommodation.

Much of the money on the immediate-project list goes to external painting of council dwellings, repairs to windows, upgrading of the areas surrounding flats, some walling, and a couple of minibus taxi facilities



## Lonrho gives R3,5m to RDP

JOHANNESBURG. — Multinational company Lonrho yesterday committed R3,5 million for township development on 120ha of land provided by the company at the mining village of Marikana in North-West Province.

(297) CT 16/8/97  
Lonrho made the contribution through its subsidiary, Western Platinum Mine, to demonstrate commitment to the Reconstruction and Development Programme.

# 'Rates to pressure welfare spending'

By AUDREY D'ANGELO  
Business Editor

CT 16/8/94 (297)

RISING longterm interest rates could put pressure on social and welfare spending by increasing the cost of servicing government debt, Old Mutual economist Terence Moll warns.

He points out, in Old Mutual's latest economic commentary, that longterm yields on government bonds have risen since late last year from below 12% to the current 14.7% to 15% range

"This sharp rise can be blamed on many factors. Renewed economic growth since mid-1993, combined with accelerating money supply growth and falling gold and foreign exchange reserves have changed expectations about short term rates. Most market participants now think it a matter of time until short rates rise.

"Secondly, international long bond yields have risen sharply



Terence Moll

since late last year, strongly influencing the local market

"Not only do foreign investors hold a large chunk — estimates range up to R58bn — but local players follow international trends closely. And while local real long bond yields look attrac-

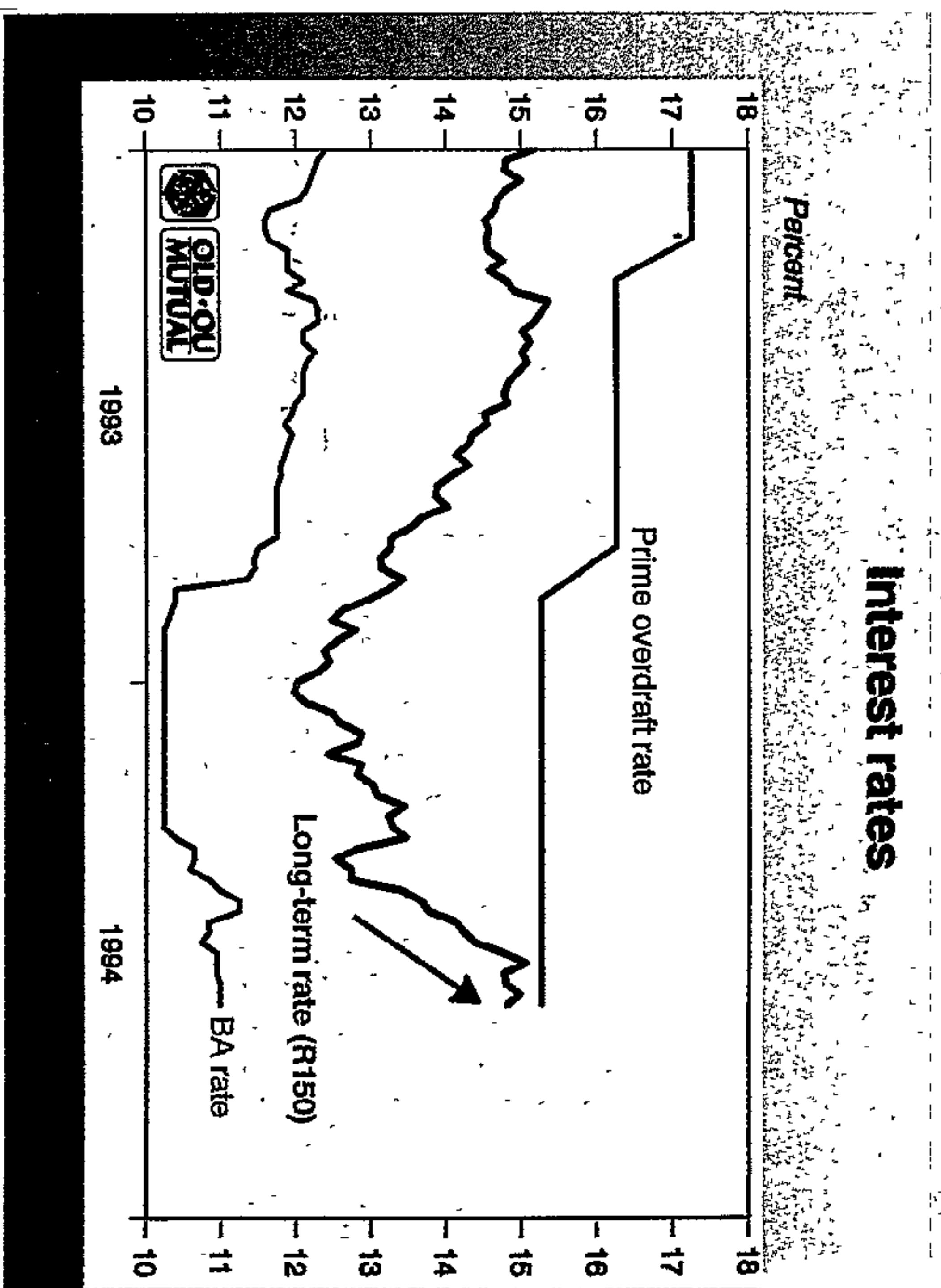
tive, similar real yields are available in many international bond markets.

"Thirdly, the capital market remains nervous that fiscal discipline will be compromised by RDP spending demands. Although the Budget contained a healthy dose of fiscal restraint the deficit was somewhat higher than the market expected. Minister Keys' late June resignation also jacked long rates up."

Moll says speculation on the scrapping of the financial rand has been another factor helping to raise long rates

"CPI inflation is about to bottom. Growing spending, a weaker rand, faster money supply growth and PPI inflation edging up have turned inflation expectations around."

The market now expected inflation to reach 10% sometime next year and long rates would have to rise to maintain real capital returns.





# Cape plans White Paper on RDP — Kriel

THE Western Cape Legislature would draw up a White Paper on Reconstruction and Development as soon as possible, Premier Mr Hennis Kriel said at the opening of the legislature in the city yesterday.

He said he was also looking for the right candidate to head the provincial development bank, which could play a hugely stimulating role in housing and small business development.

Some R20 million would be requested to develop District Six and return it to the people. He was awaiting an announcement from President Nelson Mandela on this.

Mr Kriel announced plans for a commission that would examine ways to reduce red tape. Mr Kriel criticised the central government for a reluctance to transfer outstanding powers, and gave his 276 local government bodies a September 2 deadline to set up their required Transitional Local Councils (TLCs).

He told them he would take stringent steps unless they stopped dragging their heels in reducing the 276 bodies to just 82 TLCs. However, he added, half the potential

forums in the province had been set up.

Mr Kriel said that with only an old CPA budget to work with, fiscal planning was almost impossible.

"We have money for Community Services, Works and Roads — but there's nothing for Housing, Education, Economic Affairs, Police, Agriculture and Tourism and Sport," he said.

The province was expected to build an average of 36 000 houses a year, but this would be impossible in the first year of the five-year programme.

However, the National Housing Fund had already approved R163 million for the Western Cape, which would deliver about 4 000 houses in the present financial year. — Political Staff, Sapa

**CLIVE SAWYER**

**Political Correspondent**

**PRESIDENT Mandela** has disclosed details of a range of reconstruction and development projects to mark the national unity government's 100th day in office.

The biggest single programme to be funded by the RDP projects grant will be rehabilitation and extension of municipal services in urban and rural areas.

Among these are rebuilding townships across the country, including some on the Cape Flats, and especially those hit by violence.

And to meet the surge of grassroots requests for funding of projects, the government has earmarked R100 million for RDP projects in the provinces.

The share for each province will depend on its degree of under-development, Mr Mandela said.

Addressing parliament today, he congratulated all South Africans on the reconciliatory spirit with which they had handled the transition.

"A hundred days after our inauguration, our overwhelming impression is that our nation has succeeded in handling its problems with great wisdom."

Mr Mandela said it could not be denied there were different constituencies with different interests.

"To present a facade of unity on every issue would be artificial, undemocratic and patently pretentious."

"The more these issues are aired and opened up for public debate, the better for the kind of democracy we seek to build."

Problems needing urgent attention included wanton killing of security force members, violence in Kwa-Zulu/Natal and the East Rand, abuse and kidnapping of children, and other crimes.

Illegal drug trafficking needed serious and urgent attention, he said.

Ministers whose portfolios covered these issues would address them in their budget debates in coming weeks.

Mr Mandela said legislation was being prepared to end racism in the workplace, but said all South Africans had a duty to assist in ending discrimination because this could not be done by law alone.

Clarifying plans for a truth and reconciliation commission, he said its core principles would be to supervise the amnesty process and recommend ways to ensure human



rights violations did not happen again.

"The commission will not be a court or a tribunal."

"We agree with the view of many sectors, including the police, that any prosecutions and trials should be for the attorney-general and recognised law courts to handle."

Mr Mandela said people had voted for change, and change they would have.

In his address, he gave further details of projects announced on May 24 to signal government commitment to the RDP.

Projects included:

- Plans to rebuild townships on the Cape Flats, East Rand, and in Port Elizabeth, Duncan Village, Bloemfontein and Kwazulu/Natal.

- Preparatory work for a primary school feeding scheme for half the total number of pupils in areas in desperate need, with implementation planned for next month;

- Water and sanitation projects for 1,7million people, mainly in the Northern Transvaal and Kwazulu/Natal;

- Restitution of land to communities, affecting about 29 000 people; and

- Land distribution, with sustainable settlement planning, to benefit about 2 000 families.

Mr Mandela said as many of these projects as possible would be carried out by labour-intensive public works programmes.

He also disclosed that legislation was being prepared to reform the intelligence services. This included the rapid dismantling of all surveillance networks.

Mr Mandela said all government departments and parastatals had been given until the end of the year to report on how they intended meeting the aims of the RDP.

Economic signs continued to be encouraging.

"A growth rate of more than three percent is no longer a pipe-dream," Mr Mandela said.

Progress in the first 100 days bore witness to the great potential which existed.

□ Mandela announces projects to mark government's first 100 days

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# R100 m boost for provinces



# RDP slammed as incoherent, 'empty in (297) pragmatics' CF 18/9/94

JOHANNESBURG. — The government's reconstruction and development programme was "noble on principles but empty in pragmatics", Themba Sono told the Free Market Foundation here yesterday.

Sono, executive director of the Centre for Development Analysis in Pretoria, was delivering the keynote address at the Free Market Award ceremony.

He said the RDP had no concrete and coherent implementation strategies and was "one of those ladders that the poor have donated to the politically ambitious to climb in order to advance their careers".

The government should take corrective measures to heal the rift between labour and management if it was to "arrest the slide to industrial anarchy".

Sono suggested government should create a "super-umbrella council" of labour and industry affairs. This council would advance opportunities for wage earners, encourage their productivity, supervise relations between labour and management, protect workers' rights and protect employers.

The government should discourage business and labour from indulging in politics. Business should make a profit and create wealth, and the business of workers should be to work and produce.

Sono said the conflict between workers and management would erode investor confidence, paralyse government, raise consumer prices and sink the chances of economic recovery.

"Perhaps what we need in society today is a national social strike against the greed of unearned rewards and the gospel of unrewarded duties."

# Zimbabwe, South Africa to co-operate on energy and trade

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**CLIVE SAWYER**  
**Political Correspondent**

AGREEMENTS to create a Southern African energy pool and to draft a new trade agreement are among the results of Zimbabwean president Robert Mugabe's visit.

Military intervention by the two countries in the deteriorating situation in Lesotho has been firmly ruled out, with a pledge to use peaceful avenues to bring parties to the negotiating table.

President Mandela has accepted an invitation to visit Zimbabwe

as soon as possible.

In a joint statement, Mr Mandela and Mr Mugabe said the Zimbabwean president's visit had been part of consolidating relations between the two governments, and exploring new areas of cooperation.

These included education, energy, transport, tourism, trade and commerce.

Today mineral and energy affairs minister Pik Botha and his Zimbabwean counterpart Dennis Norman signed a "Southern Afri-

can Energy Pool" understanding.

Mr Botha said electricity and energy in general would play a vital role in the reconstruction and development of Southern Africa.

The two countries plan to set up a joint economic commission.

Officials will meet next month to discuss proposals for a new trade agreement, to replace one concluded in 1964.

The two governments agreed to strive for a bilateral regional tourism and environment policy. They would also attempt to de-

velop appropriate quotas for bus and taxi operations between the two countries.

Zimbabwe indicated it would abolish visas for South Africans visiting on business or as tourists.

It said it wanted to send its citizens to South Africa for tertiary education in professions such as architecture, for which it did not have teaching facilities.

The two presidents expressed concern about instability in various African countries.

They pledged to continue efforts

to aid negotiated peace settlements in Angola and Lesotho.

Mr Mandela said the two countries had decided to concentrate on peaceful methods of restoring stability to Lesotho.

Replying to a question, Mr Mugabe said the fate of South African citizens who were in jail in Zimbabwe would be decided when their cases were due for review.

Those jailed for political offences would be more favourably reviewed than others.



# SA's European trade boosted and R440-m injection for RDP

□ Duty scrapped on industrial products

**TOS WENTZEL**  
Diplomatic Correspondent

TRADE between South Africa and Europe has been given a boost by concessions from the European Union and a R440 million grant towards the Reconstruction and Development Programme.

The trade concessions, which are expected to make certain South African goods more competitive in Europe, was announced today.

The European Union ambassador in South Africa, Erwan Fouere, said: "The offer should help to increase and stimulate the trade relationship between South Africa and the EU."

"Together with the other measures being proposed by the EU in the economic and development areas, it should provide a boost in particular to job creation and medium and small enterprises."

"At the same time there is a major input into the priorities set out in the RDP."

From next week the EU is granting duty-free access to its market for a wide range of industrial and semi-industrial South African goods.

A revised generalised system of preferences (GSP) that would not contain any ceiling was expected to come into effect on January 1, an EU statement said.

The European Commission wants to include South Africa in the system as a standard beneficiary, receiving the same favourable treatment as other eligible countries in Africa, South America, Asia and Eastern Europe.

Details of the scheme will be presented to the EU institutions for a decision later in the year.

The EU statement said that Europe, which absorbs 40 percent of South African exports, was easily its biggest trading partner, with total bilateral trade last year amounting to R40,29 billion, eight percent up on 1992.

The first four months this year had brought further increases in European exports and imports. South African exports were worth R6,1 billion, 30 percent up on last year's R4,6 billion and imports by 27 percent from R7,2 billion to R9,1 billion.

Major exports to Europe included fruit, coal and base metals, diamonds, and gold and

platinum group metals.

Imports included machinery, mechanical appliances and electrical equipment as well as chemicals, vehicles and vehicle components, base metals and hi-tech equipment.

The EU statement said the extension of GSP to South Africa would act as a catalyst in promoting a welcome diversification of South African products going to European markets.

The R440 million allocation would identify EU firms with the technological and financial resources to become involved in joint ventures and investment as well as informing companies on both sides about opportunities.

The mechanism also provided for the organisation of business meetings between potential partners.

The mechanism included grants for this year to help South Africa address the priority needs of education, training, health, rural development and job creation.

Discussions were under way with the government to determine how this money would be used to help to attain the RDP's goals.

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# NGOs, government debate their future

Chris Louw and Gaye Davis

MINISTER without Portfolio Jay Naidoo will address non-governmental organisations in Johannesburg today to discuss their role in the government's reconstruction and development programme.

The two-day conference, to be attended by more than 200 NGOs and representatives of civics, unions, youth and women's organisations from across the country, comes amid concern in NGO circles over their future relationship with the state and their involvement in the RDP.

A row broke out after the *Mail & Guardian* recently disclosed details of proposals submitted to government advocating a "licensing system" for RDP trainers — seen by NGOs as a bid to marginalise them.

Summit steering committee member Monty Narsoo said critical areas of debate would include the kind of legal, institutional and financial framework the RDP will have and the extent to which civil society will be able to feed into it. The agenda will also focus on the kind of projects the RDP will be implementing and NGOs' role in these. Over-arching debates will focus on redefining NGOs' relationship with the state, the extent of government regulation of their activities and their relationship with the communities they serve.

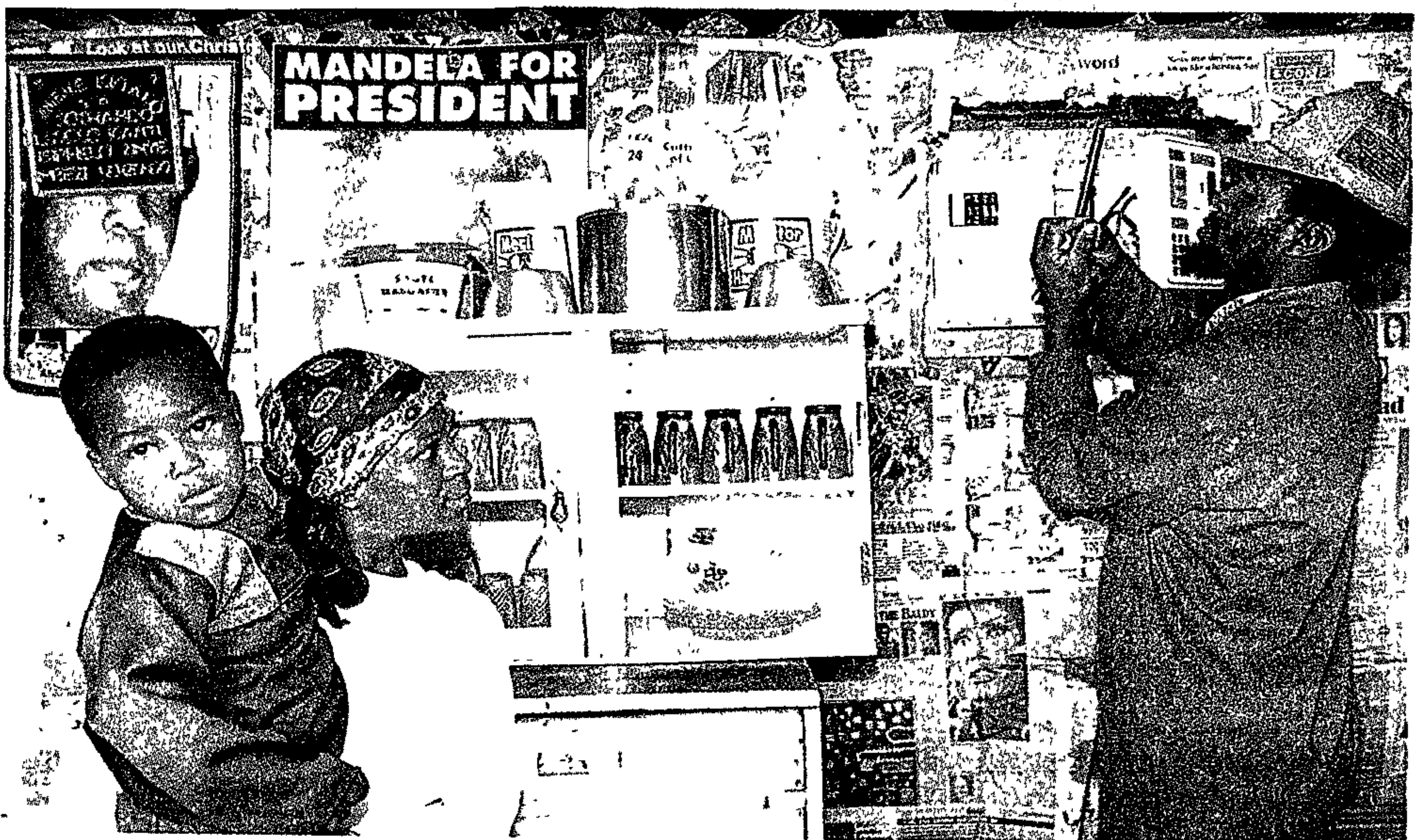
"Various constituency-based organisations will be there to make inputs and NGOs themselves will have to deal with their own strengths and weaknesses and try to make as constructive a set of proposals as possible," Narsoo said.

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**LIGHTING UP . . .** Mrs Carolina Case with her three-year-old child Olwethu looks on as a municipal worker connects up the electricity board in her shack in Khayelitsha. Electrification is a major part of the RDP with more than 350 000 houses due to be connected.

Picture BENNY GOOL

#### From page 1

gies for how their operations would meet the requirements of reconstruction and development.

Government ministers said eventually the entire annual budget would be "an RDP budget".

Other points made by Mr Mandela included:

- The public service would be restructured to make it truly representative of South African society, and salary structures would be revised to narrow the gap between the lowest and highest grades.

- Legislation was being prepared to deal with "the slow pace of ending racism" in the workplace.

- Intelligence networks that kept members of the public under surveillance simply because they were opposed to the government of the day would be dismantled.

- Economic signs were encouraging

and a growth rate of more than 3% "is no longer a pipe-dream".

Summing up, Mr Mandela said: "All these issues emphasise that we have some distance to travel to achieve the objective of transforming South African society"

The government was working well and the nation had succeeded in handling the problems facing the country with "great wisdom" during the first 100 days of his administration.

However, Mr Mandela said that "urgent, visible and effective" steps would have to be taken to eradicate problems bedevilling the nation.

These included violence on the East Rand and in kwaZulu/Natal, the wanton killing of security force members, the abuse and kidnapping of children and the traffic in narcotics and drug abuse.

## 43% report marital violence

PRETORIA — Marital rape and assault have been reported by 43% of women questioned in a recent survey by the Human Sciences and Research Council.

A report on the study, released here on Wednesday, said more than half the women in the sample also knew of other women who had been battered.

However, friends, family members, community services and the

police "find it awkward to get involved in trying to unravel the complexity of intimate relationships that have become abusive," the report said.

In the study, by Ms Moira Macconachie and Ms Mikki van Zyl of the HSRC, 159 women in the Cape Town metropolitan area were questioned. CT 19/8/94

The battered women, who were dissatisfied by community ser-

vices they had approached, said these centres seldom understood the urgency or the danger of the situation. (297)

"For the uncertain situation that faces abused women to end, there needs to be public acknowledgement of the seriousness of gender crimes and the value of women's lives," the researchers said. — Sapa



# Govt preparing for RDP 'action'

(297)

Own Correspondent

JOHANNESBURG. — The government is preparing for "the momentous step" of progressing from principles to action in the Reconstruction and Development Programme, Minister without Portfolio Mr Jay Naidoo said on Friday.

CT 22/8/94  
He told a meeting of non-government organisations here the government would soon release a consultative report on the RDP, and then a White Paper.

"We envisage a people-driven campaign in which the fundamental point is not what government can do for the people, but what the people can do for the country."

The consultative report, called the Green Paper, would form the basis of a 10-year vision — a national strategic

framework — which the government wants to have in place by next March.

The programme would specify delivery targets in each field of the RDP, as well as delivery mechanisms. The RDP targets of each government department would be established by the end of the year in consultation with relevant players.

In addition a medium-term (three-year) national action plan would be established, consisting of business plans from each government department and parastatal, and of provincial action plans. Annual action plans would also be prepared at local and district levels.

In terms of funding, the government was aiming for savings in each department which would reduce the need for a separate RDP fund within the next five years.

# RDP could bring new hope for Khayelitsha

VUYO BAVUMA  
Political Staff

ART 22/8/94

KHAYELITSHA residents have set up eight committees to co-ordinate the implementation of the reconstruction and development programme in the area.

At a colourful ceremony yesterday, addressed by regional environment minister Lerumo Kalako and regional health minister Ebrahim Rasool, the co-ordinators spoke of the tough battle to improve the appalling living conditions of thousands of Site C residents.

The RDP committees comprise representatives of various organisations including the Pan Africanist Congress, the South African National Civic Organisation, the African National Congress, Regional Service Council and Child Welfare.

Today the committees meet to finalise some of the proposals before they are sent to the relevant regional ministries.

The co-ordinator of the Job Creation Committee, Khaya Fonteni, said the residents wanted jobs created for every needy person, without favour.

All development projects in Site C would have to register at the committee's office to ensure local labour was recruited.

The committee hoped this would decrease the high unemployment rate in the area and alleviate crime, drunkenness and violence, Mr Fonteni said.

Thami Makeleni, co-ordinator of housing committee, said research would be carried out to determine how many people were in Site C and how much land was available



# National body to rise to RDP challenge

BIDAY 22/8/94

KATHRYN STRACHAN

REPRESENTATIVES of non-governmental organisations at a summit meeting agreed at the weekend to form a national structure that would facilitate their involvement in the reconstruction and development programme (RDP).

National Progressive Primary Healthcare Network spokesman Judi Fortuin said organisations responded to a challenge by Minister without Portfolio Jay Naidoo to the 250 delegates at the summit meeting, which was convened to define non-governmental organisations' role in the RDP. (297)

His key challenge to the organisations was that they organise to take part in the RDP.

Kagiso Trust spokesman Yogesh Narsing said an interim committee was established to ensure a national non-governmental organisation structure within four to six months, and to engage immediately in the RDP.

Fortuin said there were dissenting views on how funds would be allocated through this structure. The health sector believed there should be enough independence to allow organisations to pursue separate funding.

Narsing said organisations were concerned initial discussions on a national economic development and labour council restricted representation to government, labour and business and relegated other parts of civil society to the development chamber. In a society with high of unemployment and large sectors of the com-

munity not organised, an inclusive process was essential, he said. The representation of the non-governmental organisation community on the council was vital for experience at project and local level to be fed into policy making.

Given their skills, expertise and experience, the organisations had a vital role to play in empowering communities. There had been poor communication and a lack of consultation between sections of government and non-governmental organisations, Narsing said. He hoped this would soon improve.

Delegates passed a resolution condemning an alleged plan by the Department of Environmental Affairs and Tourism to legalise the import and export of toxic wastes.

Such a move not only contradicted and undermined the RDP, but also reflected a deeper resistance by this ministry to recognise and implement the RDP.

Delegates urged government to join the rest of Africa in banning such imports by signing the OAU Bamako Convention.

It also urged Environment and Tourism Minister Dawie de Villiers to begin implementing RDP recommendations, particularly by facilitating participation by civil society at a national level, disbanding the unrepresentative council for the environment and establishing a commission on the environment.

## RDP may receive R1,7bn windfall

GRETA STEYN

GOVERNMENT departments had indicated that a further R1,7bn — over and above the R2,5bn fund — would be available to kickstart the reconstruction and development programme (RDP) during this fiscal year, RDP spokesman Bernie Fanaroff said yesterday. *B.D. 24/8/94*

But the State Expenditure Department was conducting an investigation to ensure the departments could really afford the extra spending on special RDP projects. He believed it was "highly unlikely" that the full amount would still be available after the State Expenditure audit.

"We have to be sure the departments can really afford to divert large amounts to RDP projects before we go ahead."

The amount represented finance available as "matching" funding for allocations from the R2,5bn fund, but did not include recurrent expenditure that might be incurred as a result of the programmes. Fanaroff said State Expenditure was also determining the current spending pressures for future fiscal years that would result from the projects. *(297)*

"We want the optimal funding mix for each programme from three different sources of finance — the RDP fund, further departmental savings and foreign grants."

An interdepartmental committee had been set up with representatives from Foreign Affairs, the RDP office, and the Finance Department to determine the

☐ To Page 2

## RDP

availability of foreign aid for the RDP. The committee had met embassies and multi-lateral agencies and had drawn up a matrix of what was available. *(297)*

Steps had also been set in motion to ensure that the activities of non-government organisations, which received substantial amounts of foreign aid, would be co-ordinated with the RDP. Non-government organisations had been asked to re-examine the need for their continued existence. "They will not be forced to close, but have been asked to reconsider whether they remain relevant," Fanaroff said.

The largest allocation from the RDP fund, which would go towards upgrading

municipal services, would be available to local authorities where the necessary steps towards democratisation had taken place. The finance would be available to ensure that they were able to deliver improved services, and to set up the administrative infrastructure necessary.

The R100m to be allocated to the provinces would be for their discretionary use. In future fiscal years, the provinces would also be required to provide matching funds when allocations were made from the RDP fund. This approach of leveraging through using the RDP fund would eventually lead to a major portion of the budget being spent on the RDP, and eventually obviate the need for a special fund.

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# Plans to upgrade four townships as part of RDP

□ Surrounding local authorities will be asked to help

**SHARON SOROUR**  
Municipal Reporter

THE government will be called on to finance strategic management plans aimed at restoring essential services to the stricken townships of Crossroads, Khayelitsha, Mfuleni and Ikapa — comprising Langa, Guguletu and Nyanga.

Strategic management plans co-ordinator Okkie du Toit said an executive committee had applied to have the plans accepted as a project of the Reconstruction and Development Programme.

At a press conference yesterday to unveil draft management plans for the four Peninsula townships, Mr Du Toit

said surrounding local authorities and the Regional Services Council would be asked for financial assistance.

"One of the elements of the RDP is cleaning up the townships and restoring, upgrading and extending services — and it is quite clear the plans constitute the first phase of the RDP," said Mr Du Toit.

At a meeting last month, local government minister Peter Marais had been mandated to negotiate funds to finance the implementation of the four separate plans.

Mr Du Toit said support and assistance from surrounding local authorities was essential.

"We are now at the phase where we have to obtain commitment from the surrounding local authorities. Without their

support we will get nowhere."

There was a lack of supervisory staff and vehicles and equipment were needed.

Skilled staff from other local authorities would have to be seconded to township municipalities.

The critical financial position of the municipalities and the total collapse of services had prompted the formulation of the plans, which were based on detailed technical assessments of the present state of services, existing infrastructure and the financial situation.

"In addition, the plans were structured to provide for the visual improvement of service delivery which was viewed as a prerequisite for the resumption of payment for services."

The objectives of the strategic management plans were to restore engineering (sewerage, roads, stormwater drainage and water supply) services to the stricken townships.

All the plans would be discussed with affected communities before they were implemented.

Once the Transitional Metropolitan Council was established, it would assume responsibility for the rendering of services.

Cape Town chief engineer Mike Marsden said the draft plans had to be reviewed critically by communities, the Cape Metropolitan Negotiating Forum, affected staff and other parties before they were finalised and implemented.

# The RDP minister who would like to be redundant

WM 19-25/8/94

**Anton Harber** talks  
to Minister without  
Portfolio Jay Naidoo



JAY NAIDOO is the official national *lobbyist*. In Yiddish, a *lobbyist* is the person who looks over your shoulder when you are playing cards and gives you unwanted advice. Naidoo's job, as minister without portfolio, is to look over the shoulders of every other minister and civil servant and see how they are implementing the reconstruction and development programme.

Don't they resist this? I am finding a complete willingness to work with this office. The departments want to deliver

structure for the more complex, more substantial, long-term RDP work: macro-projects like restructuring the economy.

Naidoo had to start his ministry from scratch. He has had to create all the structures and hire all the staff he will need. This has the disadvantage of delay (he has not yet found a spokesman), but the advantage of allowing him to make all his own appointments, and avoid the problems other ministers have had in bringing in their own people.

The slowness in getting provincial and local governments off the ground has created another obstacle to RDP implementation. However, "our first task was to get an infrastructure in



ical content and focus the minds of parliament on the goals we have set out, helping them to ask why we have or haven't achieved them."

don't have the desire or the time to play that role, but there has to be some coordination and we are asking NGOs to create this mechanism."

or information management system, a number of high-level performance indicators by which government is judged, not just by parliament but also



U.S. ... are desperate to deliver, and we are facilitating this."

Naidoo has an appropriate office. He sits in the elegant old President's Council building, looking down over parliament and the other government buildings and alongside Thynhuis, the office of the president who has given him his new task.

Naidoo is also learning an appropriate new language: interspersed with the usual language of development consultation, consensus, delivery, he talks about business plans, adding value, fiscal control, change management and even "systematic performance auditing".

This is the language of a minister applying with the enormous task of orienting the goals of 26 government departments, changing the work priorities of millions of civil servants, structuring the national budgeting system — while getting everyone to free on how to do it, and without lending any extra state funds.

But Naidoo is cock-a-hoop about progress made in the first 100 days of a task. It's not so much that the president was able to announce a set of 26 projects ready for implementation, for Naidoo knows most of these are a stroke of luck — projects for which planning had reached the stage where a budgetary allocation was all that was needed to get them going. More importantly, he says he has been able to put in place the infra-

structure and ... exactly where and thus office will play in relation to the implementation of the RDP. And then we had to get agreement on that within the cabinet and with the provinces. We have achieved that," he says.

It started with a special cabinet committee of all the ministers involved in the RDP. Since that was hardly smaller than the cabinet, they established a core committee: Naidoo and the ministers of finance (to ensure fiscal control), state expenditure (to ensure fiscal control), government spending (to ensure fiscal control), public administration (to refocus the civil service), public works (for job creation) and provincial and local government (for implementation).

Next came interdepartmental task forces — committees drawing people from each relevant department to "avoid duplication and to help efficiency and productivity." These are operating now in three sectors: rural, urban and human resources development.

He has had to create the RDP Fund — the R2,5-billion allocation intended for specific infrastructural projects.

The RDP standing committee in parliament is another bit of the structure. "We want parliament to become a primary focus in driving the RDP. We need to introduce a performance monitoring and assessment plan, so that when a budget is presented in parliament, we want there to be an RDP report alongside it. This will give the budget its polit-

itical and ... province ... set up an RDP commission to drive the process through its structures. In the seven ANC-controlled provinces, it is in the premiers' offices; in the other two, it is located in the finance departments, both of which are in ANC hands.

The next step is outside government: working to set up structures of co-operation with the non-governmental organisations (NGOs) involved in development. "The government on its own cannot deliver on the RDP ... the government leads, but it cannot deliver on its own. So we have to develop a partnership with society around delivery, and one of the most important sectors that has delivered in the past and has a crucial role is the NGOs."

"But the issue we have raised is that, like for government, it is not business as usual. One of the main reasons we have NGOs is because the government in the past failed to deliver. This is not a situation we want to perpetuate, so we are asking NGOs to discuss with themselves how they define their role.

"There needs to be proper co-ordination between ourselves and the NGO sector within an agreed framework around goals we share and want to develop. NGOs have to ask what we ourselves have to ask in government: what value do we add to the process? That is a critical question no one can get away from, whether a cabinet minister, a civil servant or an NGO.

"I don't want a gatekeeping role. I

Naidoo will be presenting these ideas at a summit of NGOs this weekend. One idea he is toying with is empowering communities rather than NGOs, and allowing them to choose which NGOs they want to work with, rather than the other way around.

"So you can see that a lot of the work we have done is to put in place the government's capacity to deliver. The second task is to leverage state resources into the programme.

"We don't want to up the Budget. We don't want to increase state expenditure in such a way that it leads to inflation and undermines fiscal discipline. Fiscal discipline is not an Internal Monetary Fund or World Bank term. It is fundamental to achieving the RDP on a sustainable basis."

This has two elements. The first is to redirect current spending in government departments in line with RDP priorities. The second is ensuring that the ongoing running costs for a project are available from that department. "Unlike some of the NGO experience, where you build a school and then there's no money to run it, there has to be a reorganisation within the education department to ensure it is allocating the funds for operating costs."

Naidoo is determined to put in place proper performance monitoring. "We do not want to build toilets in the veld ... We are trying to introduce into government what we call an institutional

development ...

Each project will have a "business plan: I am determined that, on urban projects in particular, there should be a formal contract between all the community organisations, local government, the NGOs and ourselves setting out what the aim of the programme is and the role of each of us."

He has avoided civil service resistance, he says, by making it a part of the process to consult and involve senior civil servants. "I think that's been a tremendous success. There has been rigorous debate with some civil servants and they are learning that they don't have to accept everything I say. I know we don't have all the answers. But now there is loyalty.

"Everyone has taken the RDP on board. Every speech from every party mentions the RDP, everyone is involved other parties, civil servants, premiers, even the military... It's become a national drive."

He hopes the structures he sets in place will fall away over time. "The RDP fund is a temporary mechanism. The ideal situation is where the whole Budget is based on the RDP, and we are giving ourselves five years to do it. At the end of that period — earlier if we can — the Budget should be based on RDP priorities and then there is no need for the fund." Presumably, Naidoo and his department will then be redundant.

Like Yiddish.

Commitment to cut wage bill

# Targets set in govt's RDP Green Paper

B Day

25/8/94

GRETA STEYN

GOVERNMENT has committed itself to slashing its consumption spending — mainly by cutting its wage bill, according to a draft of the reconstruction and development programme "Green Paper".

The confidential document is scheduled for release as a Green Paper next month for public discussion before being cast into concrete as policy in a White Paper. The draft is dated August 14 and is still subject to substantial revision. (297)

Foreign and local business people are awaiting the White Paper to provide concrete signals on economic policy.

The draft supports a progressive reduction in the Budget deficit, positive real interest rates and commits government to the removal of capital controls. It foresees a reduction in the tax burden over time.

It does not rule out privatisation and refrains from mentioning nationalisation. Before the election, the inclusion in the ANC's RDP of nationalisation as an option drew stinging criticism from potential foreign investors.

On fiscal policy, the document proposed reducing the share of personnel expenditure by 3% a year. Government had to reduce consumption spending from 21% (of GDP) to 17% in five years. Expenditure had to be shifted away from defence to housing, raising housing spending to 5% of the Budget.

"The deficit has reached disturbingly high levels in recent years," the document noted. Government was committed to the progressive reduction of the overall defi-

cit, including borrowing requirements of the provincial and local authorities. This would be pursued by constraining the rate of increase of government expenditure to well below the real economic growth rate.

"The importance of a sustainable fiscal stance cannot be overemphasised as excessive fiscal deficits will ultimately result in higher inflation, higher real interest rates, balance of payments problems and lower growth, thereby undermining the RDP."

A major theme is the urgent need to develop the capacity of the lower tiers of government, especially local government, and to co-ordinate planning between the different levels. There is also emphasis on the need for consensus between government, business and labour.

The document commits government to producing a 10-year vision embodied in a national strategic framework by next March. Multi-year budgeting within a fiscal programme would also be introduced.

Nine immediate priority areas are listed for the next five years, with the targets in line with the original RDP plans. However, a new addition is the proposal to introduce compulsory private pension schemes for all workers.

The document notes: "Private sector investment is critical for sustainable and equitable growth. Business is the engine of wealth creation." It invited trade unions, business, community-based organisations, rural communities, non-government organisations, the youth and women to form part of a "social compact".



# Priorities to be set for success of RDP

□ White Paper for cabinet on September 7

CHRIS WHITFIELD  
Political Staff

A WHITE Paper on the implementation of the Reconstruction and Development Programme (RDP) is to be presented to the cabinet on September 7, Minister Without Portfolio Jay Naidoo has disclosed.

The minister told a special senate debate on the RDP yesterday that the cabinet had already agreed on what the programme's priorities should be.

The White Paper would address "how one achieves that programme" and how the transition to a new set of government priorities should be managed.

Various issues had to be addressed in the implementation process. These included a reallocation of budget priorities and a fresh look at the way

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the annual budget was drawn up.

In future each department would be required to justify the allocations they were asking for and ministers would present "multi-year" budgeting plans.

"Each minister will have to prepare a five-year programme that says how they are going to reorganise their departments to deliver on the RDP," said Mr Naidoo.

The minister said it was critical that communities were involved in discussions.

It was important that those communities "pay for the services that they receive".

He warned that if audits into the programmes found "anyone stealing one cent then they will go to jail".

It was important that the government knew how much of every rand "hit the ground".

In the past too many consultants had got rich on government contracts.

● Full details of labour-intensive public works programmes will be disclosed next month, says public works minister Jeff Radebe.

He told the national assembly he had met all nine provincial public works ministers as part of a thorough preparation for the programmes.

In response to IFP MPs who said too much was being spent on planning, Mr Radebe said the former KwaZulu government had spent years on planning without implementing anything.

He said public works programmes had had to be planned from scratch because the previous South African government had not had any such programmes.

# SBDC's R240m fund to support the RDP

THE SBDC had established a R240m fund — the first part of a R1bn support programme for the aims of the reconstruction and development programme — to develop skills of disadvantaged entrepreneurs, the corporation announced yesterday.

The bulk of the contribution, totalling R179m, as well as all overhead costs, would be carried by the SBDC. The other R61m came from the Trade and Industry Department's Pioneer Project Fund, said the SBDC.

Announcing details of the fund, SBDC MD Ben Vosloo said: "The SBDC supports the objectives of the RDP to promote the economic growth potential of SA and to enable all South Africans, particularly members of disadvantaged groups, to share in the benefits of that growth."

"The fact that all overheads and 75% of the RDP Support Initiative envisaged for the year is to come from SBDC coffers is testimony to our commitment to the principle of sustainable development."

SBDC information services and marketing senior manager Carl Handley said the R240m, which was expected to facilitate the creation of 34 900 jobs, was the first of the corporation's five-year programme in the RDP Support Initiative, which would ultimately amount to about R1bn.

Vosloo said priority would be given to financing schemes and technical assistance. Benefiting greatly from the plan would be the 2,5-million informal businesses across the country, providing employment to 3,5-million people.

The greatest chunk of assistance was aimed at the Pioneer Projects for Micro Enterprise Empowerment and job creation programmes facilitating 34 900 jobs.

Consideration would be given to developing infrastructure in the form of shopping facilities, market stalls and small shops, a basic micro-enterprise need.

The smaller builder would be assisted financially and technically by the Joint Venture and Contract Financing Fund, under the auspices of the Pioneer Project Fund.

The SBDC had also allocated funds for sub-contracting finance and small business bridging loans, he said. (297)

Funds had also been allocated to Business Infrastructure Support, a technical service "providing facilities in disadvantaged communities which are not available through the operation of normal market forces".

"Additional community and industrial hives, set up to develop entrepreneurship in disadvantaged communities, will also provide skills and business training facilities," Vosloo said.

The nexus of all these activities will be a Business Support Services Programme, providing 88 information centres countrywide.

Vosloo expressed his belief that the project "holds the potential to augment the objectives of the RDP on a significant scale in all nine provinces of SA".

THEO RAWANA





.....  
**Strategic stocks:** The sale of surplus oil could earn as much as R4-billion

# Oil sales may boost RDP

(BM) 26/8-1/9/94 (297) (45)

The reconstruction and development plan could receive a huge cash injection if surplus oil reserves are sold, reports **Teigue Payne**

**S**OUTH AFRICA has an inheritance of surplus oil which could yield R2-billion to R4-billion if sold — a massive possible injection to finance the reconstruction and development programme (RDP), the ANC's all-embracing plan to right the wrongs of apartheid. The big debate seems to be how many months of reserves of oil this country needs.

In late December last year, the then minister of Mineral and Energy Affairs, George Bartlett, came clean about what had hitherto been South Africa's secret oil reserves. He revealed that 77-million barrels of reserves were being stored at Cape Town, Saldanha and Ogies, some of it in mine shafts. He said this was equivalent to about eight and a half months of current imported crude oil requirements.

It's understood that at its peak in about 1989, reserves were a massive 150-million barrels. What happened to the proceeds from the sale which reduced those stocks to 77-million barrels by 1993 is yet to be revealed.

In July this year the director general of Mineral and Energy Affairs, Piet Hugo, told a parliamentary standing committee that South Africa had seven to eight months of oil in the strategic reserve, worth about R5-billion. He said his department had proposed that South Africa maintain reserves of at least six months of national requirements, but that sale of two or three months' supply could net R2-billion.

By implication, his statement means little net oil has been sold since Bartlett's statement. A statement on the subject by the present minister, Pk Botha, is expected soon.

But according to the authoritative Paris-based International Energy Agency, a normal country needs about three months of stocks. Mike Haworth, an analyst at stockbrokers Silvis Barnard Jacobs Mellet and an expert on South Africa's oil industry, says no more than three months is needed because oil is internationally traded and freely available to this country.

If the new government insists on the lower level of reserves rather than the department's recommendation, a total of about R4-billion could be earned from the sale.

Haworth says while part of the surplus stock was sold following political liberalisation, there have not been net sales more recently because the ANC told the old government not to.

Haworth says the oil deteriorates slightly under storage. It could therefore fetch slightly less than the current price of around \$18 per barrel.

■ Teigue Payne is research director of BusinessMap SA



Where there's fire there's smoke ... The normally discreet tobacco lobby and its friends in the advertising world have come out with guns blazing against proposed legislation enforcing compulsory health warnings on adverts for cigarettes. This billboard is part of their campaign, so the proposed laws have at least in the short term provided some more revenue for the ad industry

PHOTOGRAPH: HENNER FRANKENFELD

## JSE opens up to shareholders

**Jacques Magliolo reports** on the ground-breaking JSE proposals to put more power in the hands of shareholders

**S**HAREHOLDERS are set to obtain greater control of companies listed on the Johannesburg Stock Exchange if proposed changes to disclosure and listing requirements are implemented next year.

A draft consultation document has been released and sent to companies, auditors and stockbrokers for comment prior to the proposals being carried out in January 1995.

These changes are to be imposed on all existing and new companies and aim to increase transparency and improve liquidity. The new regulations should vastly benefit shareholders.

Firstly, from 1995 all companies will have to place 25 percent of issued shares in the hands of the public and companies must ensure this percentage remains in force at all times.

Existing companies will have until the year 2000 to comply with this. The JSE proposes that existing companies meet this requirement by issuing new shares to the public.

This rule should increase the number of shares traded and reduce present shareholder control. Companies will not be able to avoid such a step through the creation of pyramid com-

panies, as new regulations will prohibit second-tier pyramid structures.

In addition, the role of the JSE to enforce these new requirements will increase and encompasses responsibilities of sponsoring stockbrokers in company transactions.

Secondly, an important new direction of the JSE lies in its desire to strengthen company disclosure. Companies will be obliged to announce any information shareholders need about the financial position of the company and which could affect the company's share price. This will include information on possible takeovers, new contracts and even the discovery of new mineral resources.

Implications of such disclosure are vast as it places greater power in the hands of the shareholders. While shareholders are now only warned of major transaction when a company's nav (total assets of a company expressed per share) is affected and when the issue of new shares reduce eps (earnings per share), new regulations will encompass five methods of assessing whether disclosure to shareholders is necessary.

In addition to nav and dilution effects of new shares, the JSE proposes to look at bottom-line profits, the price offered for a purchase and market capitalisation, which is a company's issued shares multiplied by the share price. This should result in a more cautionary announcements being made in the media and, more

importantly, should increase the number of shareholder meetings called by the company to obtain approval for a particular projects.

If the JSE can accomplish a greater shareholder spread and increase shareholder meetings, then companies are bound to face bidding wars. The multitude of cross shareholdings in South Africa means competitors will invariably be able to attend such meetings and make counter-offers.

Listings GM Richard Connellan says, "In terms of their fiduciary duties to shareholders, directors will have to do what is in the best interest of shareholders." While this may not mean that a counter-offer has to be accepted by a company, it would have to be considered if the public controlled more than a quarter of the shares.

Changes in pre-listing statements will also be amended to include the listing of new shares — that is, rights issues — which exceed 30 percent of the share capital. Companies will have to get the permission of shareholders before any major subsidiary issues shares which will materially dilute the holding of the listed company.

Finally, the JSE intends to place more control in the hands of minority shareholders. Although equity instruments with differing voting rights will continue to be allowed, shareholders — other than the controlling shareholders — will have to approve the issue of debentures and other such instruments.



# No-go unless NGOs deliver the goods

(297) WM 26/8-1/9/94

Paul Stober

**T**HE government has made it clear that South Africa's overgrown development sector will have to be cut back and that only those organisations which can efficiently deliver services will survive in the new South Africa.

Non-governmental organisations (NGOs) active in 15 key development sectors held a summit last weekend to define their role in the reconstruction and development programme (RDP), the ANC's economic plan to redress apartheid's wrongs.

"I think there was an acceptance that NGOs have a role to play," said conference convenor, Yogesh Narsing of Kagiso Trust, which serves as the major conduit for European Union development aid.

The minister in charge of the RDP, Jay Naidoo, insisted NGOs had an important role to play in the RDP. "We expect NGOs to not only help design and implement policies, but also to serve as judges of reconstruction and development initiatives," he said in his keynote address. But this bland acceptance of the continued existence of NGOs at the summit hides the fact that while the new government has made a policy commitment to accommodating NGOs in the RDP, it is — in many ways — in competition with them for resources.

On Tuesday, RDP spokesman Bernie Fanaroff, commenting on government efforts to raise foreign money for its RDP fund and co-ordinate its development efforts with South African NGOs, is reported to have said: "They (NGOs) will not be forced to close but have been asked to examine if they are still relevant."

The government is undoubtedly eyeing the large amount of overseas development aid which flows to NGOs. During 1993, South Africa received around US\$307-million worth of aid, a large part of which was spent on NGOs. NGO activists took the obvious point — the government cannot afford to bail out NGOs who are running into

funding problems as foreign donors change their priorities now that South Africa has a democratic government.

South Africa has about 50 000 NGOs working in the fields of human rights, resource development, housing, trade unions and rural development, among others. They have a reputation, among the mass based organisations and communities in which they work, for being territorial, extremely competitive for resources and having erratic success with many of their projects. Now, NGO activists have to accept that only those organisations which can deliver skills and services — efficiently and creatively enough to compete with government and the private sector — will survive in the new South Africa.

At the summit, Naidoo said: "NGOs must adopt transparent processes and operate in a manner that responds with accountability and democracy to the communities they serve."

Naidoo also made it clear that the government had no intention of dealing with thousands of different organisations and NGOs would have to get a representative body together — something which has eluded them so far.

After the summit, delegates said in a statement: "We have agreed to institute a process to deliver a nationally representative structure which would be a legitimate voice of NGOs."

If NGOs successfully secure a meaningful role in the RDP, they will be an invaluable fund of knowledge and experience to the government, even if it is only at the level of telling them what not to do.

Collectively, NGOs probably have more experience in empowering and developing communities than the ANC-led government, which has the challenge of meeting township resident's expectations quickly.

NGO activists point out that if the ANC is serious about "a people-driven, people-centred RDP", communities must be given the skills to use resources the government makes available to them — an area NGOs have traditionally staked out as their own.



# Outcry over draft paper on planning

Own Correspondent

JOHANNESBURG. — An outcry by Cosatu and the SACP about the departure from the pre-election Reconstruction and Development Programme as espoused in a draft Green Paper would lead to major revisions, sources said yesterday.

A Cosatu source said Minister without Portfolio Mr Jay Naidoo had been told the paper was "a cuckoo's egg in the RDP nest".

It was understood the main criticisms were that the paper departed radically from the pre-election RDP and mooted a "trickle down" approach to economic growth. CT 26/8/94

Mr Naidoo's office described the paper as "one of several draft inputs received in the past weeks", to be taken into consideration.

"These drafts do not reflect the final form of the paper."

Mr Naidoo is to present a draft to the cabinet on September 7 and, subject to the nature of comments received, a White Paper will be released for wider public debate. (297)

a hand in the issue of imprisoned children.

The new Bill might stop children being held in prisons, but

prisonment of sentenced children was a problem.

Mr Jackson said: "What is required is something entirely new.

ons and police cells, but the reality is that most of the present solutions are *ad hoc* ones," said Ms Shapiro.

## Dirty work, but someone had to do it

DI CAELERS

Weekend Argus Reporter

ABOUT 20 years after its first efforts to bring relief to countless township residents, from the disabled to the very old, welfare body Ikamva Labantu is at last celebrating its official launch.

While other organisations have elaborate launches before the dirty work begins, this umbrella body that now encompasses more than 450 projects has more than proved it can get the job done.

Ikamva Labantu, or Future of our People, is well known throughout South Africa's disadvantaged communities for its non-governmental welfare and development work.

Now, according to one of its

founders, Helen Lieberman, a central administrative structure is essential to sustain and build the organisation's services.

Ikamva Labantu celebrated its official launch with township tours for anyone who could offer assistance. The areas of operation include:

■ **Educare:** Ithemba Labantwana (Hope for Our Children) is Ikamva Labantu's biggest member organisation comprising 250 pre-schools in the Transvaal and 180 in the Cape, most of them ill-equipped and run from shacks. ■ **Disabled:** Including children, adult skills training and self-help, and the blind.

■ **Youth Development:** Pro-

jects to develop skills for youth to combat unemployment.

■ **Community Schooling:** Siphika community school at Miller's Camp has grown from a make-shift building serving 50 children to 14 classrooms. Today, 14 teachers provide basic education to more than 1 000 pupils.

■ **Skills Training Centres.**

■ **Development programmes** for women.

■ **Care centres** for children in rehabilitation and for orphaned and displaced children. ■ **Seniors:** Ikamva Labantu works with six recreation, nutrition and care centres that provide meals, occupational activities, medical and care services to the aged.

■ **For more information** call Ikamva Labantu at 461-8277.

(297) ARG 27/8/94



(297)

CT 29/8/94  
**First RDP  
projects  
revealed**

By BARRY STREEK,  
Political Staff

THE first concrete Reconstruction and Development Programme (RDP) projects, totalling R59,42m, were disclosed by the Department of Water and Forestry Affairs on Friday.

The RDP presidential projects will go to 12 water provision projects in rural and semi-rural areas in different parts of the country. The total cost of the projects, when completed in four years time, will be R284,4m.

The department's announcement follows a statement in Parliament this week by Water Affairs and Forestry Minister Prof Kader Asmal, that the cabinet had approved 12 of 16 RDP projects his department had submitted.

This follows findings that 7,7% of rural Africans had piped water and that white and black rural people regarded the supply of clean water as the most urgent priority after jobs.

It was also found that 14,3% of rural Africans got water from rivers or streams.

# Promised feeding scheme hits snags

Star 30/8/94

## ■ OWN CORRESPONDENT

The Government is not yet ready to implement the supplementary national feeding scheme at primary schools scheduled to start on Thursday.

Education Ministry spokesman Lincoln Mali said yesterday the Government would not go ahead with the scheme until consultations and discussions between the Ministries of Health and Education had been completed.

"At this stage we cannot say when the feeding scheme will start," said Mali.

"Several factors need to be addressed by the two ministries before the scheme can take off. We hope the implementation will begin during September."

He did not specify the exact date.

The feeding scheme was scheduled to be implemented in schools, especially in rural areas, in line with the RDP.

Announcing the scheme in his state of the nation address to Parliament, President Mandela said the feeding scheme would be implemented in all primary schools where there was need.

## Disadvantaged

Priority would be given to schools in disadvantaged and rural areas, he added.

In July, three Eastern Cape schools were selected as pilot projects for the scheme.

The Eastern Cape province's health and social welfare strategic manager, Dr Mvuyo Tom, later said the supplementary feeding scheme would not be implemented because of logistical considerations.



# Denmark earmarks \$125-m in aid

Star

30/8/94

■ BY CLAIRE GEBHARDT

The Danish government is to grant \$125 million in aid to SA over the next five years.

Danish deputy Prime Minister and Minister of Industry and Co-ordination, Mimi Jakobsen, speaking in Sandton yesterday, said the money was earmarked for rural and infrastructural development, education and to assist black entrepreneurs.

Jakobsen, on an official visit as part of a trade mission, said Denmark was also offering improved export credit facilities to Danish companies wishing to enter into joint ventures with local partners.



Mimi Jakobsen . . . export credit facilities.

Guarantees to encourage companies to invest, as well as tax treaties, were under discussion.

Among the 50 companies included in the delegation, are representatives of the medical, pharmaceutical, banking, shipbuilding, energy, food and agricultural sectors.

Trade and Industry Minister Trevor Manuel,

in a speech read by special adviser Zavareh Rustonjee, said imports from Denmark had risen from R79 million in 1990 to over R220 million in 1993.

Over the same period, exports rose from R5 million to R233 million.

Manuel voiced concern that while over 70 percent of Danish imports in 1993 consisted of highly processed manufactures, 94 percent of SA exports were made up of primary mineral products. (297)

Manuel said part of the reason for the lack of competitiveness lay in the inward and protected nature of the manufacturing sector.

The Marrakesh Agreement which committed SA to a gradual phasing

down of tariff protection over the next few years would not necessarily lead to increased competitiveness.

Many markets were locked in oligopolistic control, impeding the entry of more efficient domestic and international corporations.

Close attention was being given to competition policy to deal with this, he said.

"We are also considering a variety of measures to assist the emergence of small, medium and micro enterprises."

Manuel said the need to grow more labour-intensive downstream manufacturing industries should be viewed in the context of unemployment

at 40 percent of the working population and poverty and developmental indicators which, in some cases, were worse than those of the poorest countries on the continent.

The Danish visit coincided with SA signing the SADC treaty and would be followed by the start of a renegotiation of the SA Customs Union (Sacu) on September 13 aimed at restructuring and democratising relations with neighbouring countries.

One component of this would be to develop an industrial policy framework and to harmonise development aid initiatives to make them more effective.

# 'RDP needs skilled people to succeed'

(297)

ARU 30/8/94

**JOHN YELD**  
**Environment Reporter**

THE government's Reconstruction and Development Programme will succeed only if it is driven by skilled people, says the chairman of the Foundation for Research Development.

The foundation is a parastatal body which supports, and channels government funding for, research in science, technology and engineering.

Writing in the 1993/94 annual report, released today, chairman Johan van der Walt said the pressing socio-economic issues outlined in the ambitious RDP would influence the foundation's funding criteria.

He warned that fundamental research could not be ignored.

"While a concentrated effort is being directed at grassroots level, the need for fundamental research is not forgotten.

"It is the tool which will allow South African scientists to take part in world developments and help our country become a world-class competitor.

"If we turn our attention away from the future to focus solely on the present, we will always remain a lackey, serving with our raw materials rather than leading with our expertise."

The first copy of the report was handed to the Minister of Arts, Culture, Science and Technology, Ben Ngubane, by foundation council member and acting University of Cape Town vice-chancellor Dave Woods.

Areas where the foundation's funding efforts are focused include:

- Corrective action to produce more black scientists, engineers and technologists.
- Revitalising science and maths education at schools.
- "Brain gain" initiatives to bring former South African experts back to this country.
- Encouraging entrepreneurship and job creation through technology-based small businesses.
- Expanding electronic networking within South Africa and the rest of the world.
- Building and enhancing internationally-recognised research capacity.



## Danes pledge \$125m in aid to RDP projects

JOHN DLUDLU

THE Danish government would provide SA with \$125m in aid over the next five years to assist reconstruction and development-related development projects, visiting Industry and Co-ordination Minister Mimi Jakobsen said yesterday.

At a media briefing at the beginning of her five-day trade mission to SA, Jakobsen — also deputy prime minister — said her government had decided to strengthen aid ties with SA and the southern Africa region.

"My feeling is that we'll be able to provide some assistance to SA development," she said. Danish companies could assist SA by imparting technological expertise in the ship-building, pharmaceutical and fishing industries.

Jakobsen added: "I realise that SA has a problem of unemployment, and I'm sure that some Danish companies would consider setting up their production here, which will assist in giving jobs."

She will hold discussions with Trade and Industry Minister Trevor Manuel, outgoing Finance Minister Derek Keys, Defence Minister Joe Modise and Reserve Bank Governor Chris Stals this week.

As a member of the 12-member European Union, Denmark may not enter into bilateral trade agreements which could prejudice fellow EU nations, but it is understood an investment protection agreement with SA would feature on the discussions with Manuel.

Jakobsen said she supported the mooted trade relationship between the EU and SA.

An interim trade arrangement with the EU, under consideration by the Cabinet, is expected to be announced before the end of the year, paving the way for talks towards a long-term aid and trade deal. This might either be SA's inclusion in the trade chapter of the Lomé Convention or a bilateral accord, sources said.

# 'Skills needed for success of RDP'

## Political Staff

SKILLED people were essential if the Reconstruction and Development Programme was going to succeed, the chairman of Foundation for Research Development, Mr Johan van der Walt, said yesterday.

The foundation was uniquely placed to ensure that people learned skills, he said in its 1993/4 report which was handed over yesterday to the Minister of

Arts, Culture, Science and Technology, Dr Ben Ngubane.

The foundation's expenditure during 1993/4 totalled R153,2 million, including R117,4m in government funds, but had suffered a R15,8m loss during the year, compared to the R20,1m loss in the previous year.

Its funding included more than R30m allocated to researchers. The foundation said it was com-

mitted to educating people in science, engineering and technology.

President Dr Reinhard Arndt said that while development issues such as poverty, housing and education must be addressed urgently, South Africans dare not neglect investments with economic growth potential, such as in manufacturing, new materials and other cutting-edge technologies. (297)CT 31/8/94



# Primary school nutrition scheme begins

Star 11/9/94

The primary school nutrition programme announced by President Mandela in his state of the nation address began yesterday.

The Department of Health said 3 million pupils at 7 042 primary schools in "priority areas" had received a "nutritious early-morning snack".

Department spokesman Belin-

da Terblanche said about half the primary school children in the country, particularly those in rural and peri-urban areas, were in need of food aid to enable them to make full use of learning opportunities.

"Given that poverty is the most important cause of short-term hunger, socio-economic cri-

teria were used to target the nutrition programme to the most needy areas," she said.

The implementation of the feeding scheme follows media reports that it had been delayed by negotiations between several parties.

The programme is administered by the Department of

Health in co-operation with the Department of Education.

However, Terblanche said, overall co-ordination was the responsibility of the office for the Reconstruction and Development Programme which had provisionally allocated R473 million for the remainder of the 1994/95 financial year. — Sapa.

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## RDP *fm 21/9/94* Getting going

**Government** may be struggling to put together a coherent policy on reconstruction and development, but planning of the first projects is nevertheless forging ahead at national and provincial level, according to Minister Without Portfolio Jay Naidoo.

In a detailed overview in parliament last week, he identified the RDP's immediate priorities as urban renewal and development; the provision of infrastructure in rural areas; and land restitution and reform. Specific "lead projects" would be tackled immediately to kick-start long-term programmes.

The most urgent need appears to be the



**Jay Naidoo** . getting things moving at last

rapid rehabilitation of urban areas ravaged by years of political strife. The stabilisation of these communities is regarded as crucial to the success of next year's local government elections. Naidoo says the planning of urban renewal lead projects is "well advanced" in Katshehong, Tokoza and Vosloorus on the East Rand, Duncan Village near East London, Botshabelo in the eastern OFS and in townships in Bloemfontein, Port Elizabeth and KwaZulu/Natal. The focus will be on integrated development projects involving infrastructure, recreation, electrification, transport and job creation. Where possible the projects are

expected to be driven by the provincial governments who are involved in their own planning processes.

For example, at the request of the Western Cape government, the Cape Town City Council has listed development projects worth R230m of which 65 valued at R86m can be implemented "reasonably quickly," according to Cape Town city planner David Daniels. Most of the projects are in urban townships in the greater Cape Town area and focus on the provision or rehabilitation of services such as electricity, water, roads and drainage.

Last month, President Nelson Mandela announced that government would make R100m available to the provinces in a special discretionary fund to cater for the "groundswell of requests" from communities who are eager to start tackling development projects immediately. The distribution of the funds will take into account the level of under-development in each province.

Naidoo said the RDP's first rural projects are ready for implementation. They are for the provision of water and sanitation to 1,7m people in 12 areas in the Northern Transvaal, Kwazulu/Natal, the PWV, the Free State, the North West province, the Eastern Cape and the Eastern Transvaal.

Water Affairs & Forestry Minister Kadar Asmal subsequently announced the go-ahead for two massive water projects linked to the RDP: the R275m Injaka Dam and Bosbokrand transfer pipeline, to improve water supplies to the mainly rural communities in the Sabie and Sand River basins in the Eastern and Northern Transvaal, and the R260m Tugela-Mhlathuze water transfer project on the Tugela River.

In addition, 12 of the smaller 15 projects submitted by Asmal's department to the RDP office have been accepted. The total cost of the projects will be R278m over the next three years and include the provision of water to communities in the Northern Transvaal, KwaZulu/Natal, the Eastern Transvaal and the Free State.

Other lead projects listed by Naidoo included

- The restitution of land to 4 164 families with established claims on State land in seven areas in Kwazulu/Natal, the Northern Cape, the Eastern Cape and the Eastern Transvaal. The projects would include funding for settlement planning, basic infrastructure and transport to return to the land;
- Land distribution to 2 407 families in "land-hungry communities" in seven rural areas in Kwazulu/Natal and the Eastern Transvaal. Funding would be provided for sustainable settlement planning and infrastructure and for the development of farming and business activities. However, the communities would contribute part of the cost;
- Eight-month pilot projects on rural land reform in five areas, aimed at developing sustainable land reform models based on

job creation, affirmative action, training procedures and community involvement.

Speaking at a function in Cape Town later in the week, Naidoo emphasised again that the RDP should not be seen as a special programme, but as a total change in the way government goes about its business. It is, he says, an integrated development strategy involving all Ministries which will have to set priorities in line with the RDP. ■

partment of State Expenditure to ensure that they were accommodated in the next two Budgets. This would involve modification of the projects and changes to Budget allocations and, therefore, "accelerate the process of bringing the budgeting procedure in line with the RDP" and (297) □ That each project have a detailed business plan, including work and cost breakdowns, quality programmes, an audit trail,

land restitution, redistribution, tenure reform and settlement support; and □ A development programme for small farmers.

Naidoo said Cabinet's approval in principle of the lead projects was based on two provisions:

- That carry-over costs and recurrent spending be assessed by the Central Economic Advisory Services and the De-

## CURRENT AFFAIRS



# Is the writing on the wall for NGOs?

The transition to democracy has left non-government organisations (NGOs) in confusion. Donors have begun to change their funding strategies and are eyeing the new government and the Reconstruction & Development Programme (RDP). In fact, implementation of the RDP is likely to cut across NGOs' traditional fields of activity. Former comrades-in-arms, having moved into government, are questioning the role of NGOs and asking them to redefine themselves.

"Many NGOs have fulfilled their role and it is time for them to pack up, but few are prepared to do so," says Liberty Life Foundation's Hylton Appelbaum. This verdict is not confined to groups which have not yet moved beyond their anti-apartheid position. Appelbaum believes no more than half of the estimated 50 000 NGOs will survive the changes. His organisation, which has channelled over R100m to them in the past three years, has now started asking crucial questions. Is the NGO likely to be here in a year's time? Is it a sector we should still be funding? Do we want them to survive?

Even NGOs which will probably overcome the transition have been weakened. They are experiencing a major brain drain as senior staff are wooed by the civil service and the political and business sectors. Governmental foreign aid will increasingly be transformed into bilateral aid. Private foreign funders now have to address more urgent human problems, like Rwanda. Many NGOs obviously failed to anticipate the changes: "They did not hear the warnings last year," says Frank Meintjies, director of the Community-based Development Programme at Wits. "Instead of organising themselves, they sat in the corner lamenting internal problems."

It is due to this delay, Meintjies claims, that NGOs have been excluded from the planned National Economic Development & Labour Council (formed from the National Manpower Commission and the National Economic Forum), which only represents government, business and labour.

During a recent NGO summit 250 delegates finally managed to form a national body — in response to Minister without Portfolio Jay Naidoo's precondition for

including NGOs in the council and in the execution of the RDP.

Will NGOs lose their independence and become public sector contractors? Appelbaum sees huge growth in the number of quasi-NGOs as the RDP gets implemented. But there does not seem to be a choice, according to Kagiso Trust director Eric Molobi, "if one wants to survive one has to hook on to the flagship of the RDP." At the summit, Naidoo made it clear that NGOs cannot simply expect government to take over where their foreign funding had dried up.

"Government funding is available for delivery," says Crispian Olver of Naidoo's staff. "To the extent that NGOs can compete for funds with the services they offer, they will be part of the RDP process."

"NGOs must trim themselves," says Appelbaum. "They should ask, how do we sell our product, run ourselves effectively? To whom are we accountable?"

This claim for accountability will also affect NGOs' relationships with their for-

most donor countries do not want to cut their relationship with NGOs. Within the European Union, now the biggest foreign donor, fund-splitting between governments and NGOs has become a general rule in development aid; the belief is that small and flexible NGOs are often better able to deliver than government. That is why the EU is now proposing small NGOs to form a grouping to make sure of future support.

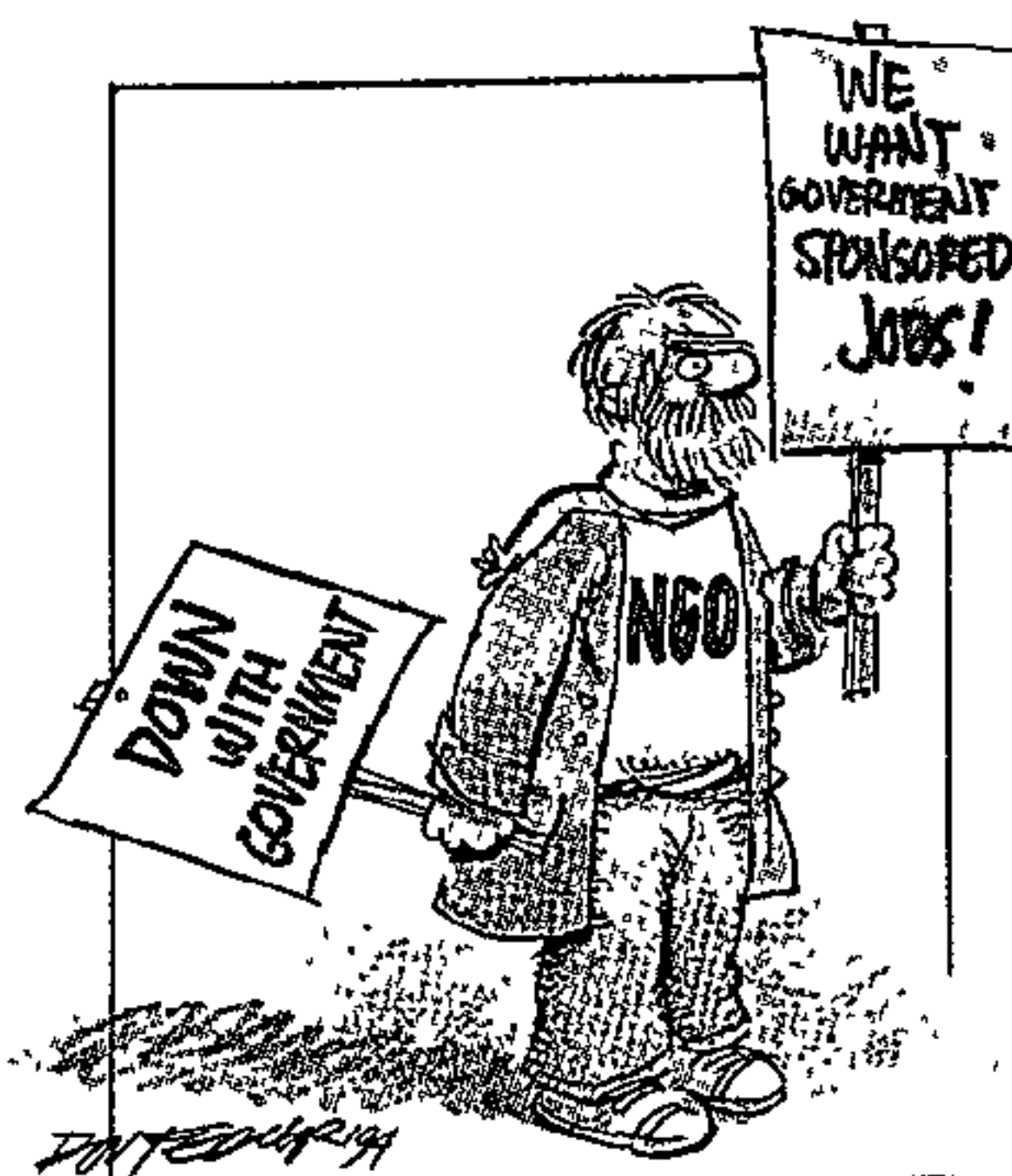
And Lena Johansson of the Swedish Legation in Pretoria, stresses that her country is "not in a rush to transform funding procedures — at least, not until proper administration is in place." But NGOs will have to prove more than ever before that they will use the money well.

There are other challenges. NGOs will also be measured by their commitment to community empowerment. Again, this is a question of accountability — but not a new question, as Monty Narsoo, spokesman for the National Housing Forum, explains. "Even in apartheid times, as NGOs got the money directly from the donors, communities were already starting to ask how they could control the money raised in their name." Redressing this imbalance will not be easy. There would be no point in transferring funding to communities immediately, as many community-based organisations seriously lack capacity for development work.

But the role of NGOs should not be confined to RDP delivery, as they have an important watchdog role to play as part of civil society. According to research by David Bonbright of the Development Resources Centre (an NGO which serves other NGOs), enabling them to do so is more a question of legislation than funding.

First, registration of NGOs must be facilitated, including financial disclosure which would allow the public to be informed about NGO activities. Second, the spending of funds should be regulated.

Finally, the State should create incentives for local donors by expanding existing tax benefits on all NGOs. "In this way, the whole society would be involved in funding and we could raise much more money than the RDP is taking from other departments' budgets right now," says Bonbright.



eign donors. According to Judy Fortuin, spokesman of the National Progressive Primary Healthcare Network, there is no clarity at all within the NGO community about their future funding. "Most of us have enough for this year. But where will we get the money from after mid-1995?"

Notwithstanding these fears, it seems that



# Non-governmental bodies face new realities

By Day 11/9/94

ONE of the notable achievements of the extra-parliamentary opposition to apartheid was the mushrooming of non-governmental organisations (NGOs). Now, the 1990s have brought new priorities to our society, especially those driven by the needs of reconstruction and development.

The new dispensation — in the form of the reconstruction and development programme (RDP) — now occupies the space that the estimated 54 000 NGOs occupied in communities once denied resources by an illegitimate government. Government has invited NGOs to form a "partnership" in development, but on its own terms and conditions.

The reality of the new political order is that the ANC-led government of national unity must "deliver" development to an expectant constituency. Development is a matter of political and economic survival, and billions of rands from bilateral aid funding and tax will soon be directed to provincial and local government structures, parastatals, the corporate sector and some NGOs.

This has raised the stakes to unprecedented levels and has resulted

in a scramble either for direct political power over resources, or for competitive advantage in the development marketplace. The development sector has been reconstituted as a marketplace of skills, resources and information, and many NGOs have been inadequately prepared for the transition.

Minister without Portfolio Jay Naidoo told an NGO summit on the RDP in Johannesburg that "the RDP fund is not there to dish out charity. We want value for our money."

There is a cynical line doing the rounds which suggests that the acronym NGO stands for "next government official". This quite accurately reflects the besieged state of mind of the NGO sector, which is under threat from a number of sides. NGOs have witnessed a "brain drain" as strategic leadership has repositioned itself in national and provincial government, the parastatals and the corporate sector. Local government elections in the next year could turn the drain into a flood.

NGOs are grappling with the implications of the RDP, adopted as policy by the government of national

## TONY HARDING

unity, which threatens to put many "need driven" organisations out of business. The RDP, which is committed to a "demand driven" model of delivery, has thrown the NGOs into competition with government departments, business and private consultants for development contracts.

The RDP will direct substantial financial resources — most likely in the form of a "development voucher" or credit note, rather than cash in hand — to previously disadvantaged communities to enable them to contract developmental services. These communities will be able to buy the services of governmental, private sector and non-governmental agencies to assist them to define, plan, implement, evaluate and control development programmes.

It is at this level that the RDP has made a radical departure from previous patterns. In the past, donor-funded service organisations were able to define their products or ser-

vices based on their assessment of community needs, determine which community would "buy" them, make their own judgments about the standard of delivery, and draw up funding proposals which, in effect, charged the cost to a donor-partner.

The "community service" model has been criticised as a reflection of skewed patterns of resource distribution and unequal power relationships under apartheid. NGOs, particularly so-called service organisations, are being challenged to become donor-subsidised, professional, non-profit, "community development" business enterprises.

Monty Narsoo (Business Day, August 22) said NGOs "will have to demonstrate competency in competition with the private sector. Favoured status for NGOs is unlikely."

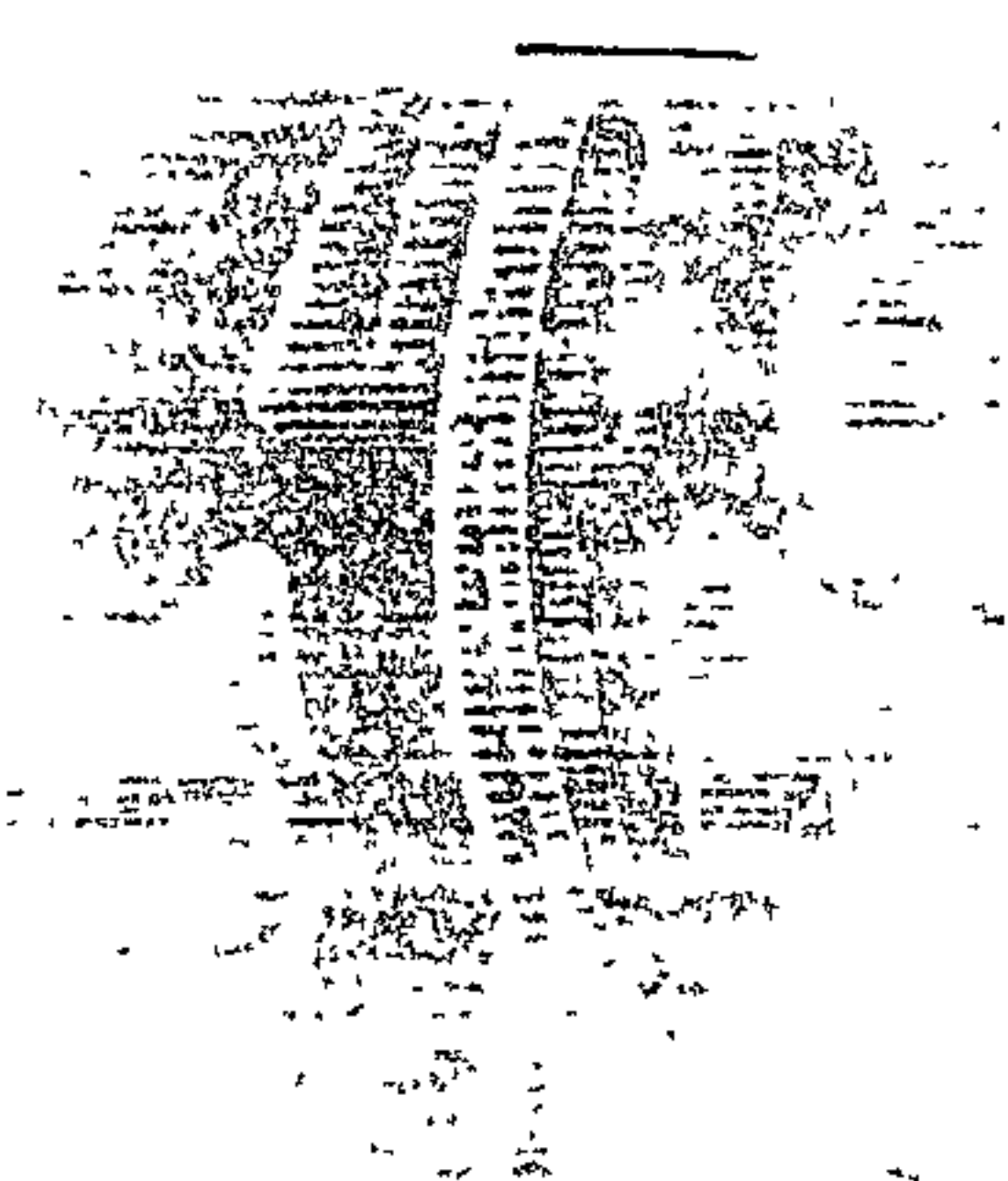
NGOs now have to learn the jargon of development economics and political transition: delivery of goods and services; tendering and contracting; business plans; adding value; output; indicators of effectiveness; performance auditing; capacity building and change management.

Will they survive the transition? Never in their wildest dreams did NGOs expect that they would be thrust into the marketplace by a government which, they believed, shared their own political and economic views. An article in Finance Week (June 23-29 1994) predicted that "as many as half the 54 000 NGOs operating in SA... could be out of business within the year."

But for those NGOs that have sufficient confidence and competence to engage in the development delivery process, there will be many opportunities for fruitful interaction, especially at provincial and local government level — the "hands and feet" of the RDP.

The future of many NGOs now depends on their ability to take advantage of their skills in assisting disadvantaged communities to participate in policy-making and capacity building. NGO critics, however, raise questions about their capacity to deliver.

□ Harding is based at the Development Resources Centre.





# RDP targets under spotlight

□ Government urged to be open to criticism as well as praise

**MARC HASENFUSS**  
Business Staff

GOVERNMENT should be open to praise and criticism in the implementation of the Reconstruction and Development Programme, Dr Oscar Dhlomo — executive chairman of the Institute for Multi-Party Democracy — said.

He told the UCT Graduate School of Business's annual MBA dinner last night there were disturbing signs that some government spokespersons had become visibly intolerant and impatient when probing questions were asked about RDP issues.

These questions referred to

the financing and the feasibility of the time scales that had been mooted to implement the programme.

"Some spokespersons even regard it as treasonable, if not racist, to probe the feasibility of financing the RDP. Politicians who adopt such attitudes will prove to be the greatest enemies of the RDP."

He said there would obviously be disagreements and opposing views on the financing of the RDP.

There was already concern, Dr Dhlomo said, that some of the targets already set (like building 1 million houses in five years) might be too ambitious and that the building and allied industries would be unable to

supply enough materials to meet this target.

Another concern was that high expectations from the deprived sector of society might push government into a position of accelerated and unplanned social spending.

This would increase the national debt, exacerbate inflationary tendencies, strain the economy and destroy investor confidence, he said.

Dr Dhlomo said for the entire nation to commit itself wholeheartedly to the RDP, support would have to be based "more on empirically founded conviction rather than mere faith in the goodness of the government of the day."

For this to happen, he said,

those who drove the RDP needed to be extraordinarily open to praise and criticism.

"It must be remembered that it is the taxpayers who pay politicians to run the country and that it is the taxpayers' duty to satisfy themselves that their taxes are being spent judiciously."

Another threat to the RDP could be the mushrooming of self-enrichment projects, all claiming to be in support of reconstruction and development, Dr Dhlomo noted.

In this regard, he pointed to attempts to get a government subsidy to stage the Grand Prix at Kyalami — that had been justified in the name of the RDP.

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ARC 11/9/94

# 'Licence' plan to control RDP billions

The government hopes to control the billions of rands allocated for development with a controversial licensing proposal, reports **Chris Louw**

**A** POWER struggle is raging between the government and independent development organisations for control over billions of rands flowing into the Reconstruction and Development Programme (RDP) from abroad.

At stake is R2-3 billion allocated to the independent non-governmental organisations (NGOs) by their funders abroad. This is at least as much as the R2.5-billion budgeted for the RDP by the government.

At the centre of the battle is a plan to issue "licences" to anyone wanting to do training for the RDP. Documents obtained by the *Mail & Guardian* this week reveal the thinking in ANC inner circles is that such licences will help ensure effective use of all available

funds so as to deliver on promises made during the election campaign.

This plan was discussed at the cabinet this week, where it was suggested that it become a "presidential project", thus heightening NGO fears of centralised control over their work.

The plans were contained in proposals for the National Capacity Building Programme (NCBP) of the RDP, drawn up by Ben Cashdan of Wits University's Graduate School of Public and Development Management (P&DM). The plan marked "Confidential", forms part of a white paper being prepared as the basis for future RDP legislation.

It was recently circulated among NGOs, causing a storm in this sector.

The document proposes that training organisations be compelled to apply to become RDP-licensed training agencies. "If their applications are successful, they will receive a full set of RDP-approved training resources and will be able to advertise and run modular RDP institutional development courses."

It is also proposed that the 90 fac-

ilities be trained in the first 12 months — which critics see as an overt effort by some to establish themselves as watchdogs over the RDP.

But Dr Mark Swilling of the P&DM said that his institute no longer had anything to do with this proposal, which had changed substantially since P&DM's involvement in it. P&DM had opposed over-centralised control and others would probably fill the watchdog role envisaged in the documents, he said.

Licence agreements, according to the NCBP document, will specify the minimum number of courses trainers have to run in a year, and the minimum number of community organisations they must train.

RDP training licences would be reviewed every 12 months "and if necessary licences will be reallocated". The document deems licensing necessary as an "effective means of quality control which is frequently used in commercial enterprises".

NGOs, most of which were established during the apartheid years,

have a reputation — not always deserved — for wasting money and inefficiency. But development workers warned this week that central control of NGO funds would kill off almost half of the country's existing 54 000 non-profit social agencies, including mass and community-based organisations.

Most of those known to oppose the direction of the RDP national office were not prepared to go on record with their criticism for fear of reprisal.

But Zane Dangor, co-ordinator of the Independent Study into an Enabling Environment for NGOs (ISE), warned of the "potential danger" in the nature of the partnership between NGOs and the government. Although NGO partnerships should be forged with certain elements of the new government, "this should not result in the wholesale co-option of NGOs by government". Many NGOs, he said, are concerned about the message filtering down from government sources: "comply with the RDP or perish".

He also wanted to know what "watchdog" would determine whether NGOs are involved in activities that fall

within the framework of the RDP. Tony Harding, of the Development Resources Centre (DRC) in Johannesburg, warned that there was a temptation during the period of political transition to concentrate power. "But it would be a serious error of judgment to instrumentalise the NGO sector through patronage for the sake of economic and political expedience."

The South African National Civic Organisation (Sanco) is also accused by independent development agencies of claiming its pound of flesh. Sanco has become openly critical of NGOs, which they term "unaccountable gatekeepers".

A Sanco document published before the election, entitled "Making people-driven development work", warned NGOs that the "free lunch is over". NGOs, the document says, carried out many government functions. "Civil society has been distorted by its role in the anti-apartheid struggle."

"Unaccountable gatekeepers" are also accused of controlling "substantial funds and hundreds of thousands of jobs".



'Funding packages' devised

# Naidoo plans to tap business for RDP aid

B1 Day 22/8/94  
ALAN FINE

GOVERNMENT will approach the business community soon for material and skills assistance in implementing a range of reconstruction and development projects, says Minister without Portfolio Jay Naidoo.

His department is devising a comprehensive set of proposed "funding packages" and will invite contributions from business.

This follows an approach by Naidoo's adviser Bernie Fanaroff late last month to Anglo-American director and Business SA official Bobby Godsell for R100m in assistance from business for the primary school feeding scheme announced on May 24. It is understood that, after investigation, government discovered the scheme would cost R750m, R100m more than budgeted for.

Godsell could not be reached for comment but another source said at the weekend that there had been unhappiness at the way the request was formulated.

"We told him that to make an ad hoc donation would be the beginning of a slippery slope. What request would arrive next? Business would be willing to make a structured contribution to the RDP. We have already done so in various ways. But it has to be planned systematically," the source said.

Naidoo conceded that the initial request had been "a bit ad hoc". The request for assistance in the form of materials, human resources and expertise was being devised as the business response suggested.

Naidoo also said he planned to initiate a public debate over government spending priorities. This was designed to influence the 1995/96 budgetary process and government departments' medium- and long-

term strategic plans to shift their operations to meet RDP requirements. President Nelson Mandela told Parliament last week that he had instructed departments and parastatals to produce these plans by the end of the year.

Naidoo said the RDP could be implemented only if there was a reallocation of spending priorities within and between departments. "We want to move the budgeting process away from the normal incremental amounts allocated in proportion to each department almost automatically. They will have to argue for every cent."

Giving the Finance and RDP parliamentary standing committees greater say over the budget was part of this process.

Naidoo has previously expressed hostility to the large real increases allocated to the Defence Department while real spending on health and education has been cut. "It is ridiculous to argue that the housing budget should remain stagnant in real terms when we have declared that to be one of our main priorities."

But, he added, reallocation would also have to be effected through greater efficiency. For example, he believed the Health Department would be able to service the new clinics being built through, among other things, better use of staff and savings in medicine cost.

KATHRYN STRACHAN reports that Naidoo told a meeting of non-governmental organisations on Friday that government was preparing for "the momentous step" of progressing from principles to action in the RDP. It would soon release a

To Page 2

## Naidoo

consultative report (or Green Paper) on the RDP, and then its White Paper.

"We envisage a people-driven campaign in which the fundamental point is not what government can do for the people, but what the people can do for the country."

The Green Paper would form the basis of a 10-year vision — a national strategic framework — which government wanted in place by March. The programme would specify delivery targets in each field of the

RDP, as well as delivery mechanisms.

A three-year national action plan would also be drawn up, consisting of business plans from each government department and parastatal, and of provincial action plans. Annual action plans would be prepared at local and district levels.

In terms of funding, government was aiming for savings in each department which would reduce the need for a separate RDP fund within the next five years.

B1 Day 22/8/94 From Page 1

## DEVELOPMENT AID

### Adding it up

1m 219/94

Government officials are analysing offers of foreign aid. Officials of the Department of Finance, and of Minister without Portfolio Jay Naidoo's office will report to Cabinet soon. A UN Development Programme report, completed last year, put the figure for aid flows to SA in 1994 at R1,5bn. Other estimates suggest it may be R1,9bn.

Quantifying aid is complicated by the fact that there may be a variety of components in each package: pure grants — aid with no strings or interest attached; concessional and semi-concessional loans which come with conditions attached; and commercial and trade-related assistance.

Some of the donors have scheduled multiyear programmes but others are providing one-off assistance on an annual basis while waiting to enter into co-operation agreements with SA. (297)

Development aid is known to be big business and it is estimated up to 80% of contributions end up in the pockets of consultants. Government will try to co-ordinate delivery of aid funds to ensure they reach their destinations. The way in which this will be done is still to be discussed but government is expected to mobilise institutions in public and private sectors to attempt to channel aid where it is needed, in the most cost-effective way.

This is the crucial part of the process. Aid is notorious for missing the mark, and misdirected flows create more problems than they solve. ■



## Taiwan pledges aid package of R1,1bn

JOHN DLUDLU

TAIWAN yesterday concluded its week-long mission to SA by committing R1,1bn in aid.

The money covered 25 projects — R755,5m in trade packages, R175m in financial aid and investments worth about R34,5m — Taiwanese State Minister Vincent Siew said at a news briefing in Johannesburg.

About R130m would be used in technical co-operation to establish vocational training centres.

The investment projects included the R34,5m purchase of land in Rosebank, Johannesburg, on which a Taiwanese trade and development centre and headquarters for shipping line Nan Tai would be built.

Siew said leading Taiwanese corporation Acer Group had entered a joint venture with Persetel to form Acer Africa, which would build a new computer manufacturing plant in Midrand.

The trade package included the purchase of bricks worth about \$40m from SA this year, the importing of iron ore from SA, the purchase of maize worth \$35m from SA before April and increasing a long-term coal purchase contract to 3,5-million tons this year from 3-million in 1993. Two more long-term contracts would be concluded before the end of this year.

The finance package would include a \$20m revolving loan to Macsteel to boost the company's steel exports to Taiwan and a \$30m loan to help Eskom import equipment for rural electrification projects.

The Bank of Taiwan, which would provide the loans, would consider forming a banking syndicate to extend the loans should Eskom desire more.

The bank would also consider opening a representative office in Durban.

Taiwan's Export-Import Bank would increase lines of credit, which had already been extended to four local banks, to further stimulate trade.

# Details of R2bn RDP

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CT 7/9/94

By ANTHONY JOHNSON  
Political Correspondent

**THE government yesterday unveiled over R2 billion in social upliftment projects to transform the lives of "the poorest of the poor".**

The plan includes a multi-million rand urban renewal drive for the Cape Flats townships involving the upgrading of infrastructure, land servicing, job creation, housing and providing community services.

Reconstruction and Development Programme (RDP) supremo Mr Jay Naidoo told a press conference on the eve of today's cabinet evaluation of the keenly-awaited RDP White Paper that the projects had been carefully selected to emphasise the complete transformation of government priorities.

Finally putting meat on the bone of the RDP, the Minister without Portfolio disclosed that the bulk of the allocations for the current financial year had gone to extending municipal services (R500m), the primary school nutrition scheme (R473m), urban renewal projects (R304m), and the public works programme (R250m).

The precise allocation for free health care for children under six and pregnant mothers at state facilities — a major component of the RDP — was still being negotiated.

"The projects were selected to comply with RDP criteria — not on an ad hoc basis — and are geared to launching long-term

## PROJECT DETAILS

Primary Schools Nutrition Scheme	R472,8m
Rural Water Provision	R59,5m
Land Reform Pilots	R26,6m
Land Restitution	R23,8m
Urban Infrastructure Investment Planning Team	R1,5m
National Urban Reconstruction and Housing Agency (Nurcha) (Donor funding for Nurcha from local and foreign business)	R20,0m (R200,0m)
National Literacy Programme (Donor funded)	—
Small-scale farmer development	R4,0m
Culture of Learning	R100,0m
Public Works Programme	R250,0m
Free Health Care (Under negotiation)	—
Clinic Building	R25,0m
Aids awareness and prevention campaign (Departmentally funded)	—
Provincial Project-Preparation Facilities	R28,3m
Provincial projects	R100,0m
Extension of Municipal Services	R500,0m
Urban Renewal Projects	R304,6m
TOTAL	R1 916,1m
(Total with donor funding)	R2 116,1m

programmes of transformation," Mr Naidoo emphasised.

This drive to use the RDP fund as an instrument of transformation was illustrated by the municipal services plan, according to which local authorities could not gain access to funds unless non-racial councils had been established in terms of the Local Government Transition Act.

"The fund uses projects to transform the way government operates and not to function as a bank issuing cheques," the minister said.

While all projects had to produce business plans, criteria included provisions for training, community involvement, affirmative action and small business development.

"Thousands" of local communities had been consulted to ensure that plans were accountable and "people-driven".

Apart from flagship projects, others to get allocations included rural water provision (R59m), land reform pilot projects (R26,6m), land restitution (R23,8m), small-scale farmer development (R4m), the rehabilitation of school buildings (R100m), and the construction of clinics (R25m).

Mr Naidoo said it was not possible to give a breakdown of allocations to individual provinces or the Cape Flats programme as the RDP was rather geared to changing "the way the government operates".

He said experts from the Ministry of Public Enterprises, the private sector and task teams of the Department of Public Works were working on project control and business planning documents with the provinces so that delivery was not held up by red tape.

Mr Naidoo said the long-awaited RDP White Paper — "no one (in the press) has the document" — would be presented to the cabinet today before being passed on to Parliament's RDP standing committee later this month.

He said he was "very confident" the document would enjoy the full support of the government and that it would be placed before Parliament for open debate next month.



# Business 'not RDP's Salvation Army'

ROGER FRIEDMAN  
Labour Reporter

THE government should not regard business as the "Salvation Army" of the reconstruction and development programme, Anglo American industrial relations head Bobby Godsell said today.

He was speaking at the 38th annual convention of the Institute of Personnel Management at Sun City.

"I share the view that business has a central role in the RDP. But the government seems to ignore the fact that business needs to be successful and make a profit before it can affect the RDP," said Mr Godsell. ARG 14/9/94

"The dialogue business wants with the government is one that recognises each other's legitimacy and character. The character of business is to produce goods and services profitably. That's who we are, and I don't think we should pretend otherwise.

"It is the profitable production of goods and services that

overwhelmingly makes the major contribution of business and labour to the development of the economy."

Mr Godsell added the government could not create wealth but it could create the environment in which wealth could be created.

To help growth, it had to consume less and offer more.

"There is a strong case to cut income tax ... and the deficit, which is the second largest slice of the government's cake, must be reduced."

Mr Godsell said sustained economic growth was something the "prophets of doom" claimed was impossible.

They had been wrong about the political Armageddon South Africa was to face and could be wrong again. (297)

# Catch 22 of foreign aid

WIM (BM) 2-8/9/94

(291)

International development support for South Africa is being snagged on a paradoxical problem, writes **Simon Segal**

**T**HE much-hyped flow of foreign aid to South Africa is being held up by a paradoxical problem: the government does not have any clarity about what exactly is being offered, and the donors won't move until the government proposes projects.

Broad commitments and intentions have been announced, but details are unknown. No one is really sure when aid money will be available; in what form it will be (grants, loans, trade-related, investment-related); to whom it should go (government or non-governmental organisations); and for what projects and sectors.

The government is trying to obtain details through delegations comprising the departments of Reconstruction and Development, Trade and Industry, Finance, and Foreign Affairs, meeting each donor this month. It expects to have a schedule by next week.

Donors are waiting for South Africa to come forward with detailed projects. But government officials argue that they cannot do so without details of what the donors' commitments entail.

Donors are also unsure about who in government is co-ordinating foreign assistance. The government's plan, soon to be put in place, is that the Reconstruction and Development

Department comes up with projects, then sets priorities, then approaches the Department of Finance for funds, which then goes to the donors to mobilise funds that match the RDP project.

But this is not yet running smoothly and only applies to funds earmarked for the government. Funds targeted for non-governmental organisations (NGOs) are a different story. So figures being bandied about are little more than crude guessimates.

The only detailed package is from Japan: for this fiscal year it has committed \$30-million to the government for health and education, \$10-million to NGOs and \$10-million for technical assistance.

**A**s a developed economy with substantial development problems, South Africa occupies a unique position in the world of development assistance. It is not a "basket case" where the donor/recipient relationship is one-sided — it will not be passively reliant on international donors. The thrust of current thinking is to encourage targeted assistance, as opposed to ending up in a position of perpetual passivity.

It is not a matter of asking for money with no specific projects in mind — a shopping-list approach — but of putting forward viable projects around which donors can participate while South Africa maintains full control over the resource flows.

Such an approach links in with the two pillars of modern international development assistance: option on development-oriented interest lending at market-oriented interest rates and encouraging private initiative (in South Africa's case, this large-

ly means supporting black economic empowerment).

In the past, foreign assistance to this country was directed at support for anti-apartheid causes, mainly through church, civic and non-governmental associations. The Development Bank (DBSA) reckons it totalled more than R1.5-billion in both 1992 and 1993.

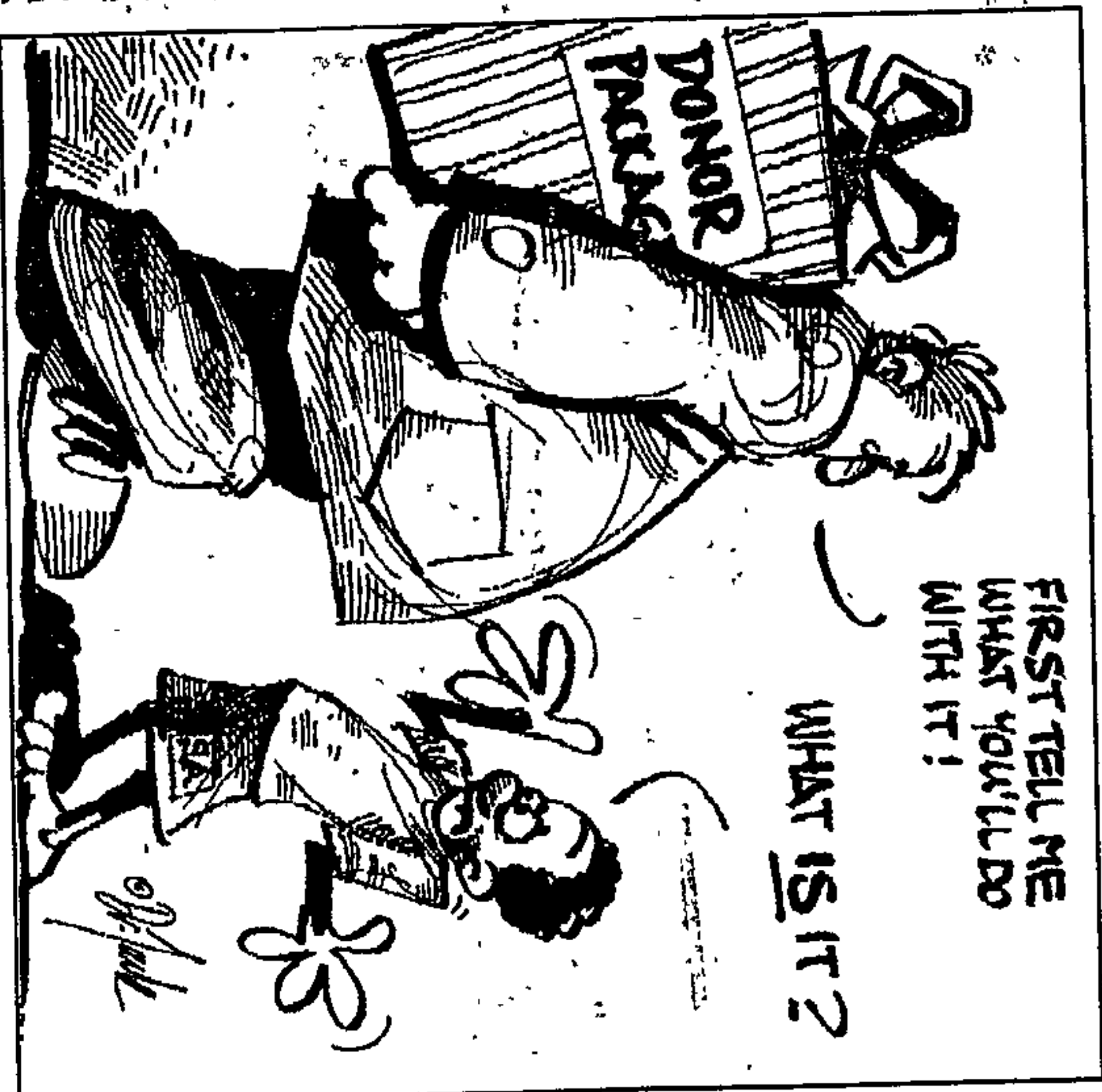
Now indications are that under the government of national unity, development co-operation will focus on enhancing trade, private investment and development loan funding. Grant assistance will be more limited due to the country's international development classification based on income per capita, although a special case will be argued for South Africa.

This transformation of international assistance has brought a whole new set of challenges. Most crucially, the country must detail a RDP which can pass scrutiny as being affordable and sustainable within a framework of macro-economic stability.

This entails consensus among local interest groups over key policy and strategy principles. Co-ordinating mechanisms, through a single institution, will have to be set up to prepare and inform the government in engaging the international community.

Thanks to its partial status, South Africa's links with the international development institutions have been abnormal. The country has been excluded from multilateral assistance, while bilateral assistance has been purely grant aid that, unlike loans, does not have to be repaid.

In 1992 an estimated \$327-million was received in grant money in bilat-



eral assistance. For this fiscal year, just under R1.5-billion is pencilled in, albeit loosely, from bilateral donors.

The main donors in 1992 were the European Union (\$107-million, or 32 percent of total grants) and the United States (\$80-million, or 24 percent), primarily via USAID. This year the US is expected to overtake the EU.

Sweden (17 percent), the United Kingdom (eight percent) and Germany (five percent) have been South Africa's other large backers. Sweden is expected to cut back sharply.

In 1992 more than 90 percent of this grant aid came in through the South African Council of Churches, the Catholic Bishops' Conference, the Kagiso Trust and Cosatu/Nactu. The

DBSA reckons 43 percent went to education and training, 12 percent to community development, 11 percent to human rights/legal aid and 11 percent to rural/agricultural development. More recently, the bulk of grants went towards voter education and other aspects of the April elections.

Now foreign aid will become development oriented and South Africa will compete on a level playing field for international development support. There is a critical chance to take advantage of the political dividend surrounding the elections. Much will depend on how South Africa uses this initial "sympathy" period over the next few years.



# RDP plan to be revealed

By ANTHONY JOHNSON  
and BARRY STREEK

A WHITE paper on reconstruction — mapping out the radical transformation of South African society — will be presented to the cabinet on Wednesday, RDP supremo and Minister without Portfolio, Mr Jay Naidoo disclosed yesterday.

The keenly-awaited document would be unveiled to the public in 10 days' time but details of R2,5 billion in

spending allocations would be announced next week, he said in a wide-ranging interview on government plans to transform the face of the old South Africa.

"What the President has asked for is that every cent the government spends and every person employed by government have to be reassessed in terms of meeting the goals of the RDP," he said. Mr Naidoo, who will launch National Small Business

Week at Cape Town station this morning, said the RDP would be closely tied to black empowerment.

He said the rapid development of small and medium business enterprises was vital to the RDP because these sectors were "critical" to job creation.

The government was adamant that existing and new small and medium businesses in the black community be drawn into the RDP's massive

capital programmes in housing, electricity, transport, clean water and basic infrastructure.

The government, in conjunction with parastatals and the private sector, was gearing up for a massive drive to provide technical support and bridging finance to emergent business in disadvantaged communities.

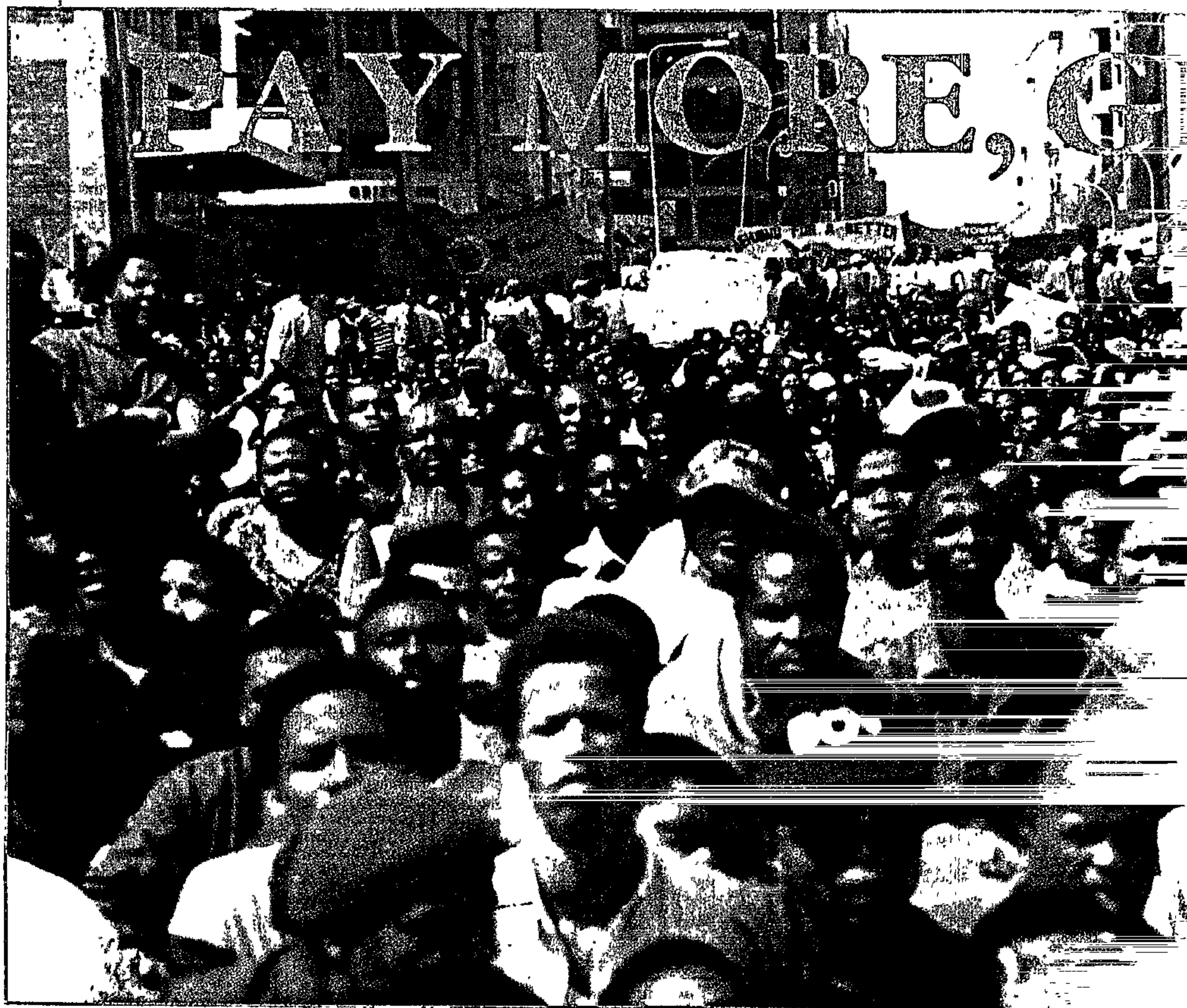
As an initial step the government had allocated R220m to unlock the housing

logjam and to help promote the involvement of small contractors in government plans to build a million homes in the next five years.

Eskom had also been "very helpful" in devising a programme that would bring electricity into 2,5m homes in the next five years.

Mr Naidoo said the entire government structure had to undergo a transformation in a five-year strategy to implement the RDP goals.





**VOICE OF THE PEOPLE ...** Some see the masses clamouring for higher wages as a "threat to the economy". But South Africa's

# **SOME business people say the RDP is fine outside of business, insofar as it addresses the delivery of basic services denied to people under apartheid. Apart from stabilising society, it will also increase demand for their products. But the RDP should not interfere with business itself. This view is tantamount to quarantining the workplace from the RDP** **Profits won't come**

297 4/9/94

Some business people even argue that since the struggle for liberation "is over", the umbilical cord between the trade unions and the liberation movement can be cut. Now, they say, the "real obstacle" to economic growth should be dealt with — the trade union movement. They contend that the main factors preventing South Africa from becoming internationally competitive are

"high wages", an over-regulated labour market, and too many strikes.

A flood of articles in the media have echoed this view: blaming workers and unions for low productivity, high unemployment, and scaring off investors.

Few could deny that South Africa's economy is under performing chronically. Apartheid's stranglehold over South Africa's most important resource — our people — is the key problem. The RDP identifies "the destruction, distortion and neglect of the human potential of our country" as having had "devastating consequences for social and economic development".

It is a little unfair to blame the victims of this underdevelopment for the resulting economic mess. In a society characterised by the most extreme levels of income inequality in the world, those at the bottom of the ladder will not be impressed by calls to produce more and earn less, while those at the top continue to ride the gravy train.

Apartheid tried for decades, and ultimately failed, to design a system of cheap labour as the engine of growth of our economy. Driving down wages is not a recipe for economic success, but rather for economic disaster, as the experience of the vast majority of "Third World" countries

demonstrates

The Asian and other experiences show that in rapidly growing economies, productivity growth does not always outstrip wage growth. In fact, higher wages have sometimes been a stimulus to raised productivity.

Refusal to address the plight of low-paid workers is unacceptable when vast resources are being ploughed into super-salaries, perks and hidden benefits for management. The National Productivity Institute estimated that total remuneration is made up of 60 percent salaries (to white-collar employees, supervisors and management), and only 40 percent wages (to

**The RDP is fine — as long as it does not interfere with business, some business people say. But business, labour and the RDP can't be separated — and the apartheid years have proven that cheap labour is no engine for economic growth, Cosatu publicity officer NEIL COLEMAN says in an address delivered to the Institute of Certified Mechanical and Electrical Engineers this week. Here are some edited excerpts.**

blue-collar workers). In many companies, low paid workers would have to work 80 to 100 years to earn their director's annual wage

**Affirmative**

Most companies at moment view affirmative action (AA) as the motion of select





to the economy". But South Africa's extreme level of income inequality is in fact an obstacle to economic growth.

# come cheap in RDP

RDP is fine - as long as it does not interfere with business, business people say. But business, labour and the RDP must not be separated - and the last few years have proven that cheap labour is no engine for economic growth, Cosatu public officer NEIL COLEMAN says. In an address delivered to the Association of Certified Mechanical and Electrical Engineers this week, Coleman said: "Here are some edited excerpts."



collar workers). In many companies, low wage workers would have to work 80 to 100 years to earn their director's wage.

## Affirmative Action

Most companies at the moment view affirmative action (AA) as the promotion of select individ-

uals into senior management positions. This not only causes resentment and frustration, but leaves the position which AA is supposed to ad-

dress - the disadvantage and discrimination against the vast majority of workers - largely untouched.

The only way to redress this situation is to develop a bottom-up, negotiated approach.

Workplace negotiations need to take place between management and unions on a process of affirmative action. This should result in the setting up of joint affirmative action committees, with equal representation of management and workers. Resources would need to be made available, including for training, research on the problems to be addressed and full disclosure of informa-

tion.

## Public Works

Obviously the RDP's main focus is on the creation of sustainable jobs through economic development, particularly in our manufacturing sector. But in the short term, labour-intensive public works programmes (PWPs) will play a critical role in creating jobs, particularly for the young unemployed, training them, and putting in basic infrastructure in our rural and urban areas.

Our focus should be on broadening our technological base, rather than unnecessary use of machines in areas where

good-quality, labour-intensive techniques can be as effective, as well as saving us foreign currency.

Using labour-intensive methods in PWP projects is not necessarily less effective or economical. In fact a study done by the Johannesburg City Council for their electricity department found that labour-based excavation was more economical.

## Workplace

### Democratisation

SA will only unleash its productive potential if management is prepared to end the culture of unilateral decision-making.

The RDP states that legislation should be framed for "worker participation and decision-making" (and) worker access to company information.



# SA 'at cut-off point' for aid from EU

Own Correspondent

BERLIN. — The new, revised General System of Preferences (GSP) — the European Union's favourable tariff package for developing countries — which comes into effect next year — is likely to introduce a system of gradings within developing countries and SA may well not qualify.

A country's level of benefits would be linked to their level of development, and once they passed a predetermined cut-off point, their benefits would be withdrawn on the grounds that they no longer needed them.

Initial calculations showed that SA

would be on the threshold of the proposed cut-off point, and hard bargaining over the next few months would be crucial to ensure that SA remained within the GSP net.

SA became entitled to current GSP benefits from Saturday, but this system lasts only until the end of the year when the new scheme takes effect.

In terms of a proposal by the European Commission, countries which benefited from GSP would be graded in terms of their level of development relative to that of the EC. Development would be measured in terms of income per capita and the level of manufactured exports.

Both variables would be scaled on the respective magnitude of the same EC variable, so that a zero value would imply that a country's development was on a par with that of Europe. The closer the value of the index to zero, the more similar the level of development of the country concerned to the EC would be. Korea was given a development indicator of minus 0.58, China -1.26, Chile -1.70 and SA -1.3, which is just within the cut-off point proposed by the EC. The EC has proposed -1.2, and once developing countries reached this point they would no longer qualify for GSP benefits.

In terms of its grading, this would

exclude Korea, Singapore, Hong Kong, Malaysia, Brazil, Mexico, Thailand and Saudi Arabia, and their GSP benefits would therefore be phased out.

The rationale for the new system is to take account of the economic development of developing countries.

The EC has also proposed special incentives as part of the GSP package to ensure that beneficiary countries adopt sound economic, political and environmental policies, legislate for the protection of intellectual property rights, and combat drug trafficking. There would be a suspension clause to cover non-compliance.



# Meijer pushes for supply-orientated RDP spending (297)

By AUDREY D'ANGELO  
Business Editor

CT 6/9/94

SPENDING on the RDP should be used to strengthen the supply side of the economy wherever possible — making people more employable through training and education — deputy Reserve Bank governor Jaap Meijer said in Bellville yesterday.

It must not be allowed to tempt the government into unsustainable budgetary deficits or into "easy money" policies such as negative real interest rates — and lending institutions should not be required to make credit available on terms "incommensurate to the degree of risks".

Meijer was taking part in a panel discussion at the Southern Africa Institute for Management Scientists (SAIM) annual conference at UWC.

"The RDP should not be allowed to lead us into a clear excess demand situation which would very soon call for corrective measures and thereby diminish its own chances of success and might leave us worse off than before.

"Limits on spending in the framework of the RDP will cause us to pay due regard to the comparatively costless reform measures and those which will yield comparatively quick returns in the form of strengthened production capabilities and increased taxable income-yielding activities."

The demise of apartheid had removed certain constraints and limitations, but the RDP would add major demand pressures.

It would be "a mistake to think that the SA's most fundamental problem is a demand deficiency which can, or should, be corrected through a kick-start of a Keynesian restimulation of demand."

# RDP's giant leap

So what? 7/19/94

**M**INISTER WITHOUT PORTFOLIO Mr Jay Naidoo yesterday announced Reconstruction and Development Programme projects involving more than R3 billion.

The "Presidential Projects", first mooted by President Nelson Mandela when he opened Parliament on May 24, cover primary school feeding schemes, rural water provision, land reform, urban infrastructure upgrading, literacy, farmer development, clinic building and urban renewal schemes.

Business plans were being drawn up for each project to control costs, maintain quality, eliminate corruption and adhere to time scales.

"No funds will be disbursed without such a plan being approved by the Minister's office," Naidoo told a media briefing in Cape Town.

The projects are the first fruits of the Government's attempts to upgrade the standards of living of South Africans. They are to be funded from the R2,5 billion RDP Fund provided for in the 1994/95 Budget.

## They include:

- The primary school nutrition scheme which will feed 3,8 million children at 50 schools in each province at a cost of R472,8 million in 1994/95,
- Rural water provision for 12 communities in seven provinces at a cost of R59,5 million in 94/95, R135,4 million in 95/96 and R87,8 million in 96/97;

lion in 96/97;

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- Land reform pilots to develop and support integrated sustainable rural development in one district in each of the nine provinces at a cost of R26,6 million in 1994/95;
- Land restitution to support the restitution of land to 10 communities in KwaZulu-Natal, the Eastern Cape, Northern Cape, North-West and Eastern Transvaal at a cost of R23,8 million in 94/95, R26,8 million in 95/96 and R11,8 million in 96/97;
- An urban infrastructure investment planning team to develop methodology for urban infrastructure investment planning at a cost of R1,5 million in 94/95 and R1,4 million in 95/96;
- A national urban reconstruction and housing agency to promote the development of small and medium scale enterprises at a cost of R20 million in 1994/95;
- Small scale farmer development to assist with training and development of a small farmer sector at a cost of R4 million in 94/95;
- A culture of learning project to rebuild schools at a cost of R100 million;
- A public works programme at R250 million;
- The building of clinics in rural areas and informal settlements at a cost of R25 million in 1994/95, R65 million in 95/96 and R65 million in 96/97; and
- Provincial projects to cost about R128,3 million. — Sapa.



# RDP 'forcing integration'

By WILLEM STEENKAMP

CABINET minister Mr Jay Naidoo was using the RDP as an "incentive" to force municipalities to integrate, former council exco chairman Mr Clive Keegan said last night.

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Mr Keegan was commenting on the announcement yesterday of the first allocation of funds to the RDP, in which Mr Naidoo said the RDP would be used to transform the government.

Newly-elected exco chairman Mr Arthur Wienburg was not available for comment last night.

According to the RDP's municipal services plan, local government cannot access funds unless non-racial councils have been established in terms of the Local Government Transition Act.

Mr Keegan said Mr Naidoo appeared to be using the RDP as an "incentive" for councils "to get their act together" and become

non-racial as soon as possible

He said Cape Town was in the same boat as nearly all other councils in the country except Port Elizabeth, which has a non-racial council.

CT 7/9/94  
"It would be interesting to see if they qualify (for funding) or not," he said, adding that the establishment of a non-racial council has been delayed because Western Cape Premier Mr Her-nus Kriel has yet to determine the metropolitan boundaries

ADRIAN HADLAND

CAPE TOWN — Almost R2bn had been allocated from the reconstruction and development programme fund to projects nominated by President Nelson Mandela, it was announced yesterday. **BIDAY**  
Minister without Portfolio Jay Naidoo said the bulk of the R1,9bn in allocations for this financial year had gone to the primary school nutrition scheme (R473m), the public works programme (R250m), the extension of municipal services (R500m) and urban renewal projects (R304m) (297)  
The projects were selected to launch "long-term programmes of transformation". This drive to use the RDP fund as an instrument of transformation was illustrated by the municipal services plan, accord-

## R1,9bn from RDP fund handed out

ing to which local authorities could not access funds unless nonracial councils had been established in terms of the Local Government Transition Act. **7/9/94**  
"The fund uses projects to transform the way government operates and not to function as a bank issuing cheques," Naidoo said. All projects had to produce business plans, and criteria included provisions for community involvement, affirmative action and small business development.  
Aside from the major projects, others which received allocations included rural

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## RDP

**BIDAY 7/9/94**  
water provision (R59m), land reform pilots (R28,6m), land restitution (R23,8m), small-scale farmer development (R4m), the rehabilitation of school buildings (R100m) and the construction of clinics (R25m) (297)  
The free health care programme, which was likely to require a substantial contribution from the fund, had not been included

in the R2bn package as negotiations were still under way with the provinces and the Health Department, Naidoo said.

The RDP White Paper would be presented to Cabinet today before being passed on to Parliament's RDP standing committee. Parliament would debate the Bill next month.

☐ From Page 1



# 'RDP should be based on huge urban and rural redevelopment'

(297) ARC 8/9/94

**The Argus Correspondent**

JOHANNESBURG. — The Reconstruction and Development Programme (RDP) should be based on inward industrialisation, a huge programme of South African urban and rural infrastructural development.

This was said today by Charles Nqakula, general-secretary of the South African Communist Party, in his address to Cosatu's fifth annual congress held in Soweto.

The RDP should, as much as possible, be based on local resources and needs, Mr Nqakula said.

The more South Africa depended on exports the more vulnerable the country would be to the dictates of the powerful economies to which it exported.

"We're not saying that South Africa can neglect exports. But we're saying that we must not be naive about the realities of the world we're living in.

"Our international policy needs to be based much more on solidarity with working

class and democratic struggles. This is a just course, and, it makes economic sense too," said Mr Nqakula.

It was in this context, he said, that the SACP was campaigning against the United States blockade of Cuba.

Mr Nqakula said the RDP should be people-driven. People should not sit back and wait for the government to deliver.

Four ANC cabinet ministers are to come face to face with the Cosatu delegates at a 'Congress Forum' tonight.

Expected are Minister without Portfolio Jay Naidoo, Trade and Industry Minister Trevor Manuel, Deputy Finance Minister Alec Irwin and Labour Minister Tito Mboweni. Of the four, Mr Manuel is expected to receive a hostile reception because of his recent decision to lower import tariffs on imported cars.

Cosatu and the National Union of Metalworkers of South Africa have condemned Mr Manuel for the move, which the unions viewed as contradictory to the RDP.

## Cosatu's RDP access 'in contempt of Parliament'

THE Congress of SA Trade Union's privileged access to the draft RDP White Paper was in contempt of Parliament and made the select committee on the RDP's public hearings a farce, Mr Piet Coetzer (NP) said yesterday. (297) CT 9/9/94

Citing internal Cosatu documents, Mr Coetzer said drafts of the White Paper had been given to the trade union federation, but had not been shared with Parliament.

In his reply, Labour Minister Mr Tito Mboweni said the government maintained regular contacts with both business and trade union leaders. — Sapa



# RDP 'not cure for all SA ills'

(297) CT 9/9/94

SOWETO — The government's Reconstruction and Development Programme (RDP) was not a panacea for all economic ills, Trade and Industry Minister Mr Trevor Manuel said last night.

Addressing the Cosatu congress, Mr Manuel said economic growth had to be founded on beneficiation and exporting manufactured goods which would have to be competitively produced.

Mr Manuel, Minister without Portfolio Mr Jay Naidoo and Deputy Finance Minister Mr Alec Erwin fielded questions, emphasising the need for fiscal discipline, trade liberalisation and good management of the RDP.

Mr Manuel said unless indus-

tries became more competitive, many more jobs would be lost.

The ministers told delegates South Africa had to avoid the debt trap that afflicted other African nations and led to World Bank-imposed structural adjustment programmes.

## Incentive

Mr Manuel told delegates to ask themselves who paid for projects aimed at improving the basic quality of life when the new government inherited a nearly bankrupt fiscus. His department had been hampered in implementing policies by existing public service bureaucracy.

Mr Manuel said the RDP was not a cure-all as its job creation plans set a target of only 300 000

to 500 000 new posts a year.

Mr Erwin said tough choices had to be made on whether to spend government revenue on protecting industries or on building houses, providing health care and education, and providing for basic needs.

"We will put the economy right no matter how unpopular this makes us," he added.

On the reduction of company tax rates to 35%, Mr Erwin said increased secondary tax on companies would be an incentive to reinvest a larger proportion of profits.

The congress also called for sanctions against Lesotho and Nigeria, if the democratic governments there were not restored to power — Own Correspondent, Sapa

## UPLIFTMENT

projects must meet business and community criteria, says Naidoo

■ BY CHRIS WHITFIELD  
POLITICAL CORRESPONDENT

Cape Town — Far-reaching plans to spend more than R2 billion on Reconstruction and Development Programme "presidential projects" this year have been unveiled by Minister without Portfolio Jay Naidoo.

The breakdown of spending — designed to address the plight of poor and violence-ravaged communities — disclosed by Naidoo yesterday includes:

■ R500 million on a programme to extend municipal services. This would be designed to "improve the provision of municipal services, facilitate the democratisation of local government ... (and) lay the basis for the sustained payment for rent and services by local communities", said Naidoo.

■ R472,8 million on the primary school nutrition scheme. An "early daily snack" would be provided to 3,8 million children.

■ R304,6 million on urban renewal projects. A "focus area" would be Katorus on the East Rand, where damaged houses would be repaired, hostels upgraded and infrastructure repaired.

Similar projects would be launched in KwaZulu/Natal communities ravaged by violence, and East London, Port Elizabeth and Orange Free State townships.

The breakdown of spending on the range of projects announced by President Mandela in recent speeches came on the eve of Naidoo's presentation to today's Cabinet meeting of an RDP White Paper which will flesh out the Government's role in the programme.

The White Paper would deal with the "implementation strategy from the side of the Government", Naidoo told a press conference.

Over the next 10 days, discussions would take place with stakeholders and the White Paper would then be put before Parliament's RDP select committee.

In effect the presidential projects are designed to kick-start the RDP and provide a focus for government departments as they reorientate their spending priorities.

They would "launch the long-term programmes of transformation", said Naidoo.

All projects were required to produce "business plans" and meet RDP criteria such as training, community involvement, affirmative action and small business involvement.

First details of reconstruction spending revealed

Star 7/9/94

(207)

# R2 bn kick-start for RDP



# Flats to get slice of R300m urban project

By BARRY STREEK,  
Political Staff

THE Serviced Land Project on the Cape Flats is one of the seven urban renewal projects that will benefit from a R304,6-million budget RDP allocation during the current financial year, Minister without Portfolio Mr Jay Naidoo announced yesterday.

Mr Naidoo said he could not say exactly how much would be allocated to the project as this was subject to further negotiations and the submission of a business plan.

Former Minister of Housing Mr

Louis Shill said last year that R4 billion in funds allocated for housing, including the Serviced Land Project, had been blocked by political in-fighting.

(297) ~~REP~~  
These funds will now be used.

Mr Naidoo said the Serviced Land Project would focus on upgrading of infrastructure, land servicing, job creation, housing and community facilities.

CT 7/9/94  
The other six projects are for communities in the East Rand, kwaZulu/Natal, East London, Port Elizabeth and the Free State

# From slum . . . to model suburb?

AR 7/9/94

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Gangsterism and poverty have united the Manenberg community to the extent the area is being touted by regional government as an example to other Western Cape communities. Now Manenberg is poised to become an early beneficiary of the government's Reconstruction and Development Programme Staff Reporter **ROGER FRIEDMAN** reports.

**T**HE Manenberg Development Forum will have completed the framework for the area's five-year reconstruction and development plan by the end of November — the most advanced community in Western Cape province.

The provincial co-ordinator of the reconstruction and development programme, Tony Reuters, told the Manenberg Development Forum workshop yesterday it was an example to other communities of the "inclusive process" and encouraged Manenberg to take the lead in assisting in the formation of other RDP forums in the region.

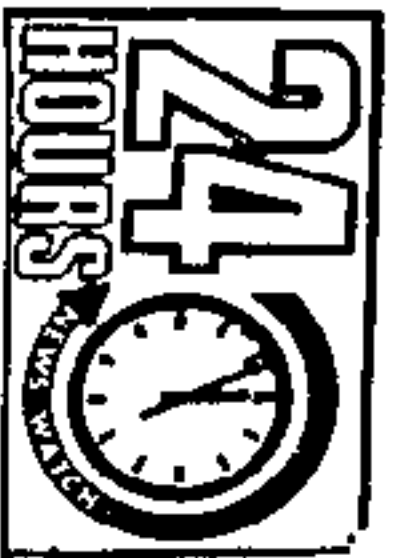
"We are extremely encouraged by developments in Manenberg because the RDP's success lies within the various communities, not with the government.

"We are also encouraged to find that where other communities are still struggling to get the necessary players together, you already have everyone on board," Mr Reuters said.

He was addressing representatives of more than 30 community organisations and institutions including political parties, schools, police, churches and mosques, health agencies, sporting bodies, non-governmental organisations and gangs.

Even the warring School Boys and Dixi Boys gangs turned out in a massive display of community strength at the Shawco Community Centre yesterday.

The Development Forum



first met in March but proceedings were disrupted by gang-warfare and the election battle.

In response to rampant crime, community leaders established an anti-crime forum in May which continued the process of unifying a bitterly divided community.

Yesterday the two forums ceased to exist as separate bodies, joining forces to steer the impoverished community in a "new direction".

"The community is serious about changing the culture of life in Manenberg," said workshop organiser Irvin Kimes of Nicro.

"The workshop is the culmination of a series of concerted efforts by members of the community to steer Manenberg in a new direction."

At the workshop the community was divided into 13 "commissions" each charged with identifying needs and coming up with proposals to address them.

Commissions included education, health, crime, transport, welfare, peace, housing, job creation, youth development, and sport.

The forum already has a community profile — what the government prefers to call a "social audit" — compiled by Nicro's Employment



**HAPPENING:** Manenberg is Where it's Happening, was the title of the album that rocketed acclaimed jazz pianist Abdullah Ibrahim to fame in the 1970s. Now things are really happening as the community gears itself up to become an early beneficiary of the Reconstruction and Development Programme

Support Centre after interviewing thousands of the community's unemployed on their basic needs.

Out of the community profile will come a development framework, a five-year reconstruction and development plan to present to government.

Mr Reuters said Manenberg's self-propelled initiative was exactly what the government had in mind when structuring the RDP.

"The government's style is different now. We will not determine the needs of a community. Local forums must tell us what their priorities are."

"But the major criterion before funding or acceptance of a community's reconstruction plan must be proof that all major players in the community are involved."

"We have been to Khayelitsha, Mitchell's Plain and the

rural areas . . . we have already launched 20 RDP forums . . . but we use Manenberg as an example of the inclusive process."

"The first task of the Manenberg Forum will be to put a five-year plan on paper ensuring it links the various elements of development."

"Its second task will be to produce a budget broken down into yearly allocations," Mr Reuters said.

The social audit already produced in terms of the pillars of the RDP — basic needs, human resources, building the economy and democratising institutions — was a major advantage to Manenberg.

"Having completed an audit makes them the most advanced RDP forum in the region."

Mr Reuters said local government budgets would be shaped by each community's five-year-plan.

"If there's a shortfall of money local government can apply for provincial and national funding. That's where (Minister without Portfolio) Jay Naidoo's RDP fund comes into play."

He suggested Manenberg should not waste time in starting to negotiate with present local government — the Cape Town City Council — over community priorities.

For example, if the community felt roadwork was unnecessary and an extra clinic a priority, this should be negotiated with local government immediately.

Mr Reuters said RDP forums should overcome "the geography of apartheid" and speak to other neighbouring forums.

"We are encouraging Manenberg to start speaking to Gugulethu and Heldeveid . . . we are encouraging Manenberg to take the lead in calling RDP forums together."

## R2-billion to be spent on lifting living standards

**VUYO BAVUMA**  
Political Staff

**T**HE government is to spend more than R2 billion this year on 18 projects to uplift the living standards of poverty-stricken South Africans.

Yesterday Minister Without Portfolio Jay Naidoo said the projects — announced on the eve of the presentation to the cabinet of the White Paper on the Reconstruction and Development Programme — could also launch the long term transformation of the entire society.

In line with the RDP, all the projects would be required to produce a business plan and train people, involve small businessmen and uphold affirmative action principles.

Some of the projects are:

- Urban renewal projects totalling R304.6 million, which include repairing damaged houses and township infrastructure, and upgrading hostels in areas such as KwaZulu/Natal, Port Elizabeth and the Free State;

- A R26.6 million land reform pilot scheme designed to develop and support integral, sustainable rural development in nine

provinces;

- A R23.8 million land restitution scheme, to be implemented before the end of the year, in 10 communities in five provinces;

- The R472.9 million primary school nutrition scheme, which is aimed at contributing to the improvement of education quality and general health development of about 3.8 million pupils at 50 schools in nine province;

- The R59.5 million rural water provision scheme with 12 projects in seven provinces including in Natal, Eastern Cape and Northern Transvaal. Another R135.4 million is budgeted for next year;

- A R500 million programme that will, among other things, improve the provision of municipal services and facilitate the democratisation of local government. It is hoped this will lay basis for the sustained payment of rent and service tariffs by local communities.

Other projects included a national literacy programme that would be done nor-funded to 1997 and Aids awareness and prevention campaign which would be departmentally funded.



## RDP draft paper starts passage to Parliament

Political Staff (297)

THE draft White Paper on the Reconstruction and Development Programme was accepted by a special meeting of the cabinet yesterday as "a framework for discussion".

Ministers and government departments will now have a week in which to submit further comments on the document. They will also have the opportunity to consult with "key constituencies", according to the cabinet secretary.

After the comments have been dealt with a revised document will be submitted to the parliamentary standing committee for discussion.

The final draft will be debated by Parliament in November after public hearings in October.

CT8/9/94

## R240-m in aid for the RDP

A Small Business Development Corp (SBDC) fund, valued at R240 million, has been created to support the aims of the RDP. 9/9/94

The bulk of the contribution, totalling R179 million, as well as all overhead costs, will be carried by the SBDC. The other R61 million comes from the Department of Trade and Industry's Pioneer Project Fund.

Details of the fund were revealed yesterday by Ben Vosloo, the SBDC's managing director, who said priority would be given to financing schemes and technical assistance. (297)

Benefiting greatly from the plan will be the 2,5 million informal businesses across the country, providing employment for 3,5 million people.

The biggest chunk of assistance is aimed at the Pioneer Projects, for Micro-Enterprise Empowerment and job-creation programmes facilitating 34 900 jobs.



By THEMBA KHUMALO  
Political Reporter

## Hungry children can eat at last under RDP scheme

THE new government's long-awaited R240-million feeding schemes under the RDP kicked off this week in poverty-stricken areas country-wide.

The Eastern Cape, with the highest unemployment statistics, received the largest financial donation — a whopping R80 million from the RDP fund to sponsor a primary school nutrition programme.

The Northern Transvaal — plagued by a severe drought — received the second largest donation, R68 million.

The feeding schemes to combat hunger at rural schools were scheduled to start on July 6, but administrative hitches delayed their implementation until at first help the two departments of Health and Education.

The feeding schemes will be overseen by the national funding for the feeding schemes, but it is hoped that within five years they should be able to shoulder the cost of the schemes through their own budgets.

Other provinces were funded as follows: North West R16,854,386; Eastern Transvaal R11,150,089.

11/9/94  
(297)

■ Free State - R10 430 631  
■ Western Cape - R9 708 321  
■ Northern Cape - R2 322 925  
■ KwaZulu/Natal - R37 527 666  
■ PWV - R2 868 839

*Bread, milk make difference*

# Programme will provide 3,8-m snacks

Star 12/19/94  
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■ BY SHIRLEY WOODGATE

The Government's ambitious primary school nutrition programme was successfully launched last week.

It aims to provide mid-morning snacks for 3,8 million children when the project is in full swing. This represents half of all youngsters in 7 042 primary schools countrywide.

The meals are being provided at a cost of R473 million for the rest of the 1994/95 financial year. Co-ordination and monitoring is under the control of the Reconstruction and Development Programme, which provides the funds.

Only two slices of bread with peanut butter and milk make 30 percent difference between gut-wrenching hunger and enough sustenance to enable youngsters to make full use of learning opportunities, a Department of Health spokesman said.

Other long-term aims of the project are to improve school attendance, general health and knowledge about

nutrition, and introduce broader development initiatives, particularly in combating poverty.

The Department of Health believes about half the primary school children, particularly in rural and peri-urban areas, are in need of a nutritional boost to enable them to make full use of learning opportunities.

Since poverty is regarded as the most important cause of short-term hunger, the nutrition programme used socio-economic criteria to earmark geographical areas most in need of help.

Hard on the heels of the official project came the private sector, with Samancor first off the mark with its own scheme at Dan Radebe Primary School in Duduza, Nigel, where 750 children started receiving two meals a day on Tuesday.

The cost to Samancor was R350 000 a year and the effort was in line with the company's commitment to the development of previously deprived people in South Africa, said Samancor spokesman Manoko Nchwe.



# Swiss sign agreement to aid RDP

TOS WENTZEL  
Diplomatic Correspondent

ARG 14/9/94  
SWITZERLAND is to make a substantial contribution to South Africa's reconstruction and development programme.

The contribution will match the R116 million Switzerland has allocated to non-governmental organisations in South Africa in the past few years.

A memorandum of understanding embodying the new aid package is being signed at Tuynhuys today by deputy president Thabo Mbeki and Swiss minister of foreign affairs Flavio Cotti.

Mr Cotti has met a number of political leaders during his three-day visit to Cape Town.

He also presided at a conference of Swiss ambassadors in sub-Saharan Africa.

● See page 15



**SWISS AID:** Swiss minister of foreign affairs Flavio Cotti met President Mandela at Tuynhuys today. An agreement on Swiss aid to the reconstruction and development programme was signed.

Picture OBED ZILWA, The Argus



# Kriel punts casino licences, lottery to fund region's RDP

Business Editor

CASINO licences and a lottery could be a major source of funding for the RDP in this region, the Western Cape Premier, Herens Kriel, told the Institute of Directors at a luncheon at Western Province Cricket Club yesterday.

He said the regional government was in the process of drawing up its own Gambling Act and he hoped to be in a position to call for proposals by the end of the year.

"We are obviously in a hurry. We are still waiting for money from the central government.

"We want the successful applicants to start building as soon as possible—not that I love them so much but I want the money."

Discussing what should be done to attract foreign investors, Kriel said taxation in SA was off-putting. The crime rate in SA, including the Western Cape, was too high and the action taken against transgres-

sors too soft.

There was little risk of nationalisation "provided the central government can keep the Socialist element under control".

But, Kriel said, the fact that investors could take their capital out again only through the financial rand was an inhibiting factor. "We shall very soon have to take the risk of allowing the free flow of investors' money."

Foreign investors had told him

they were not deterred by the prospect of labour action. "They are used to it—but they fear irresponsible labour" action. They fear the militancy of the unions.

"They ask what is the government's attitude towards industry. Is it progressive or a millstone round the neck of business?"

He considered there were too many unnecessary regulations and too much red tape. Standards were too high for a developing country.

A commission would look at every bit of regulation in the Western Cape.

It was also important that its infrastructure, including the port and airport, was adequate.

In answer to questions, he said making Cape Town a free port would be good for the Western Cape but would hit business in other parts of the country. The central government would therefore never allow it.



State

# sell-off

CT 14/9/94 (297)

## Proceeds to boost RDP

By BARRY STREEK  
Political Staff

**THE government is compiling a list of state property worth billions of rands which could be sold to reduce South Africa's R150-billion debt and help pay for the RDP.**

This was disclosed yesterday by Minister without Portfolio Mr Jay Naidoo and deputy Finance Minister Mr Alec Erwin.

Mr Erwin said privatisation was also an option being looked at.

The Department of Public Works and all other government departments had been instructed to compile a list of all state properties by the end of the year.

These properties would then be evaluated to see if they were being used productively, he told the National Assembly Select Committee on the Reconstruction and Development Programme.

Mr Erwin said these assets could be privatised if they were not being used for the right purpose.

The money raised could then be used to reduce state debt and release more funds for the RDP.

### Lower debt

Mr Erwin said the cabinet had instructed all government departments to review their cost structures.

"Is it wise for government to have city-centre buildings that probably could be rented out at a much better rental than we pay for them?"

"We seriously have to look at privatisation if it makes sense. We want to look at that, but we don't want to make the mistake that was made in the past, that if assets get privatised, they don't get used for the right purpose."

"Our target would be to try to lower the debt," Mr Erwin said.

Mr Farouk Cassim (IFP) said no one knew how much property the state owned. Mr Naidoo responded by saying a task force had been set up to examine these assets and the Department of Public Works was compiling a registry of property.

One example from the past was the use of central city buildings by Telkom to sort out post whereas it was more profitable to rent out the buildings or sell them, and move out to industrial areas to sort out post.

The cabinet was hoping that the audit of these properties would be completed by the end of the year.

This would enable decisions to be made because the RDP Act said the sale of state assets should release funds for the RDP.

Mr Cassim said there was a bird park on state land in Stanger in Natal but no one knew who owned it.

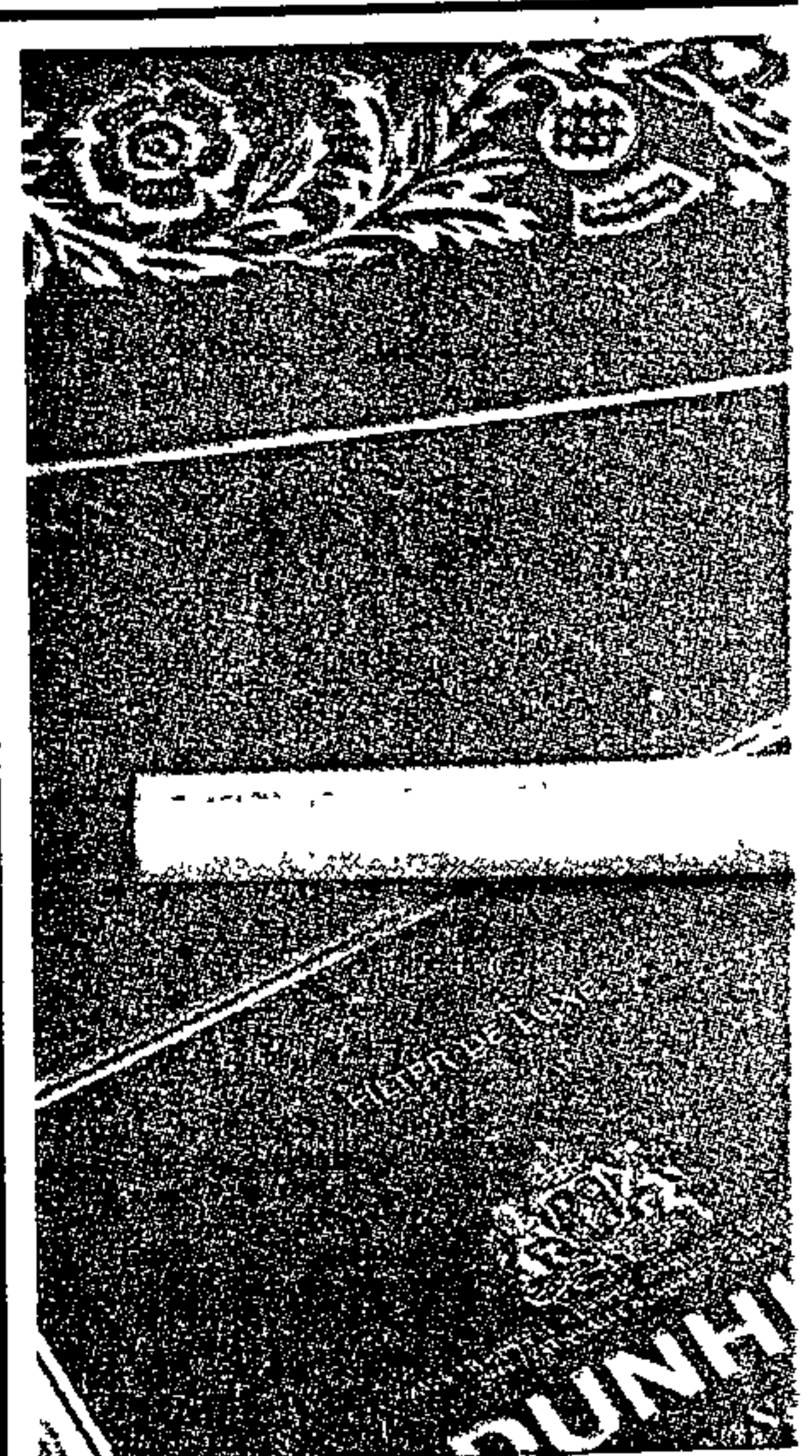
Mr Naidoo said there was a role for parliamentarians to check on their areas and find out what was owned by the state to take that information back to the task team.

"I am very interested in finding out how every resource could be utilised in the RDP," he said.



Ian Taeuber, 11, of Constantia, with the bronze Cape collie Collyn Davies.

Picture ANNE LAING





## Bank funding for homelands

ERICA JANKOWITZ

15191914  
THE Development Bank of Southern Africa had not suspended contracts concluded with former homelands and would continue to disburse monies to existing schemes in these areas, general manager and chairman of the bank's operations committee Nick Christodoulou said yesterday.

Reacting to a statement by Eastern Transvaal roads and public works minister Laxton Mathebula, Christodoulou said the bank's involvement with projects — including those supplying domestic water — would continue.

Monies being disbursed to contracts being implemented in the former homelands included R4m for the Nzikazi regional water supply scheme; R800 000 for the Nkomazi regional water supply scheme; and R2,4m for small rural development in the former KwaNdebele. (297) (51)

Christodoulou warned that funds would not be made available for new developmental loans until government had finalised provincial government borrowing capacity in terms of the new constitution. But preparation for new projects was being done in "consultation with the reconstruction and development programme".



# RDP gets R200m aid boost from the Swiss

By BARRY STREEK  
Political Staff

SWITZERLAND will assist the Reconstruction and Development Programme (RDP) with aid of R200m between 1995 and 1999, Swiss Foreign Minister Mr Flavio Cotti announced yesterday.

Mr Cotti said at a press conference — before signing an agreement with the deputy Foreign Minister Mr Aziz Pahad — that recent developments in South Africa were historic.

These events were important not only for South Africa but also for the world generally, he said.

Mr Pahad said “very, very fruitful” discussions had been held with Mr Cotti during his visit to South Africa.

## Human rights

Mr Cotti also met President Nelson Mandela and Deputy Presidents Thabo Mbeki and F W de Klerk, during his visit.

The agreement provides for technical and financial support to the RDP and direct financial support to South African non-governmental organisations working in the fields of peace and security, human rights, democracy, and economic and social development.

Mr Pahad said there would now be consultation between the two parties about the best ways to assist the RDP.

# Principals consider RDP role

CT 15/9/94 (297)

THE role of private schools in the RDP was one of the issues discussed at the 48th annual conference of the Heads of Independent Schools in the city.

Spokesman Mr Anthony Lister said yesterday the aim of the week-long conference, which is closed to the public, was to

bring important issues to the attention of the heads of private schools.

Yesterday's session was devoted to developing entrepreneurship in pupils.

"The conference is also focusing on training pupils to fit into the job market. Various workshops were held where en-

trepreneurial programmes were presented," Mr Lister said.

He said although private schools were "obviously concerned" about whether the new government would cut their state subsidies, the matter was not on the agenda for discussion.



# RDP under focus

*S. E. Eastern* *Southeastern Supp. to South*  
**KEY decision makers and experts will discuss the Reconstruction and Development Programme at a major conference in Cape Town on September 19 and 20.**

(297)  
The conference will bring together representatives from government, labour, non-governmental organisations and business to discuss the RDP and its possible impact on these sectors and individuals.

Discussion is expected to focus on how the public and private sector can work together to help government achieve the aims of the RDP.

Member of Parliament, Ms Pregs Govender will give the government's view of RDP policy and its effect on the public and private sector after 100 days in office.

Dr Bax Nomvete, executive director of the Africa Institute for Policy Analysis and Economic Integration, will talk about practical programmes to remove poverty and ensure political stability.

Mr Mervyn King, chairperson of the

King Committee on Corporate Governance will give his views on business ethics in South Africa in the light of recent scandals which have rocked the business world.

The impact of the RDP on the trade union movement will be the theme of an input by Mr Ebrahim Patel, deputy general

secretary of the Southern African Textile Workers Union (Sactwu).

Other issues on the agenda includes the effect of millions of rands being stolen because of white collar crime and the future of taxation in the country.

Other speakers include Mr Eric Molobi, chairperson of the housing forum and executive director of Kagiso Trust and Mr Israel Skosana,

executive director of the National Sorghum Breweries.

The conference is being run as part of the ninth convention of the Association for the Advancement of Black Accountants of Southern Africa. They can be contacted on 762-8606.



**Ebrahim Patel**

# RDP lacks <sup>South</sup> Real Dramatic Punch

(297)

The government has unveiled a list of projects which will receive RDP funding, but the package will not have the dramatic effect communities have been hoping for.

**ALEXANDRA ZAVIS** reports

**E**XPECTATIONS are running high, but the RDP fund cannot be seen as the answer to the country's reconstruction and development needs.

With only R2,5-billion at its disposal for 1994-95, the fund is simply a way of kick-starting the transformation process, according to Minister without Portfolio, Mr Jay Naidoo.

A list of 17 projects has been drawn up, which will support communities in their efforts at reconstruction and development, rather than do it for them.

For example, R20-million has been set aside for a National Urban Reconstruction and Housing Agency (NURCHA), which will be supplemented by an additional R200-million from international donors.

But rather than build houses itself, NURCHA will assist small contractors by providing equity, underwriting risk and providing seed capital.

"We are keen to take the approach, endorsed by cabinet, that the fund be seen as a mechanism to transform the way government operates rather than a bank that dishes out checks," Naidoo said.

"Thousands of local communities in this country are drawing up their own RDP plans."

"It is not a question of them coming to us for money — local authorities have money. It is a question of putting pressure on them to use the money they have in a way that meets RDP criteria."

So, while R500-million had been set aside for the extension of municipal services, prefer-

ence would be given to communities that had undergone the transformation to non-racial structures.

This would help give credibility and legitimacy to new democratic structures, Naidoo said.

The problem, however, is very few of these new structures exist. In the entire country, only Port Elizabeth has moved into the interim phase of appointing an equal number of statutory and non-statutory city councillors.

"Local government is still in the pre-interim phase, and it is unclear when democratic elections will take place. This is the most crucial constraint on the RDP at the moment," said Mr Rick de Satge, of the Development Action Group.

And it would not be enough to set up democratic local structures, he warned.

Local government needs a new management strategy that would transform it into a developmental institution.

Mr Eugene Nyati, of the Centre for African Studies in Johannesburg, argues that Naidoo would need executive powers to force local authorities to deliver on the RDP.

"If the extent of your authority is persuasion, you haven't even begun," he said.

Without executive power at the centre, a lot will depend on the ability of local RDP

forums to initiate and push through projects on the ground.

De Satge was also concerned about the sustainability of projects that would receive RDP funding.

"These projects may be useful for creating infrastructure, but the recurrent expense of maintaining them has not been factored in. We could end up with a series of white elephants," he said.

"The question they should be asking is how will the RDP fund create integrated and sustainable development, rather than a shopping list of projects that may be here today and gone tomorrow."

Mr Ismail Adams, head of the economics department at the University of the Western Cape, went even further.

He thought earmarking specific funds for the RDP, rather than viewing it as part and parcel of the whole budgetary process, risked side-lining the question of reconstruction and development.

"The RDP is a new way of thinking, a new approach to development in the country, and should be the thrust of the whole budget," he said.

Instead, most government departments have been notified to expect real cuts in their 1995/96 budgets so the RDP fund can be increased to R5-billion next year.



**JAY NAIDOO**

## Presidential projects: Allocations from the RDP fund for 1994-95

• Primary school nutrition scheme	R472,8 million	• Culture of learning	.. R100 m
• Rural water provision	.. R59,5 m	• Public works programme	.. .. R250 m
• Land reform pilots	..... R26,6 m	• Free health care...	.. .. the amount is still being negotiated
• Land restitution	R23,8 m	• Clinic building	..... R25 m
• Urban infrastructure investment planning team	R1,5 m	• Aids awareness and prevention campaign	..... departmentally funded
• National Urban Reconstruction and Housing Agency (NURCHA)	R20 m	• Provincial project preparation facilities	R28,3 m
• National literacy programme	.... donor funded until 1997	• Provincial projects	.. R100 m
• Small-scale farmer development	R4 m	• Extension of municipal services	R500 m
		• Urban renewal projects	R304,6 m



RDP

## Taking shape

*16/9/94*  
**Government's RDP** White Paper will become public when it is presented to the RDP standing committee on September 20, says Minister without Portfolio Jay Naidoo.

Between October 17 and 21 his office will hold a series of public hearings "so that the White Paper becomes a basis of interaction with key constituencies, including the private sector, aimed at identifying the obstacles to implementing the RDP, setting out what government will do, and asking the private sector and others what they can contribute. That's the partnership we are seeking," says Naidoo.

Admitting that the RDP can't be the answer to everything, he explains that government is developing a clear economic policy framework. This process will be taken further in the National Economic Labour & Development Council and other policy forums where much more detailed policy will emerge.

The RDP projects announced recently are aimed at kick-starting the urban, rural and human resource development programmes, towards which R2bn has been allocated from the RDP Fund. (297)

"We have now co-ordinated international donor aid in a way that fits into our programmes of delivery. So there's more money coming in." Government is also preparing for the sale of State assets (mainly government buildings), proceeds of which will go the fund.

Considerable work has been done, he asserts, adding that first delivery takes place within weeks, with the major projects to come on stream this year.

The RDP is more than just a collection of projects, and that's what has been misunderstood, says Naidoo. "It is a fundamental strategy to transform government and the way government operates ... we need to develop a budgetary strategy that moves away from incremental, historical lump-sum basis to a multi-budgetary strategy that eventually leads to zero-based budgeting. Because the main source of funds is the Budget."

Then there's the problem of re-organising government's human resources to serve the new priorities. The third challenge is putting into place "a performance assessment system that allows us to monitor the

*16/9/94*  
progress government is making at every level in achieving the goals we have set." To this end next year's Budget will be tabled together with an RDP report, "so that the focus of the debate is not just that the money has been used and audited, but what is the content of that expenditure." (297)

Strict criteria will be used to get projects approved. For example, sustainment — "so that expenditure is gradually shifted from recurrent costs to capital infrastructure costs." Government has "an absolute commitment to bringing down government consumption expenditure." In restoring and upgrading township services, for instance, communities will be asked what contribution they will make. Other criteria are whether a project creates jobs, advances affirmative action, black small and medium enterprises and training. ■





Picture: ANDREW INGRAM, Weekend Argus.

**FOOD FOR THOUGHT:** Cape Health Minister Ebrahim Rasool talks to children at Cascades Primary School in Mitchell's Plain about their new school-feeding that helps them concentrate.

# RDP feeding scheme lift-off

ART 17/9/94 (290) (297)

**LIBBY PEACOCK**

Weekend Argus Health Reporter

IT is early morning in Mitchell's Plain and an icy wind is sweeping the Cape Flats.

At Cascades Primary School in Eastridge a long line of Sub A's are sitting against a wall, having welcome hot soup and bread — for many the first meal of the day.

Children at Cascades Primary have since 1985 been benefiting from the Peninsula School Feeding Scheme, which has been providing thousands of needy pupils with basic meals since 1958.

But on September 1, the government's national school feeding scheme was officially launched in the Western Cape — providing thousands more with essential nutrition.

Western Cape Health and Social Services minister Ebrahim

■ The new RDP school feeding scheme has already begun to supplement the Western Cape's established feeding scheme.

Rasool and others involved in the feeding programme yesterday visited Cascades Primary to see how an established scheme worked.

He said the Western Cape was "particularly fortunate", as it already had the Peninsula School Feeding scheme to use as model and to expand.

The Reconstruction and Development Programme has allowed the Western Cape a budget of R12,9 million to implement the national school feeding scheme.

About 260 000 children from 697 schools were fed by Peninsula School feeding, non-governmental organisations and other initiatives before September 1 — now, with the new national scheme, about 300 000 pupils from 758 Western Cape schools, are being fed daily.

This reflects an increase of 61 schools in the last two weeks.

Mr Rasool said he hoped the scheme would be extended, but to do this community participation would be very important.

Mr Rasool said he was a bit concerned that with the closer association between Peninsula School Feeding and the government some people may think their contributions were not needed anymore.

He urged people to continue to support it, as "R12,9 million simply doesn't stretch far enough".

He said: "We've almost reached our maximum now."

Ninety-eight percent of traditionally "African" schools, and about 65 percent of traditionally "coloured" schools

were covered.

The food handed out consists of two slices of bread with peanut butter and a cup of soup or milk.

Mr Rasool said it was important to have a relationship between health and education, as the one's concern was also the other's problem.

Commenting on the fact that many children were bus-ed from very poor areas to schools in "more fortunate" areas, and so missed out on much-needed school feeding, he said such problems would have to be addressed.

"We're still streamlining and cutting out wastage."

■ The Mitchell's Plain RDP forum's health commission will be hosting a nutrition workshop from October 27 to 29. Representatives from local communities will be welcome to give input on priorities and ideas. For more details, contact Riedwaan Arendse at 31-7486.



# Millions in European aid for SA is left untouched

S1 Times 12/9/94

By CHERILYN IRETON  
London

MILLIONS in aid money promised for development has neither been claimed nor spent — and may never be — because of bureaucratic bungling.

The funds, estimated to be around R80-million, are part of 110-million Ecus (about R484-million) in aid set aside this year by the European Union for South Africa.

The money is lying idle because the government hasn't decided which of its officials or departments should deal with the union.

Rights to the money will lapse at the end of the year.

Officials in Brussels are

alarmed by South Africa's lack of action and warn that this may affect chances of securing future European Union funds.

They say the money is being held until the government sends a directive detailing the channels through which the funds should be directed.

Officials suspect they will be liaising with the minister in charge of reconstruction and development, Jay Naidoo, but have yet to be informed.

Traditionally, the union doesn't dictate what the funds should be used for, but tries to ensure that the spending reflects the priorities of the receiving government.

A reluctance to deal with the Nationalist government led the union to channel funds through non-governmental organisations like the Kagiso Trust, the South African Council of Churches, the Catholic Bishops' Conference and trade unions.

The allocation to South Africa was broadened earlier this year when around R70-million was added for use by the government of national unity (2.97)

Officials assume the issue has arisen because the RDP is not yet formalised.

A spokesman for Mr Naidoo's office was not available for comment yesterday.

# Britain pledges R530-m aid to SA

**By Ismail Lagardien**  
Political Correspondent

BRITAIN has earmarked R350 million in aid for South Africa. R350 million of which will be channelled into the Reconstruction and Development Programme, British Prime Minister John Major said yesterday.

Addressing an informal gathering of MPs in the National Assembly yesterday, Major said his government would support the RDP through investment and development assistance.

He said Britain wanted to develop "a dynamic trade and investment" partnership of which would be discussed in greater length at a Business Round Table in Johannesburg today.

Earlier yesterday, Major and President Nelson Mandela signed an Investment Promotion and Protection Agreement intended to facilitate direct trade between South Africa and Britain.

"There is enormous potential for direct trade, closer links in finance and services, and for partnership between our companies in manufacturing and exporting."

"Our businessmen have known each other for years and their willingness to invest is a sign of confidence in the future," Major said.

At least 50 percent of South Africa's trade is with Europe and the greater percentage of this is channelled through British companies.

British investment in South Africa is

estimated at between R40 and R50 billion. This is more than British investment in the whole of Africa.

Major said South Africa had the opportunity to use what he described as a modern and effective economy to bring peace and prosperity to all its people.

"For all its distinction, its ceremony and its discipline, until 1994 this Parliament failed the ultimate test of legitimacy — the legitimacy that flows from having the consent of the governed."

"The majority of people who fell subject to its laws had no say in choosing the lawmakers. It was a parliament in Africa, but not a parliament of Africa," Major said.

Major is also expected to announce a Soweto Skills Initiative today.



British Prime Minister John Major with President Nelson Mandela following their talks on the first day of his visit to SA yesterday.



# IDC unveils investments worth R33bn

THE Industrial Development Corporation (IDC) is currently involved in investments with a total value of R33-billion, according to a document tabled in Parliament this week.

While countering mounting criticism of its poor job creation record, the IDC launched a strong defence of its role in industrial development and positioned itself to play a more significant role in social upliftment programmes.

However, MD Carel van der Merwe told the standing committee on trade and industry that the IDC would continue to strive for political neutrality.

Over the years the IDC has built a reputation for fierce independence, accountable only to its board, which consists of private sector businessmen and excludes politicians.

Its attempts to reflect criticism of the capital intensive nature of its investments might not have had the desired effect. Accord-

By SVEN LUNSCHÉ

ing to the report the IDC has been involved in 301 000, or 26%, of the 1,125-million job opportunities created by industry since 1940.

However, over the same period it has also been responsible for about 38% of the funding for industrial projects, compared with 14% by the banks and 48% by owners of the projects.

In the latest financial year to end-June 1994, IDC involvement resulted in just over 12 500 jobs although billions of rands were ploughed into investments such as Columbus, Namakwa Sands and Alusaf.

Mr Van der Merwe defended the IDC's record: "Our primary responsibility is industrial development and not social upliftment. Our Act clearly prohibits any form of financing where we cannot get our money back or make a return on the investment."

"Of course, we sometimes take a long-term view and

accept a modest return if the circumstances warrant this approach," he added.

Clearly positioning the IDC with the new government, Mr Van der Merwe stressed that the organisation's involvement in black advancement totalled R420-million last year. This included a R140-million loan to the New Africa Investment Ltd (Nail) consortium.

He pointed out that over the past three years the government had received dividends of over R1-billion, in line with IDC policy to distribute one-third of taxed profits. (297)

"We have not received funds from the government in 40 years. The government is now the proud owner of a development organisation with total assets of almost R11-billion and an annual cash flow of R1-billion," Mr Van der Merwe told MPs.

Turning to the IDC's more recent financial record, senior general manager Malcolm Macdonald said it was currently involved in, or planning, mining-based project developments totalling R29,4-billion. Agriculture-based projects with a value of R3,35-billion are also on its books. (see chart)

Almost 82% of the projects (by value) have an export orientation.

The projects are part of the IDC's commitment to make available R10-billion for projects valued at R30-billion in the five-year period ending in 1996.

Mr Macdonald said over R4-billion of the IDC's investments had to be realised over the past two years to fund the programme. This was achieved through the unbundling of investment trusts, National Selections and Industrial Selections, and sales of Sasol and Sappi shares.

The IDC would continue to sell part of its listed investments, particularly as the recent rise in share prices had boosted the value of its Sasol and Iscor stakes.

Profits in 1993/4 more than doubled to R1,3-billion, of which dividend income accounted for only R176-million, Mr Macdonald said.

## CURRENT PROJECT DEVELOPMENTS

1. MINING BASED (Capital intensive)	Rand million
- Aluminium smelter*	5 500
- Stainless steel*	4 600
- Heavy minerals*	1 100
- Mini steel mills	4 400
- Phlogopite (alumina, potash, magnesia)	4 100
- Zinc smelter	1 900
- Petrochemicals	7 800
2. AGRICULTURE BASED (Labour intensive)	
FORESTRY PRODUCTS	
- Dissolving pulp*	1 400
- North East Cape forests*	520
SUGAR BASED CHEMICALS	
- Glycols	850
- Lysine*	286
EDIBLE NUTS	
- Pistachios*	118
- Cashews*	22
- Macadamias*	15
OTHER	
- Tea replanting*	100
- Dates*	18
- Table grapes	27

\* Being implemented

Graphic: FIONA KRISCH

Source: IDC

# Levy to fund RDP ruled out by Naidoo

□ Government still firm on lower tax

**CLIVE SAWYER**  
Political Correspondent

MINISTER without portfolio Jay Naidoo has ruled out a reconstruction and development fund levy and says the government remains committed to lower taxation.

And as part of a campaign to cut wastage, the government has said administration costs may make up no more than 15 percent of reconstruction and development programme projects.

A white paper on the RDP is to be tabled in parliament this week to unveil how the government is to be transformed to implement the programme.

This will include restructuring and reorientation of the civil service, and a reorganisation of the national budget.

Public hearings on the programme by the parliamentary standing committee on the RDP will be held from October 17 to 21.

A second white paper will be

released about March next year.

Meanwhile a government inter-departmental committee is investigating a range of offers from overseas for assistance with the RDP, but there is concern about the implications of conditions attached to the offers.

Mr Naidoo said transforming the country could not be achieved overnight.

"But unless we start now, the political transformation will be meaningless in the lives of our people."

He said at the opening of the annual convention of the Association for the Advancement of Black Accountants that budgetary strategy would move to a zero-based foundation.

This meant each department would have to justify each year the money it requested.

He said there had been "major wastage" in the past, with money for socio-economic projects spent on administration.

Little had reached the people for whom it was intended.

A significant part of the reconstruction and development programme would be the reorganisation of local government. The essence of the RDP was that the government would form partnerships with all stakeholders in society.

This did not mean it was abdicating its responsibility, as some critics had charged.

He said the RDP was not a set of ad-hoc projects. It was an integrated strategy to improve the quality of life of all and to ensure sustainable economic growth.

The programme would be carried out within the framework of fiscal discipline.

In reply to a question Mr Naidoo said that the government had no plans for an RDP levy. And President Mandela had committed the government to lower taxation to stimulate investment and increase government revenue. But "RDP bonds" were still under discussion.

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# 2 000 in desperate queue for food-voucher handouts

ARLT19/9/94 (297)

**ANDREA WEISS**  
Staff Reporter

ABOUT 2 000 people queued outside the Wynberg Provincial Administration Western Cape welfare office today in the hopes of getting food vouchers which were handed out there on Friday.

The queue, which consisted mainly of women, many with children on their backs, snaked round the block.

Ruby Michaels of the social service office said that as many people as possible would be helped in applying for the vouchers, which were worth R21 each to a maximum of six a family.

She said the Black Sash had been called in to tell people that they should apply for the vouchers at "counters" in their areas. An urgent meeting would be held tomorrow to look at how this would be done.

The Wynberg office did not have the staff to deal with the number of applicants, who would have to provide proof of the number of children they had by means of birth certificates.

Some of the women said they had left home at 3 am to get to the offices in good time. They said they had been told by friends and neighbours in Crossroads, New Crossroads, Guguletu and Khayelitsha about the handouts.

Winnie Siyo, 52, the mother of five children, said she had come in search of food because times were hard. She was standing near Olga Ntambo, also of Crossroads and also the mother of five children.

There was an air of desperation about many of the women who all told the same story of joblessness and hungry mouths at home.



Picture LEON MULLER, The Argus

**FOOD QUEUE:** A security guard pleads with a crowd of people who gathered outside the provincial administration's Western Cape's welfare offices today in the hope of getting food vouchers.

At 9 am, a hard-pressed security guard outside the building was trying to get some sort of order by asking people to stand in a queue. Access to the building was barred.

Office workers leaned out of windows to watch the goings-on below.

Dora Nenene, 64, of Crossroads, gave up on her wait. She has been on pension since she damaged her neck in a taxi accident.

Philipina Ndamane, 57, of Guguletu, who looks after six children, said she was there because she had lost her char-

jobs after her employers had left the country. She only had two jobs a week left.

A friend, Maureen Sigola, 35, of Khayelitsha, pleaded on behalf of her neighbour who was also unemployed and "suffering". She had three jobs a week and had three children to care for.

She said that she had heard about the food vouchers last Friday when she came to Wynberg to look for work.

"We can see that it is bad here today. If there is not enough, we will go back home," she said.



He said the municipality had not given permission for the march but police had allowed it to proceed "so that the matter could be over and done with".

## Council will not scrap arrears

EDWARD WEST

CAPE TOWN — The city council would not write off electricity arrears as such a move would be unfair to its paying consumers, city treasurer Eddie Landberg said yesterday.

The council was aware of an agreement by government earlier this year that services arrears would be written off before January 20. The council had not yet recovered funds from government in terms of this agreement, but the amount was likely to be only a small portion of the arrears.

Total arrears in Cape Town had risen to R58,8m at the end of July 1994 from R44m at the end of July the previous year. There were about 90 000 consumers in arrears, 86 000 of which were domestic consumers.

At the end of July 1994, the Langa/Guguletu area owed R21,5m in arrears, R22,8m was owed in sub-economic housing areas where the council had made repayment arrangements, while the rest of the city owed R14,5m.

Landberg blamed the arrears on political factors and the economy. Communication between the council and consumers would be improved.

□ Sapa reports that Transvaal Local Government Association head Frans Lourens said Eskom should write off all electricity arrears.

Lourens said the issue was a matter of contention in many local government negotiating forums and was delaying local government reforms.

...should also be given the drug for the first time... with former US president Jimmy Carter ended.

# Education spending problems identified

KATHRYN STRACHAN

NEW research on SA's education system, conducted by the World Bank and the ANC-linked Centre for Education Policy Development, has identified many areas of inefficiency despite the substantial increase in education spending in recent years.

The study, released last week, identified inefficiencies in teacher education colleges, where in some departments' per capita costs had risen to well above the level of public spending in SA's best universities.

SA had spent a significant and growing share of total budget resources on education over the past seven years.

Public education spending had grown from nearly R10bn in 1987 to more than R27bn this year, representing a rise in education's share of total budgetary resources from 22,9% to 24,4%.

As a percentage of GNP, education spending increased from 5,8% to 7,3% over the study period. Comparisons with other middle-income countries indicated that this level of spending was relatively high.

In real terms, spending had increased at approximately 5,2% annually, outpacing annual population growth of 2,2%.

Racially, spending remained extremely unevenly distributed and had not kept pace with inflation.

Despite progress towards equalising recurrent expenditure in the various racial departments over the past five years, spending continued to be characterised by glaring disparities.

The study was undertaken because of concern about the quality and availability of information on public expenditure on education. The research allowed education planners to recognise the enormous effect of past spending patterns.

"It provides the most comprehensive picture yet of the scope and patterns of education spending in the past, and provides a solid basis for assessing proposed policy changes in the future," the researchers said.

The study found that as education in SA historically had been racially divided, spending had been inequitable and planning had been based on ideology rather than on need.

The study also found that the schooling sector absorbed more than 70% of total recurrent expenditure, rising steadily from 71% to over 76% during the study period. The largest single share was allocated to primary education.

Spending on universities was next in line, although the share spent on this programme had fallen from 13% in 1987/88 to 10% in 1991/92.

Public spending on teacher education and technikons remained fairly constant at about 3% while the budget share targeted at technical colleges fell from 2% to 1,5% between 1987/88 and 1991/92.

However, very limited public resources had been allocated for pre-primary and remedial education (around 0,4% for each) and adult and vocational education (down from 0,5% at the start of the period to 0,3% at the end).

Spending on teacher salaries had grown faster than overall education spending, with some departments' salaries constituting more than 90% of schooling.

This trend meant there were very few resources left for capital development, educational materials and support.

## Country

Requirements maximum

a proposal to Bengu to "ad chance" who have have successful programmes, are in no way opening of

## School feeding scheme in trouble

NOMAVENDA MATHIANE

THE school feeding scheme which kicked off on September 1 has already run into problems, according to submissions made yesterday to the PWV health standing committee by the National Nutrition and Social Development Programme.

While more than 20 companies have applied to service 146 schools in the PWV region, only two have the capacity to do so, while a lack of telephones at schools, bad roads and poor directions to schools have caused delays in the distribution of food to some outlying areas.

Programme director Marie Steyn said her organisation was looking at obtaining the services of local entrepreneurs and food vendors to prepare and distribute food at schools.

In some areas, children received

stale bread because the slices of bread had been buttered days before they were served.

Regarding the adult feeding scheme, she said her department had a budget of R68m, but had already received applications for R300m in assistance for next year.

Steyn said unemployment was the major cause of the hike in the budget.

Although the scheme was funded by the nutrition programme, it was operating through non-governmental organisations which sometimes experienced problems from political parties. "Before the elections some people pressurised non-governmental organisations into not catering for

other groups of people."

Recipients of funds from the programme are trained in bookkeeping, encouraged to obtain three quotations before making purchases, and encouraged to buy from local retailers. They are then given a "kickstart" advance of 25% of their budget.

The programme targets families living below the subsistence line, children under two, the chronically ill and the unemployed.

The food parcels consist of milk, maize meal, bread, sunflower oil, sugar, coffee or tea, syrup or jam, tinned fish and vegetables.

Strict monitoring controls on distribution and accounts had been instituted, Steyn said. In the Orange Farm district alone, 18 cases of fraud were reported to the police.



## 'Give us a share of work'

THE government should allocate a percentage of its works contracts to black businesses, top entrepreneur Israel Skosana has told a Cape Town Reconstruction and Development conference.

Mr Skosana, executive director of National Sorghum Breweries — the country's largest black-owned-and-run concern — said black business in South Africa was in "a parlous state".

The government had to take decisive steps to enable black-owned businesses to play a role within the mainstream of the economy, he told the Association for the Advancement of Black Accountants' RDP congress yesterday.

Apart from allocating a certain percentage of tenders to black businesses, the government should set companies affirmative action targets.

For a period companies should be required to appoint and provide upward mobility to black managers.

# Cosatu chief warns on belt-tightening

Reports by JOHN VILJOEN  
Business Staff

TOP trade unionist Ebrahim Patel has warned politicians against lecturing workers and the black community about restraint and the tightening of belts.

Mr Patel, a Congress of South African Trade Unions executive committee member, also warned the government yesterday not to turn against striking workers and protesting citizens due to fear of delaying the Reconstruction and Development Programme.

The RDP had major potential benefits for organised labour, but there were "dangers and threats" to fulfilling its vision, he told a Cape Town conference.

These threats did not arise from the content of the RDP but from the way it was or was not applied.

The first threat was from some businessmen who used the RDP as a stick against workers, saying they were damaging the programme by striking for a living wage.

The RDP called for a living wage and endorsed the right to strike, Mr Patel told the Association for the Advancement of Black Accountants conference.

Society had "every prospect of falling apart" if these initiatives by some businessmen succeeded in turning workers against the RDP.

The second threat to the RDP was from the government itself. Elements in the bureaucracy could engage in actions to paralyse the government.

If the government failed to address the inequalities of wealth, power, skills and ownership it would be judged harshly.

# No vouchers — but emergency plans are made

(297) ARG 20/9/94

## Staff Reporter

HUNDREDS of people who had been waiting since 4.30 am today for food vouchers at the Wynberg regional office of the Department of Social Services, slowly made their way home after being told that no vouchers would be issued from the office.

Emergency plans have been made to provide relief for unemployed and hungry people besieging the office.

An official from the department, ac-

companied by security personnel, handed out leaflets, written in English, Afrikaans and Xhosa, telling people that no vouchers would be issued today.

The official then spoke to people, telling them the chief director of the department was meeting community leaders to arrange ways of distributing the vouchers to them in their communities.

Regional director Ruby Michaels said the chief director of the department, Ebrahim Jarridien, was working on a

plan to distribute vouchers to people in their own communities.

More than a thousand people, mostly from Cape Town's black townships, began arriving at the Wynberg offices from about 4.30 am today.

Most people voiced their objection to the idea of distribution in their areas.

Rita van Wyk of Philippi said if the vouchers were distributed in the townships, only family and friends of those doing the distribution would benefit.



# Major deal!

<sup>(297) ARG 20/9/94</sup>  
British prime minister pledges another  
R530 million in aid for South Africa

**CLIVE SAWYER, Political Correspondent**

**BRITAIN** is to commit a further R530 million in investment and development aid to South Africa in the next three years, British Prime Minister John Major said today.

He told a special gathering of members of the national assembly and the senate that his country and South Africa would have a "fellowship for the future".

Part of this fellowship would be a partnership in turning the tide in Africa towards economic success.

The strategy would include pre-empting repeats of the wars which had ravaged Africa in past decades.

**POINT OF INTEREST:**

Prime Minister John Major asks President Mandela about an aspect of the gardens of Tuynhuys after their meeting there today.

Picture: ANDREW INGRAM, The Argus







Britain would support the Reconstruction and Development Programme through business investment and development assistance.

Overseas Development Minister Lynda Chalker would work with the South African government to channel R350 million into the RDP. The rest would be contributed through the European Union and the Commonwealth Development Corporation.

Mr Major said the United Kingdom wanted to develop a "dynamic partnership in trade and investment".

President Mandela and Mr Major today signed an investment promotion and protection agreement, which will ease mutual investment between the two countries. The agreement was one of four in the fields of economics, defence, science and technology.

"I hope we can develop a fellowship in international affairs and in the Commonwealth," Mr Major said.

Africa had a chance of a new beginning, in spite of its traumatic conflicts and appalling humanitarian disasters.

Mr Major said the continent needed a "strong, vigorous and benign" South Africa.

"Outside aid can do almost nothing without internal self-help. There is a new mood of economic realism. Market-based strategies are being adopted.

"Britain would like to work closely with South Africa, as with other interested parties, to turn the tide at last in this continent."

Mr Major said an entirely new effort at "preventive diplomacy" was long overdue.

Reflecting on the "34 long years" since a British prime minister last visited South Africa, Mr Major said these had been years of isolation for South Africa.

# Patients turn weeds into veggies

AN ALLOTMENT system at Kensington day hospital is giving unemployed patients the opportunity to grow their own vegetables and make money.

The programme has been running for three months and already the veggies are looking good. The land around the hospital used by the patients is usually covered in weeds and generally neglected.

"The scheme has many benefits, among which are monetary savings for those growing their own vegetables, providing a source of income for the unemployed, improved physical and mental health as a result of exercise and socialising, as well as providing an opportunity for the family to get involved," said Dr Arthur Parsons adding that finding a job was not easy, especially for epileptics.

## Urban areas

Dr Parsons has taken his project one step further and approached Cape Town City Council in connection with making land available in built-up areas, a common practice overseas.

"There are many people who do not have access to a garden. Pensioners would benefit from such a scheme as many live in flats. The advantage of fresh vegetables is that they offer maximum nutritional value," he said.

Anthony Noble, a regular patient at the hospital, only has a small front garden. "I have a few flowers, but no space for vegetables," he said.

Noble has recently taken over an additional plot in the allotment and is busy with cabbages and carrots.

Hospital employee James Joseph runs the allotment and recently started newcomer Edefraan Kamaldien on new land. Kamaldien, an epileptic, said he was looking forward to planting his plot.

## Community

LT 20/9/94

Dr Parsons has provided seeds, but hopes that as the project establishes itself "plot owners" will generate their own funds or seeds.

David Daitz, director of Parks and Forests, said he had seen the allotment system working successfully in the greater Durban urban area, and that while his department could not actively promote the idea, should people come forward with a proposition he would look at it favourably.

"Should it prove feasible, Parks and Forests would be prepared to take the role of facilitator in a partnership with the community."



**OLD HANDS** James Joseph (left) the allotment supervisor and Anthony Noble who was one of the first patients to plant vegetables at the Kensington day hospital.



# Agreement drafted on EU cash aid to SA

(217) ~~217~~  
Own Correspondent

BRUSSELS. — European Union officials are today due to unveil a new framework for future co-operation with South Africa — which should unlock hundreds of millions of rands in new European aid.

The European Commission is due to table the draft agreement, to be signed by both the 12 EU governments and the South African authorities. It is intended to formalise the growing ties between Europe and Pretoria. *CF 21/9/94*

In practical terms, the agreement will unlock new EU cash help for South Africa. It will provide the legal basis for multi-million rand loans from the Luxemburg-based European Investment Bank. It will also pave the way for a big boost in aid from the EU's development budget.

EU Trade Commissioner Sir Leon Brittan is planning a visit to South Africa next month, when he is expected to give a boost to the negotiations.

The draft agreement notes that both sides "desire to strengthen their relations with a view to promoting harmonious, balanced and sustainable social and economic development and, to this end, they hereby agree to step up co-operation in all areas within their respective spheres of competence".

# Food vouchers cause chaos

CT 22/9/94

(297)

Staff Reporter

THERE was chaos at the Khayelitsha police station yesterday when about 3 000 women needing affidavits to qualify for R21 welfare department food vouchers, descended on the station.

A police spokesman said about 3 000 women had arrived at Khayelitsha police station, and a group of about 350 had gone to the Nyanga police station, early yesterday morning.

The officers started to process the affidavits but were soon swamped with the paperwork.

"There was too much work for the policemen at and they were forced to stop," he said.

A Western Cape Welfare Services spokeswoman said the vouchers would be available from about 20 departmental service points across the Western Cape, from Monday. Affidavits would also be processed at those offices.



# SA signs R31m US deal

THE government signed its first bilateral agreement with the US yesterday in a deal involving \$9 million (R31,5m) in aid for the administration of justice.

The agreement was signed with the United States Agency for International Development

The money is aimed at making the administration of justice more accessible, representative, transparent and legitimate.

In signing the agreement, President Nelson Mandela said the number of

blacks who qualified as lawyers and judges compared to whites left much to be desired

Although there had been notable exceptions of judges who had criticised legislation, most judges had identified with the system and the majority of people had little confidence in the ability of the judiciary to dispense justice fairly.

US ambassador Mr Princeton Lyman said the government's commitment to justice was a deeply held principle. — Sapa

(297)

CT 22/9/94

# Welfare should be for the most needy, senate told

VUYO BAVUMA  
Political Staff

(297) ARG 22/9/94  
SOCIAL welfare programmes should be targeted on the most needy, the least powerful and special groups because they are the most vulnerable to poverty, says Deputy Minister of Welfare and Population Development Sankie Nkondo.

Addressing the senate during the welfare budget vote, she said these groups included children under five, women and rural people who were economically marginalised.

Minister of Welfare and Population Development Abe Williams said social grants had to be reviewed to develop a more cost-effective and affordable social security system.

If the present demand for social grants continued, about four-million people would be

eligible for them by 2004. The state could not afford this.

Referring to the fight against poverty, Mr Williams said a multi-professional, multi-sectoral, holistic approach should be developed with the emphasis on development rather than handouts.

A National Party senator caused a stir when he said many people were malnourished because their mothers did not know how to feed them properly.

L I Swanepoel said malnutrition was not therefore caused by poverty as many people claimed.

He was heckled by angry African National Congress senators, who accused him of racism, but the calm Mr Swanepoel rode out the storm during the debate.



CT 22/9/74

## Effective local govt 'essential'

Political Staff

**THE** most critical factor in implementing the RDP was establishing effective local government structures, Minister without Portfolio Mr Jay Naidoo said this week.

In a briefing before the release of the RDP White Paper, Mr Naidoo said that without local government "up and running" the RDP could not succeed. (297)

A system of rewards and penalties would be introduced to encourage local authorities to undergo transition and form non-racial councils.

Councils which had not implemented the Local Government Transition Act were breaking the law and would have "the book thrown at them".

They would also be denied access to RDP funding and would be bypassed in the establishment of public works and other projects, he said. (298)

# Zulu strife



32/9/94

(264)

## State will hold lottery — Naidoo

Political Staff

A NATIONAL lottery will be established to fund the Reconstruction and Development Programme, Minister without Portfolio Mr Jay Naidoo said this week that provincial premiers and central government had agreed in principle that a lottery was an acceptable way to help pay for the RDP. The finer details still needed to be ironed out but they were close to being completed, and the next practical step was setting the lottery in motion, Mr Naidoo said.

It had been decided that a single, national lottery would be created rather than regional versions. According to the RDP White Paper, the RDP fund would draw on the sale of state assets, interest earned from the investment of money in the fund as well as from "other sources of funds", including revenue from lotteries and gambling.

State Expenditure director-general Mr Hannes Smits said it was unlikely the R2.5 billion already allocated to the fund would be used up by the end of the financial year. The balance would be rolled over and invested by the Public Investment Corporation.

Mr Naidoo said the question of using a lottery to fund the RDP was simpler than the wider issue of using revenue from gambling.

The government was awaiting the Wiehahn report on gambling before it would take a position, he said. (297) CT 22/9/94

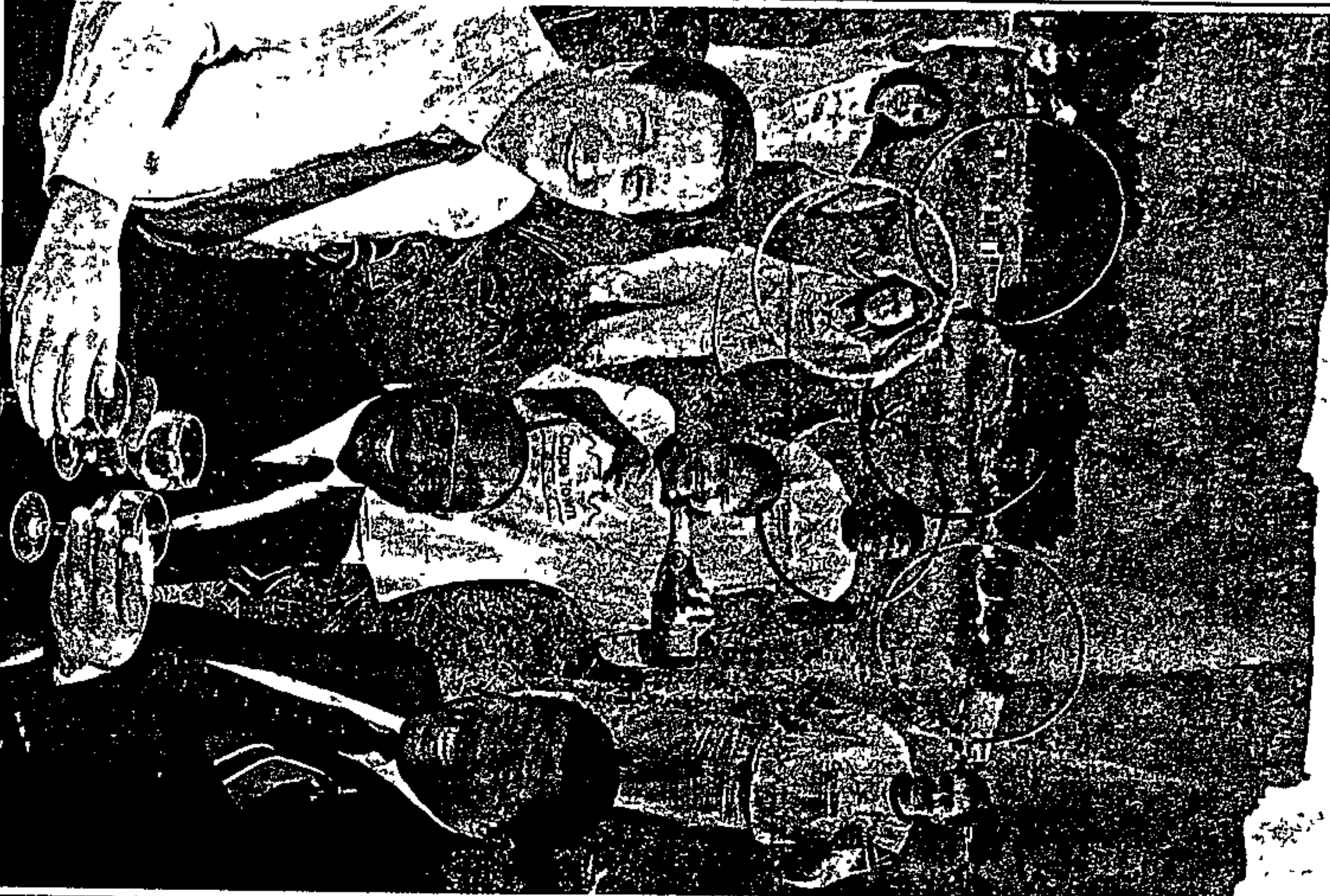
## For the Camera Connoisseur

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ANOTHER VICTORY . National Olympic Committee of SA president Mr Sam Ramsamy (centre) celebrates the central government's backing of the Cape Town 2004 bid with bid co-chairman Mr Ngcande Balfour (right), Mr Kevin Keaveny of Corporate Image, and team members Ms Jenni Liefeldt (top, left), Ms Tamra Velez, Ms Diane Johnson, Ms Veronica Mahlati and Mr Kerry Capstick-Date. ● Report Page 3

Picture: BENNY GOOL

## Snap debate in Parliament

Political Staff, Sapa

THE ANC has called a snap debate in Parliament today on the Zulu crisis — and King Goodwill Zwelithini has been placed under SANDF guard by the central government.

ANC spokesman Mr Mkhomo said the party's executive committee had decided to call for a snap debate on the Zulu crisis. He said the party hoped to persuade King Zwelithini not to go ahead with the Shaka Day celebrations, to reduce the possibility of violence — either by IFP or ANC supporters.

SANDF spokesman Colonel Franz Verhees confirmed last night round-the-clock protection would be provided for the king.

He refused to say how many soldiers would guard the palace.

### 'Not hiding'

Last night, King Goodwill spoke out for the first time on the Zulu power struggle and accused certain "elements" of stabbing him in the back. He also denied in a television interview he was hiding in his palace. "Allegations that I am in hiding are misleading. Even if I wanted to hide, there is no hole for me to hide in," he said he was aware of a "certain plot" and there was "something happening".

Also last night, the government-backed mediation efforts by Deputy President F W de Klerk to resolve friction between the king and Inkatha head Chief Mangosuthu Buthelezi. Speaking in an interpellation debate in Parliament yesterday, Deputy President Thabo Mbeki said the government did not oppose Mr De Klerk's efforts.

Dr Nzamande said it was important to remove perceptions the ANC had backed the king for its own political ends.

He also said the ANC was eager to remove perceptions President Nelson Mandela was unable to go to certain parts of the country after his decision not to attend Saturday's Shaka Day festivities at Slangers.

An Inkatha source said it was clear the king was eager to promote his constitutional position and had chosen the ANC as a vehicle for this.

Meanwhile, preparations for the Shaka Day celebrations are going ahead and members of the Zulu royal family have been invited to attend.

The office of kwazulu/Natal Premier Dr Frank Mdlalose said yesterday the provincial government would pursue its plans for the celebration.

The celebration was discussed by the regional cabinet in Durban yesterday "where it was decided the king did not have the constitutional right to order the regional government to stop the celebrations from going ahead".

It is also in defiance of claims by Prince Mkwizweni Zulu that the celebrations would be "illegal and antagonistic".

Prince Mkwizweni also claimed he had taken over the role of traditional prime minister. This could not be confirmed.

Chief Buthelezi has still not been informed of his dismissal as the king's traditional prime minister.

A spokeswoman at his office in Cape Town said "There was just a meeting of the royal family — no official announcement on an axing has been made".

In Johannesburg, a meeting of Zulu indunas (chiefs) in a room decorated with posters of Chief Buthelezi, resolved to go ahead with festivities.

The kwazulu/Natal branch of the Congress of Traditional Leaders of South Africa (Contralesa) has come out in support of the cancellation of the celebrations.

Contralesa said "We are not going to attend such an occasion, as the king has called it off".

"Attendance at such a ceremony will cause a great division in the Zulu nation."

● Royal house in crisis — Page 6



CT 23/9/94  
**Food voucher  
rush continues**

SOME 800 people descended on the Hout Bay police station yesterday to sign affidavits to qualify for the B21 food stamp voucher (247)

A police spokesman said normal crime prevention patrols had continued in the area.

On Wednesday about 3 000 unemployed women descended on Khayelitsha police station.

# Basic social needs are to be addressed

KEY programmes envisaged in the RDP document are meeting basic needs, developing human resources, building the economy, democratising the State and society.

(297)  
In meeting basic needs, the people of South Africa should become part of the decision-making process on job-creation, land reform, housing, services, water and sanitation, energy, telecommunications, transport, environment, nutrition, health care, social security and social welfare.

The underlying approach of these programmes is that education and training should be available to all. The RDP takes a broad view of education and training, seeing it not only as something that happens in schools or colleges, but in all areas of society — homes, workplaces, public works programmes and youth programmes.

The RDP places an emphasis on affirmative action to unlock the energies and creativity suppressed by racism and discrimination. This redevelopment of human resources will take part in arts and culture

and sport and recreation. If human resource potential is to be developed, then special attention will be paid to the youth, in particular young women.

"Our human resource policy should be aimed at reversing youth marginalisation by empowering youth and allowing them to reach their full potential," the document says. "Programmes for training, education and job creation will enable our youth to play a full role in the reconstruction and development of our society."

"In building the economy we can build on existing strengths in mining, manufacturing, agriculture, commerce, financial services and infrastructure."

"We will also address serious weaknesses in the economy. There are still very clear racial and gender inequalities in ownership, employment and skills. Past industrial policies were an important factor in developing industry, but were accompanied by repressive labour practices, neglect of training, isolation from the world economy and excessive concentration of economic power."



## Programme 'no system of handouts'

Cape Town — The RDP was not a system of government "handouts" to society, Minister Without Portfolio Jay Naidoo said yesterday.

Speaking at a media conference, Naidoo warned against unrealistic expectations.

"We don't have the resources in our country to do everything overnight. We are not giving handouts, we are reallocating resources," he said.

Earlier, at a meeting of the standing committee on the RDP, Naidoo said South Africa needed an "Operation Bootstraps — which means pulling ourselves up by our own bootstraps".

Naidoo also gave an assurance that criticism of the RDP would be encouraged and would not become taboo.

The Government understood that different constituencies would pursue their own aims, he added. — Sapa.



Resources stretched . . . says Jay Naidoo.

*Where will ANC find the cash, demand politicians*

# RDP nitty-gritty ignored

Star 22/9/94

departments would be tested against a "checklist" of RDP requirements from now on.

Public hearings on the White Paper will be held next month.

### 'Realism'

The National Party said in a statement it was delighted by the realism which had entered into RDP planning.

The White Paper provided the basis for a realistic plan to address legitimate aspirations of the country's people, and to manage their expectations.

However, the NP was concerned the document did not go far enough to explain how rapid delivery would be ensured on the ground.

In addition, the NP statement expressed concern about a tendency towards centralised control, arguing that this could delay practical delivery.

business activity in South Africa. The economy is to be opened up to greater participation by a wider range of South Africans but details were not spelt out.

The White Paper confirmed that 17 previously announced projects are already under way to "kick-start" the RDP, but Naidoo stressed the programme should not be judged on specific projects alone.

Its success would depend in great measure on change in the nature of the Government's priorities and procedures.

Among the major points made in the lengthy document were proposals to trim down the civil service by not replacing all staff who resigned, plans to boost the RDP fund through proceeds from a lottery and gambling, as well as aid and the redirection of public funds.

The party repeated its call for the achievement of an accord between Government, organised labour and business.

The Democratic Party was most concerned about the lack of detail on financing the RDP.

"There are sound objectives and sensible processes suggested," the DP said, "but precious little by way of financial specifics." (297)

The White Paper was an improvement on earlier documents in that it paid greater attention to economic growth and fiscal discipline.

It was also stressed that the RDP would fail without "the enthusiastic involvement of communities and local and provincial governments".

The White Paper focuses on the urgent need for upliftment, and also signals Government plans to boost medium-scale



# Parties give plan big welcome

Cape Town — The Inkatha Freedom Party and the Freedom Front yesterday welcomed the RDP White Paper.

IFP spokesman on the RDP, Farouk Cassim, said the Budget review was a "very important element" of the paper.

He welcomed the document's emphasis on technical education, capital investment, fiscal and monetary discipline and competition policy.

The FF's chief spokesman on finance, Dr Willie Botha, said the FF sup-

ported the RDP on condition the Government resisted unreasonable demands from labour; the RDP was not financed through excessive borrowing or excessive additional taxation; it was non-discriminatory; and services were paid for.

"The RDP cannot succeed without the co-operation of all the people in South Africa, the Afrikaner included."

The National Party's chief spokesman on the RDP, Piet Coetzer, said the NP was "delighted"

with the document which was quite different to the RDP put forward by the ANC during the April election.

Democratic Party spokesman on finance Ken Andrew said the document was was disappointing in that it was filled with good intentions but very thin on quantifying the costs involved.

Andrew added that "it cannot be overemphasised that without sustained economic growth, the RDP will fail". — Sapa.

## Naidoo slams 'flat rate' support

Cape Town — Stable local government and reliable payment for services are crucial aspects of a successful RDP, according to Minister Without Portfolio Jay Naidoo.

Speaking at a briefing to mark the launch of the White Paper yesterday, Naidoo lashed out at local communities militating for a "flat rate" for

services.

He said there was no agreement within the Government of National Unity that there should be a flat rate. It was important to determine the cost of services provided and there had to be a relationship between services and the level of payment.

The Government was

examining cross-subsidisation of services to make them affordable.

He repeated earlier warnings that funds for urban infrastructural renewal would be made available only to those local authorities that had undergone transformation in terms of the Local Government Transition Act. — Sapa.



# New RDP document is thin on details, say DP and NP

CLIVE SAWYER  
Political Correspondent

## WHERE'S the beef?

Political parties say a discussion document on the reconstruction and development programme is thin on detail.

Democratic Party finance spokesman Ken Andrew said the document was "full of good intentions but very thin on the costs involved".

Without knowing how the RDP was going to be affordable, it was difficult to be con-

□ 'Full of good intentions, but ...'

fident that its praiseworthy goals would be achieved.

The document, released yesterday, gave more attention than earlier versions to economic growth and fiscal discipline, Mr Andrew said.

Provincial governments should be able to determine their own priorities for RDP programmes.

"The success of the RDP is going to depend on enthusiastic

involvement of communities and local and provincial governments," he said.

"A heavy hand from the national government is the surest way of retarding and distorting development."

The National Party spokesman on the RDP, Piet Coetzer, said the RDP of today looked different to the African National Congress's original draft.

There had been some "sober-

ing up" about the RDP after the election.

The NP was worried that the document did not go far enough on how to get results.

Mr Coetzer said his party was also worried by the tendency towards centralised control.

Steps had to be taken quickly to give powers to provinces and local government

"Results will be achieved quickest if people are able to influence decisions"

ARC 22/9/94 (297)

# Equality RDP target

Sowetan

23/9/94

THE Reconstruction and Development Programme White Paper presented in Parliament this week commits the Government of National Unity to address the problems of poverty and gross inequality in South Africa.

In a preamble written by President Nelson Mandela, he says this can only be done if the economy is firmly on the path of high and sustainable growth.

Achieving the objectives of reconstruction, development and growth will require a national effort from all groups, sectors and communities.

The White Paper on the RDP sets out the initial plans of the Government to orientate its activities fully and effectively towards these goals.

The Government is committed to macro-economic policies which promote the RDP as an integrated growth and development strategy.

Among these are commitments to:

- Reduce the fiscal deficit;

- Ensure that recurrent government expenditure does not increase in real terms;

- Reduce government expenditure over time; (297)

- Change the ratio of government spending towards increased capital expenditure;

- Finance the RDP primarily through restructuring the national, provincial and local government budgets to shift spending, programmes and activities to meet RDP priorities;

- Reorganise and train the civil service to ensure effective and efficient services to all citizens; and

- Develop human resources, facilitate labour market reform and establish effective collective bargaining-based rights for all.

The transformation of all levels of government should not be seen as a new set of projects but rather as a comprehensive redesign and reconstruction of existing activities.

Growth and development are interdependent and mutually reinforcing. Addressing inequalities will expand markets at home, open markets abroad and create opportunities to promote representative ownership of the economy.

To succeed in both areas of endeavour the Government will need active partnership with civil society and with business and labour in particular. While both business and labour have the freedom to protect and promote their immediate interests, it is the government's fervent hope that they will jointly pursue the broader challenges of extending opportunity to the millions of South Africans who have no place in the formal economy.

The publication of the White Paper is an important step in establishing dialogue between government, business, labour and other groups in society where a commitment to common goals can be turned into collective action in concrete programmes, says Mandela.



productive sectors can respond."

There is no longer any talk of "creating new patterns of demand." But there is also no evidence that the potential conflict has been satisfactorily resolved — though Naidoo and his team seem confident it can be. The latest document calls for a "progressive reduction of the overall deficit." The sustainability of the RDP will be at risk if discipline is not maintained."

But deficit reduction cannot start immediately. Government has already circulated guideline figures for 1995-1996 which reflect "no real increase in consumption expenditure."

This means the projected deficit before borrowing will be held at 1994-1995 levels. So things will be no worse — but they will be no better.

However, "in time, government will introduce a zero-based budgetary process" which will replace "the present system of making allocations based on allocations in previous years."

Moreover: "The government's borrowing strategy will consciously avoid taking on debt for development projects that do not generate short-term cash flows. Borrowings will be increased and rationalised for projects for which full or partial cost recovery can be generated."

And, once again, the possibility of privatisation is raised. "New funds," says the White Paper, "will be raised from a number of sources such as donor aid, interest on investments and sales of state assets." This would help reduce government debt, which is now attracting annual interest worth more than 17% of the Budget. This situation is self-perpetuating unless something drastic can be done to halt the spiral.

Says the White Paper: "Increasingly the market evaluation of such a situation was that the government could not curb expenditure, dissaving would continue, the balance of payments would be adversely affected and inflation would rise. As a result, interest rates subsequently rose which, in turn, increased the government debt burden." The document points out that, in the context of such macroeconomic instability, other crucial objectives would be undermined.

The RDP funding is being arranged with these constraints in mind, says the White Paper. Therefore, funding "is geared to cutting government expenditure wherever possible."

However there is a problem in the current fiscal year — a hangover from apartheid: "Certain problems faced the government in achieving this objective in the 1994-1995 Budget. These were the additional transition costs and the incorporation of debt incurred by the former TBVC territories. This raised the stock of debt and interest payments that were previously accounted for as intergovernmental transfers."

Another positive feature of the White Paper is the reference to the status of the Reserve Bank.

The ANC's pre-election document on the RDP proposed a law to change the Act governing the Bank, to ensure a board of directors "that can better serve society as a whole. The board must include representatives from the trade unions and civil society. In future a stronger board of governors should emerge through the appointment of better-qualified individuals."

This immediately raised the question why are trade unionists better qualified than central bankers to run the central bank? And it created the impression that the drafters of the document were preoccupied with issues other than financial stability.

The latest policy document retains only a reference to the need to insulate the bank from partisan interference and make it "accountable to the broader goals of reconstruction and development." Broader goals clearly include financial stability, a point repeatedly raised in recent policy statements and, once again, in this week's White Paper.

"A stable price environment will assist in the restructuring of industry and of collective bargaining structures. Improvements in social wages on a viable basis will also be facilitated by stable prices, since an effective user charge system can be developed."

The point is reinforced when the latest policy document, unlike the ANC's pre-election RDP, says the "main functions of the Bank are to maintain the value of the currency to keep inflation relatively low and to ensure the safety and soundness of the financial system." This leaves open, of course, how low is relatively low, but it at least puts the Bank's responsibilities in perspective.

A veiled threat against the banking sector is retained.

"Government will discourage financial institutions from discriminating on the grounds of race and gender."

In fact, banks discriminate against poor credit risks. To the extent that this involves the same people — the poor — the solution lies in other aspects of the RDP: an improvement in the education and training opportunities of all people. This will increase their earning capacity and, therefore, credit standing.

The White Paper also returns to the issue of anti-trust legislation — reportedly excluded from at least one of the drafts of the Green Paper (an early version of the White Paper) recently circulated to Cabinet Ministers but not published. Says the White Paper:

"The government will introduce strict anti-trust legislation... The central objectives will be to systematically discourage

the system of pyramids where it leads to over-concentration of economic power and interlocking directorships, to abolish numerous anti-competitive practices such as market domination and abuse, and prevent the exploitation of consumers.

"The government will establish a commission to review the structure of control and competition in the economy and develop efficient and democratic solutions. To that end it will consider changes in regulation or management in addition to anti-trust measures."

This would be a pointless exercise, because the promised abolition of exchange control will automatically deconcentrate share ownership as people disinvest domestically and make strategic decisions to diversify abroad.

The tax system is to be reviewed "to ensure it supports and facilitates the aims of the RDP." Comments are moderate and proposals are reasonable — with one exception:

"While the level of tax as a proportion of GDP is in line with international levels, the burden of tax has shifted unfairly from companies to individuals, especially the middle income group (income from R20 000 to R80 000 per year). These taxpayers now contribute about 70% of all personal tax."

The group consists mainly of wage earners plus those receiving private sector pensions. This, of course, is because of fiscal drag, a by-product of inflation which certainly penalises people earning only moderate incomes.

However the White Paper is wrong in its claim that there is excessive indirect taxation. The narrow income tax base excludes not only those who earn too little to qualify as taxpayers but a great many people who simply escape the tax net because they operate largely within the informal sector and no records are kept of their transactions. They are a significant and growing part of the business community and it is clear the only way to tap their earnings is to gather it via their consumption habits. Without this contribution to the fiscus, the RDP will be seriously handicapped. By international standards, Vat is not excessive. In fact, basic foods should be brought back at standard rate in exchange for direct assistance to people who are really poor (possibly through food stamps).

Certainly it will be impossible to compensate for fiscal drag, keep company tax at internationally competitive levels, reduce indirect taxation — and fund the RDP. At this point, the only avenue open is indirect tax.



Naidoo

## LEADING ARTICLES

One way is to increase the efficiency of tax collection and crack down on evasion and leakages. Another constructive idea is to subject exemptions and incentives to a cost-benefit analysis, "followed by an explicit political decision on each," says the Paper. It is doubtful if there is ever merit in special exemptions and incentives — they invariably create unproductive distortions in the economy. But this proposal, if implemented, would be a great improvement on what we have had in the past.

The document's analysis of reorganisation of government following abolition of homelands is simply a reiteration of the

Constitution.

The Financial & Fiscal Commission has yet to produce a plan for revenue-sharing, government grants, establishing revenue sources for all tiers of government and regulating borrowings and guarantees of all tiers of government. (297)

The RDP is to be implemented through a three-year rolling national action plan, within a 10-year National Strategic Framework.

Provinces will, on an annual basis, from the 1996-1997 financial year onwards, develop provincial action plans in consultation with civil society structures.

The White Paper is more coherent and

cogent than earlier versions of the RDP. And it is not littered with glaring inconsistencies.

However, judgment on its validity must be suspended until March. Only when it is possible to put costs on plans and ascertain that they can be funded, will the RDP's credibility be established.

Almost certainly, it will not be possible to adequately fund the RDP as long as the State is burdened with a mushrooming interest bill. Whatever the policy inclinations of the present government, it has inherited a massive and growing state debt and the only remedy is the sale of State assets. ■

Fin 23/9/94



**NEWS FEATURE** *White Paper outlines how Govt of National Unity will address problems*

# RDP aims to get SA working

■ **DEMOCRATIC SOCIETY** *Final*

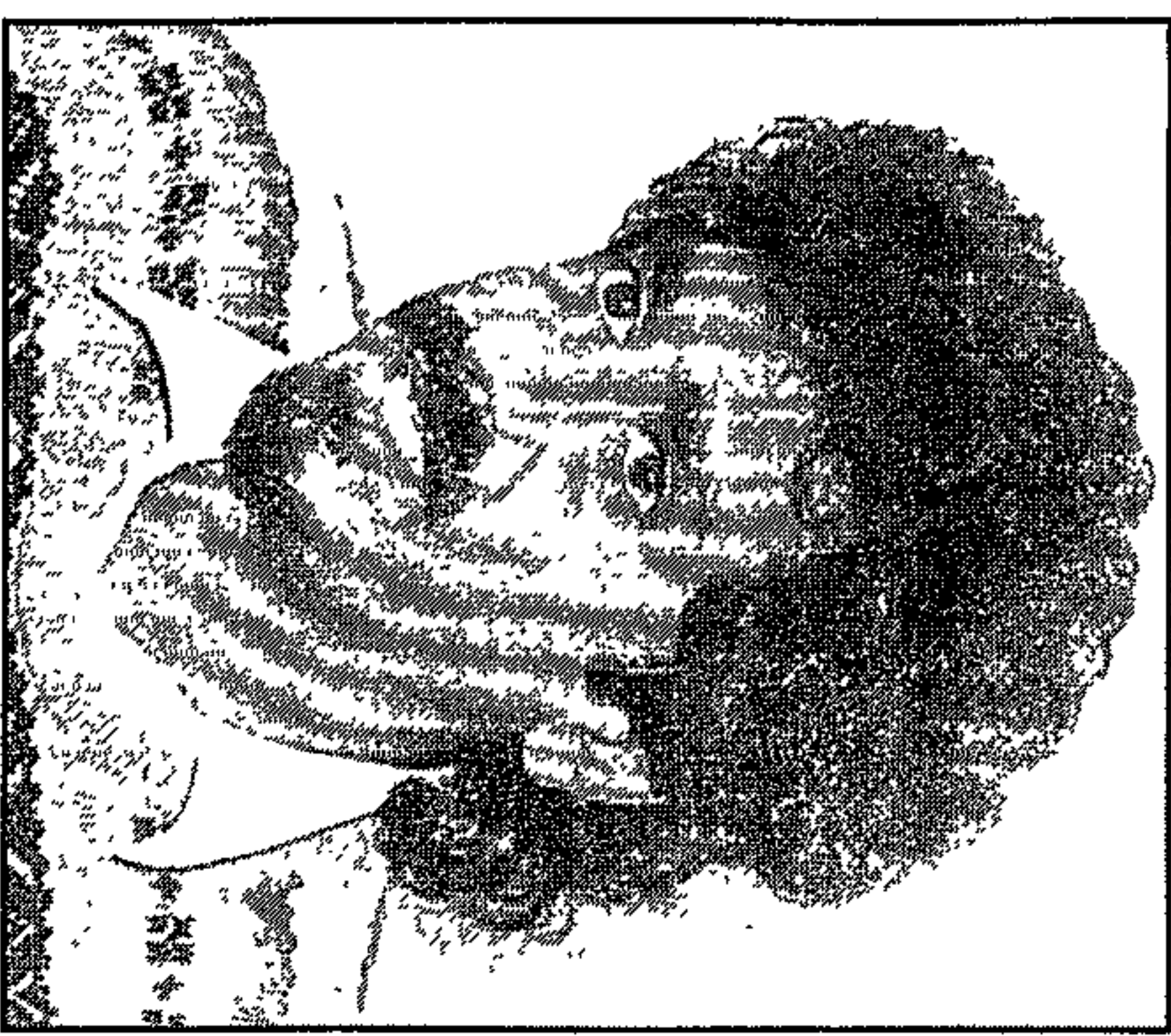
*eradication of the results of apartheid.*

be administered in terms of the RDP Fund

**Nelson Mandela**



**Jay Naidoo**



**W**HAT IS THE RECONSTRUCTION and Development Programme?

The RDP, according to the White Paper, is an integrated and coherent socio-economic policy framework seeking to mobilise all the people of South Africa and its resources towards the final eradication of the results of apartheid and the building of a democratic, non-racial and non-sexist future.

It represents a vision of the fundamental transformation of South Africa, a process which must ensure that the country:

- Develops strong and stable democratic institutions and practices characterised by representativeness and participation;
- Becomes a fully democratic and non-racial society;
- Becomes a prosperous society, having embarked upon a sustainable and environmentally friendly growth and development path; and
- Addresses the moral and ethical development of society.

### PRIORITIES:

The first priority of the RDP is restructuring the way in which the Government itself works. The Government will take the lead in implementation but with clear criteria so that all citizens can become part of the delivery process.

It is expected that every office of government, from the smallest village council to the largest national department will have to be restructured to take forward the RDP.

### FUNDING:

It will be funded in various ways and will

Allocation of funds is controlled by the Ministry without Portfolio.

The primary sources of funding include:

- Money appropriated by Parliament through savings in other departments;
- International aid and donations;
- Interest earned from the investment of money;
- The proceeds from the sale of state properties;
- Revenue from lotteries and gambling, and
- Revenues redirected by local government for use within its jurisdiction.

The fund will, in particular, assist the Government in directing spending away from consumption towards capital investment.

### EMPLOYMENT:

The creation of employment is a central tenet of the economic policy framework.

The Government will facilitate labour intensive methods in the public sector through the National Public Works Programme as devised and administered by the Department of Public Works.

It is essential that there is greater participation in the economy and that existing ownership patterns become less concentrated, more racially inclusive and that small, medium and micro enterprises account for a substantially bigger part of economic activity. These programmes will require that government addresses the discriminatory practices of the past that have left a legacy of inequality.

- In the labour market discriminatory practices of the past have distorted collective bargaining and left the workforce with a distorted and inadequate skills base. In both these areas substantial progress has been made in recent years. The intention is to build on these gains.



# SA nutrition aid 'has failed to reach needy'

JOHANNESBURG. — South Africa has the resources to greatly improve the health and nutrition of its people but the government network had failed to reach the most needy, the United Nations Children's Fund said yesterday.

Unicef representative in South Africa Ms Scholastica Kimaryo told Operation Hunger's annual meeting here major progress in health and nutrition could be made by 2000 if resources were "properly redirected".

"Measurable results" could be seen by the end of next year, she said.

She said Unicef would apply its ex-

perience in other countries and "some limited direct financial support" to help South Africa reach marginalised communities.

● Operation Hunger urged the government yesterday to remove administrators with "apartheid ways" who were blocking social and economic development programmes.

Executive director Mr Mpho Mashinini said "no past oppressor can change into an overnight liberator".

Mr Mashinini said Operation Hunger had applied to the government for R20 million for its 1994/95 programmes, but had only received R1m.

— Sapa



# Not only the destitute need roofs and shelter

AKK 24/9/14

(297)

■ Destitute people who receive shelter are sometimes better off than those with tiny incomes or pensions which are too small to pay for a roof over their heads. But, at last, these people also have somewhere to go to in Cape Town.

**DALE KNEEN**  
Weekend Argus Reporter

**WHEN** business executive Graeme Laitiwaite cruised home in his Mercedes-Benz and saw homeless people lying on the street, it bothered him.

But, he didn't simply think that the government, the City Council or some welfare organisation should do something about the problem.

He called up the Haven Nightshelter Organisation and asked what he could do.

Today Graeme, corporate operations manager for Pick'n Pay, has another job.

He's the chairman of a group of people who pooled their expertise to raise funds to open a home in the city for destitute people.

And they've managed to do it.

The group is called the Henderson Haven Committee and it will be opening the Henderson Haven Home in Chapel Street, Woodstock, next month.

This home, however, is different from the many nightshelters that the Haven Nightshelter Organisation has helped to open over the years.

It will be for people who are "functionally destitute" which means those who have a small income but not enough to pay for accommodation.

Said Ruth O'Regan, a social worker for The Haven, "It's heartbreaking to have to turn people away from nightshelters to give preference to those who have no income at all."

The Henderson Haven Home will provide overnight or monthly accommodation for people who are working, but who earn only a little or who receive small pensions.

The building in which the home will be situated is the old Moira Henderson House, which is owned by the Anglican Church and was once used as a

home for "friendless girls" as unmarried, homeless mothers were once called.

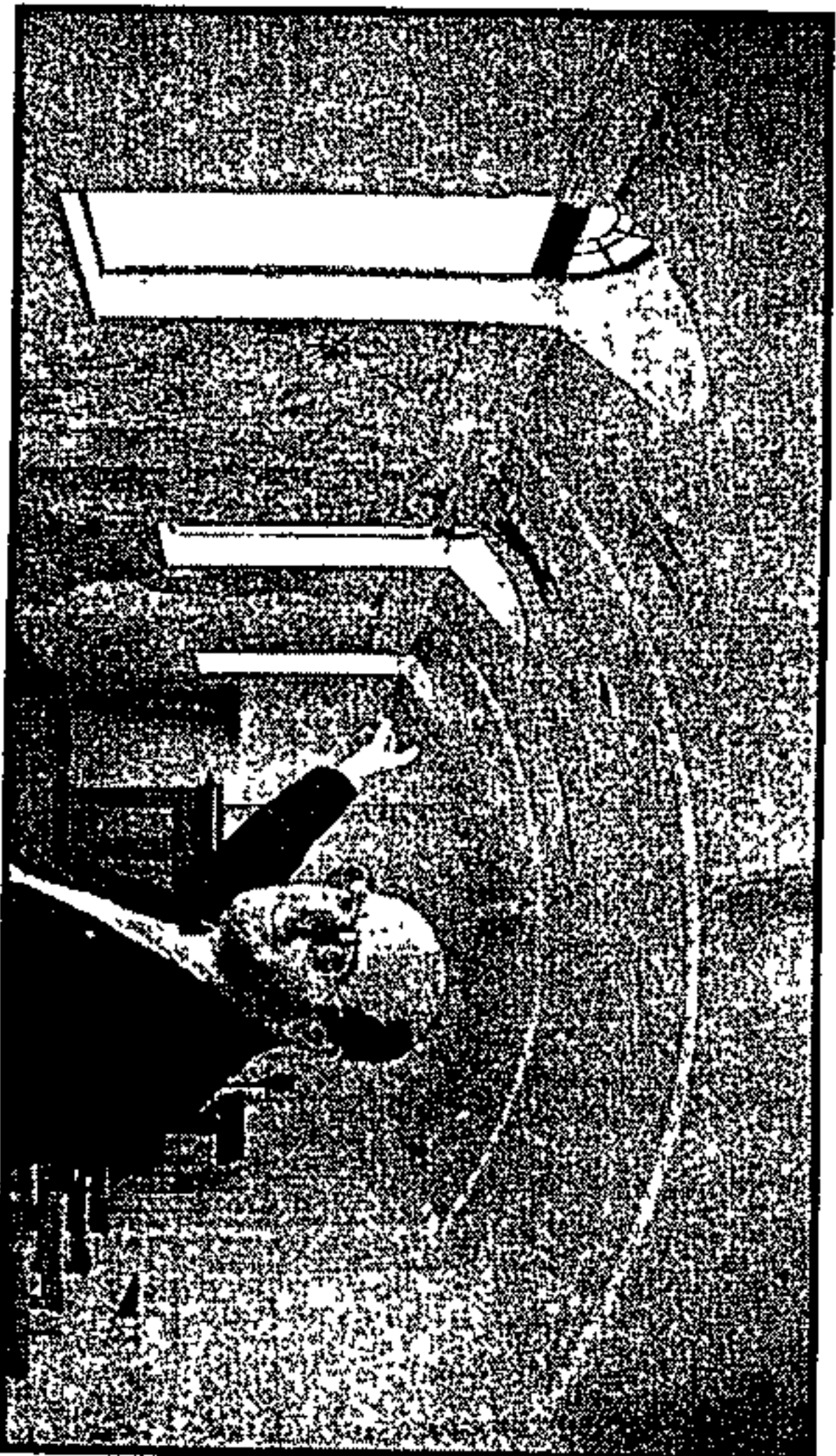
Now men are more likely to fill the home's 60 rooms, which include a reception area, a recreation room, a kitchen, a dining room and a chapel which will be used as a "quiet room."

"We're hoping we will be able to provide a dignified place where people can stay. Each room will be comfortable, inabundant will pay about R5 a night and meals will be available," said Mr Laitiwaite.

The Henderson Haven Committee was looking at the "corporate market" to help fund the running costs of the home and had received already substantial donations from the Strawbridge Trust and Rotor-act in Wynberg.

Getting the slightly rundown building into shape was the responsibility of handyman Riaan Fourie, who was, until recently, homeless himself.

The Henderson Haven Home is looking for a couple who would be able to be caretakers of the building. Those interested may telephone 419 1255



Pictures: ROY WIGLEY, Weekend Argus.

□ **NEW HOME:** Graeme Laitiwaite, chairman of the Henderson Haven Committee, with handyman Riaan Fourie outside Moira Henderson House, above, which is to become a haven for the homeless.

□ **CHAPEL STREET:** Graeme Laitiwaite looks at what needs to be renovated in an old chapel, left, Chapel Street's Moira Henderson House.

## SDU members freed

**JOHANNESBURG.** — Four forum members had said "in a threatening way" that the safety of policemen in Tembisa after their arrest for the alleged possession of eight illegal firearms.

The four suspects were freed after a crowd demonstrated for their release outside Tembisa police station on the East Rand.

Police claimed community

Police said the men's release had been agreed at a meeting with SDU members and community forum members attended by PWV regional MP Robert McBride. — Sapa



# RDP 'will deliver the goods'

Business Staff

(297) ARG 27/9/94  
TIGHT control on spending was critical if key social projects within the Reconstruction and Development Programme (RDP) were to survive, Jay Naidoo, minister responsible for the RDP, has said.

Future Budgets presented to parliament would be accompanied by an RDP report evaluating spending, Mr Naidoo told the Wesgro annual general meeting yesterday.

Social programmes had been the first to be cut in other developing countries where governments had printed more money to cope with overspending.

Tight control would be kept over the billions allocated to the RDP fund and the money would not be allocated to add-on projects, "no matter how commendable", but be used as a top-up to pay for national development.

"We are very conscious that unless we maintain fiscal discipline the medium to long-term sustainability of the RDP will be at risk," he

said.  
"In the wake of recent demands made on the government we must appreciate that meeting often legitimate expectations of our people will mean that the ability of government to meet the needs of the poorest sections of our society will be compromised."

The RDP White Paper called for a public service that was accessible, transparent, accountable and efficient, but also suggested that not all vacancies would be filled.

Every cent spent by government and every new position created had to be judged on whether it added to the process of providing effective service to the population.

The government was "going to deliver the goods", Mr Naidoo said.

Those who regarded the government as weak and divided were making a mistake.

No matter what crises hit the government from time to time it would act coherently to fulfilling the aims of the RDP, he said.

# 'Reconstruction could be a tool of domination'

(297) ARC 27/9/94  
□ Expert's warning on 'populist' RDP

## Staff Reporter

THE Reconstruction and Development Programme threatens to continue oppressive apartheid traditions and become an instrument of domination that sacrifices individual rights in the name of "the people".

This was said by political analyst Seshi Chonco at the Democratic Party's regional congress at the University of Cape Town at the weekend.

"The RDP, if it is to take us anywhere, must be informed by an attempt to strengthen individual responsibility," he said.

"But South Africa's transition remains hegemonic and is so characterised by domination that it poses a threat to democracy."

If the RDP became a populist and collective undertaking, rather than a project of individual empowerment, it would land South Africa in crisis, Dr Chonco said.

Dr Chonco spoke of a "social malaise" engulfing South Africa which included:

- "Conformism and collective consciousness" and a lack of individual initiative and innovation.

- An economy in which affection — or jobs-for-pals — provides an avenue for nepotism and corruption.

- "The elevation of under-achievement in the townships, so that achievers become social outcasts."

- "A sense of collective victimisation and entitlement."

"If the RDP doesn't address these questions then we'll be in for problems," he said.

"The only way to fix our society is to strengthen individual responsibility."

"If the government aims the RDP at 'groups' or 'the people' then it won't work and the very high expectations in the townships won't come close to being met."

"We face a danger of politicians who are populist demagogues using the RDP as an excuse to attack the 'white' press and their political opponents."

"This could lead to a government that curtails freedom of expression and justifies repression in terms of 'national dangers', just as the apartheid government did."

"We are already seeing these trends beginning to emerge."

Dr Chonco made a strong appeal to the government to respect individual choice, saying this was the only way to restore people's self-respect.

"We must never undermine the right of people to order their lives as they will."

"The RDP, rather than making resources available to people, should make skills available so they can be empowered as individuals."

"This is the only way to counter the acceptance of victim status that makes many young people not just unemployed but unemployable and gives rise to criminal gangs and the breakdown of the family."



# Food coupons to poor halted

By GLYNNIS UNDERHILL

FOOD coupons to the poor have been halted — after a week of chaos in which people first besieged a welfare office for coupons and then police stations for affidavits needed for a coupon.

Yesterday, the Department of Social Welfare Services in the Western Cape said food coupons were stopped "at the request of civic leaders".

Township residents streamed to the department office in Wynberg last week to queue in vain for the promised food coupons.

Once word got out to the black community now qualified for the aid under the new government, there was no stopping the hungry who queued for days outside the offices.

Crowds also besieged police stations when it became necessary to make an affidavit to claim a coupon.

## Relief kitty of R1,9m too little

Department spokesman Ms Sonja Blignaut said a meeting had been held with community leaders from Khayelitsha, Nyanga, Guguletu and Hout Bay last week.

"The community leaders feel it would be unfair to implement the scheme, as the available R1,9 million would be insufficient for the estimated 600 000 unem-

(297) CT 27/9/94  
ployed people in Khayelitsha alone," she said.

The scheme had been suspended with immediate effect as the leaders had felt all or none must receive vouchers, Ms Blignaut said.

There is general concern at the Department of Social Welfare that little is being done to feed the poor in the Western Cape due to the chronic shortage of funds. More than 92% of the department's budget in the Western Cape is allocated to pensions, Ms Blignaut said.

Last week, chief director of the department Dr E I Jarodien said the department would continue to issue food coupons until the social relief kitty of R1,9m ran dry.

More funds would then be sought to continue with the scheme, he said.

Ms Blignaut said consultation with other communities on the issue would take place.



CAPE

# Cafda: Half a century of working wonders

Staff Reporter

TIMOTIES Jennecke, 80, leans against his rickety gate, his wizened face telling the story of a lifetime of poverty and survival.

Behind him is his modest red brick house in an overgrown garden which is strewn with old tyres, rusting metal and the flotsam and jetsam of decades — but boasting a jungle of exotic trees that is testimony to Mr Jennecke's green fingers.

Mr Jennecke, a former gardener, and his wife Christina, 74, are among the oldest residents in a village of over 300 houses that forms part of the "empire of good deeds" of the Cape Flats Distress Association (Cafda), which held its 50th anniversary annual meeting yesterday.

The Jennecks cook their meals outside and leave their dilapidated house littered with debris.

They pay R9.81 a week in rent and visit the nearby Cafda community centre daily.

"Mrs Jennecke brings us flowers when she's happy", says a Cafda social worker.

Across the street from the Jennecks, retired char Frieda Meyer's renovated house looks as if it belongs in another world, although all

the houses in the village in Retreat were identical when they were built by Cafda 40 years ago.

Mrs Meyer's close relationship with Cafda during her 30 years in the village has included bringing up a foster child along with her own six children as part of Cafda's social work programme.

The Meyers and the Jennecks agree wholeheartedly on one thing: Cafda has worked wonders.

Last week Cafda raised a 50th anniversary flag at its Grassy Park headquarters to mark half a century of service to the people of the Cape Flats.

Cafda's projects range from child care to senior citizen support, from literacy training to dance classes.

The association also runs a place of safety for neglected and abused children.

One of Cafda's newest projects is a hugely popular computer training centre which has an enrolment of 500 and a waiting list of 200.

"Cafda intends to focus increasingly on the empowerment of people, and the computer training project is an example," said warden Derrick Finnum

"Our philosophy is one of 'build-

ups', not 'hand-outs,'" he said.

However, all is not well: Cafda this year ran at a loss of R320 000, and the association is appealing to the Cape Town public to dig deep into their pockets and support Cafda's vital programmes for another 50 years.

A substantial portion of Caf-



Picture HANNES THIAAT, The Argus

## HOISTING THE FLAG:

Community workers and preschool children celebrate 50 years of Cafda service to the people of the Cape Flats. Cafda's projects include child care and senior citizen support.

da's funding comes from its second-hand bookshops in Claremont and Sea Point, which are staffed entirely by volunteers.

Donations of books are constantly being sought, and books are readily collected by Cafda volunteers: anyone willing to donate books is asked to call 706-2050 or fax 706-3013.



# RDP 'will crash' if payments boycotts spread

(297) (23)  
ANDREA WEISS, Municipal Reporter

THE reconstruction and development programme will collapse if non-payment for services spreads to areas where people have traditionally paid, Committee of Provincial Affairs chairman Thozamile Botha said today.

Mr Botha was speaking at an electrification conference in Cape Town about how to supply electricity to as many people as possible without undermining a valuable source of income for local authorities.

Cities like Cape Town that had their own source of electricity had been using the income to finance other services, he said.

Mr Botha warned that white communities would not tolerate a huge increase in rates to subsidise any revenue lost if electricity was no longer earning income for local authorities.

It was critical to maintain political and social stability during the transitional period.

Local authorities had become dependent on resources generated by electricity. This had to be remembered because local authorities would need the money as they incorporated underfunded areas.

The ideal was to provide electricity to as many as possible on a sustainable basis.

In the white areas there had been cross-subsidisation from electricity to other services while in black areas there was a culture of non-payment.

"Non-payment has caused so many problems. If more problems are created, forcing people into non-payment, then you can forget about all the nice talk about the RDP and development. It is going to collapse and fall flat," said Mr Botha.

## 'Arrears could damage RDP'

WRITING off rent and service charges could undermine the reconstruction and development programme and affect government's ability to meet the needs of the poorest of the poor, says Jay Naidoo, minister in charge of the programme.

Although some of the demands to scrap rent and service charge arrears were legitimate, the affordability of those charges had to be discussed, he said at the annual meeting of the Western Cape development association Westgro.

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"We have to insist that when we negotiate those charges it has to be within a coherent and integrated strategy and it has to relate to cost of those services."

"Otherwise it undermines the legitimacy of the reconstruction and development programme as an overall programme."

He said the government was serious about "delivering the goods". — Sapa.



## Germany expands aid to SA to over R110m

Political Correspondent (297)

GERMANY has decided to expand its development aid to South Africa for 1994 and 1995 to over R110 million in a bid "to overcome the disparity created by decades of apartheid".

Germany's federal minister of economic co-operation and development Mr Carl-Dieter Spronger announced the German government had decided to expand its development co-operation in view of recent political changes.

Cf 28/9/94

# Foreign funding likely to dry up

Star 28/9/94

**OVERSEAS agencies have been generous to non-governmental organisations in this country, writes Glenda Daniels**

**I**s talk of the imminent closure of many non-governmental organisations (NGOs) due to a lack of funding — mainly from abroad — merely alarmist hype? Many of the 54 000 NGOs in this country fear that overseas funders may not, in the light of political change, see the need for the continued funding of NGOs. Indications are that overseas funders would like to see NGOs generating some of their own funds.

Some of the main overseas funders include US Aid, the European Union (EU), the British Consulate and the Danish Embassy. Last year South Africa received \$307 million (about R1.1 billion) in foreign aid from these and other agencies.

But what are the donors' guidelines?

The biggest overseas donor is the European Union, consisting of Belgium, Denmark, France, Germany, Greece, Italy, Ireland, the Netherlands, Portugal, Spain and the UK. The EU says its support "should be viewed as a limited resource, which is likely to decline over time." It envisages that South African NGOs should eventually be able to raise funds internally.

The EU policy document says future funding will favour organisations that are involved in the Reconstruction and Development Programme. The criteria would include that:

■ Projects should take into ac-

count regional and also national policy.

■ Projects should seek to address poverty and the marginalisation of sections of the population through discrimination.

■ Projects should make efficient use of financial, human and other available resources.

Among those supporting the continued support for NGOs is Inger Heldal of Norwegian People's Aid (NPA). Pointing out that aid to South Africa was increasing from government to government, rather than from governments to NGOs — she said:

"It is important to help NGOs to survive but we are very conscious that this should be linked to the RDP."

For instance, while in the past the NPA had given money to the ANC, it was now reviewing its position because the ANC had become a political party. Areas in which Norway was keen to render support included women's issues, the environment, youth development, skills training, job creation and cultural projects.

"There are new challenges now. We are not about to withdraw, we should be around for at least five years. The main

thing overseas funders should do is listen to the NGOs of South Africa," Heldal said.

This, however, will not allay the fears of all NGOs, some of which are seriously considering closure or mergers.

Horst Kleinschmidt of Kagiso Trust, which is considering a merger with the Independent Development Trust, said: "Because of the affinity between the organisations, this is being considered." He could not put a time frame on the proposed merger.

Zane Dangor, acting director of the Development Resources Centre, said NGOs now tended to opt for retrenchments and freezing of employment.

According to sources, changes sought by funders included:

■ A shift away from the human rights projects of the past. "Some of them think the struggle is over. They say the pressure is off because official repression does not exist any more," said one source.

■ A detailed justification for continued funding and sound accounting practices.

Those in favour of the continued existence of NGOs believe they would be good for a healthy civic culture and for democracy to flourish.

Some NGOs that have closed recently due to a lack of funding, and their functions:

■ Work in Progress magazine — media, mainly labour and political debate.

■ New Era magazine — same as above.

■ A/A — media agency involved in the dissemination of information between African countries.

■ Peace Action (in the process of closing) — monitoring violence.

■ Computer Education Programme — community computer training.

**NGOs still in existence and their areas of operation:**

■ Sached — involved in higher education, distance learning, tutoring.

■ Sadeef — legal aid.

■ HRC — collecting violence data and statistics.

■ IMSSA — arbitration, mediation, reconciliation

■ Joint Enrichment Project — youth projects.

■ Independent Development Trust — funding housing, projects, education.

■ Lawyers for Human Rights — human rights law.

■ Legal Resources Centre — legal aid and advice service.



# Paint and plaster peeling, but spirit is healing

**ST ANNE'S HOME in Woodstock is embarking on a new project — a shelter and rehabilitation service for street mothers and their children. GORBY BOWES TAYLOR talks to principal Fiona du Toit.**

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(217)

St Anne's Home has been providing shelter, care and empowerment for destitute and disadvantaged mothers and their children since 1904.

As chairperson Jacqui Ross points out, the house needs plastering, painting, plumbing and renovations, but it's easy to see that the spirit there is in good repair.

"With enough support and backing we want to open a street mothers shelter," says principal Fiona du Toit. "We want to give a chance for change to the vagrants, beggars and homeless mothers with babies. We want to motivate them and support their efforts to get themselves off the streets."

"In particular, we want to reach out to their vulnerable children. To prevent illness and death of these children and save those who are mothered by women unwilling to change their lifestyle and thus place their children at risk."

No other such service exists for these women; the night shelters do not cater for babies. St Anne's has found that its empowerment programme aimed at the women currently in its care, is too structured for many street mothers.

"We therefore intend looking at other options and are considering the setting up of a three-phase programme where the street mothers will move from minimum to maximum structure and responsibility as they are ready, willing and able to cope," Mrs Du Toit said.

Just offering a night shelter is not enough as it can simply encourage a street mother's present life style.

St Anne's goal is to reduce the numbers of mothers and babies on the street, improve their quality of life, empower them to want to become self-sufficient and established within the community.

The home is currently gathering statistics and learning from the street mothers themselves how they came to be on the street (their pregnancy is often the result of rape and incest), what services do exist and what the best approach would be. The residents of the home are assisting in the research.

Fund raising is of course a priority — a building would cost around R250 000, with running costs about R40 000 a month. St Anne's has approached big business and high profile people to get this project off the ground.

"We need all the help we can get," says Mrs Du Toit. "Having worked at St Anne's for three years I have experienced a definite unpopularity of women/mothers/unmarried/battered women."

"They are still blamed and very little sympathy exists. My attitude is that they are adults, mothers and must take responsibility. We have a short-focussed programme that encourages women who have been victims of abuse and circumstances to take their lives into their own hands and become independent of welfare assistance."

"Our programme with street mothers will adopt this same tough love attitude."

St Anne's is a non-government organisation under the Patronage of Archbishop Desmond Tutu. There are six staff members and a management committee elected on ability, involvement and positive contribution. The home currently offers its services to destitute, abused, rejected and disadvantaged women and their children from throughout South Africa.

St Anne's originated in 1904, when a group of people from the Anglican Church worked together to obtain a house for any woman or girl in need.



□ A place mothers and babies call home

**HOME AWAY FROM HOME** St Anne's Home principal Fiona du Toit, staff member Charlene Petersen and St Anne's residents Hazel Roberts and Kathy Gilbert wear their distinctive red T-shirts to talk to street mother Christine and her son. The other children also live at St Anne's.

Picture: OBEID ZILWA, The Argus.

woman and their children.

● The empowering of the women they serve to become confident, responsible, independent and good mothers to their children.

● The reconstruction of the family through the prevention of removal of children from their mothers. St Anne's keep single parent families together when all else fails them. A child has the right to be brought up by his/her own mother.

● The home offers: Shelter and care, child care facilities, counselling and group work, training for the labour market, life skills training, programmes, spiritual input, community involvement in management; a Homes for Hurt Mothers project after care service; and, hopefully, shelter for street mothers.

● St Anne's goals are:

● The holistic treatment of disadvantaged and abused

The premises were sold and a smaller more homely house in Balfour Street was acquired. This continues to function as the short-term shelter and the pre-school and office are also situated here.

In December St Anne's bought another house, in Listowel Road, to use as a Second-Stage House. In February, 1994, the first women and children moved into this house, which is for employed women and is called Peace Haven.

The demand grew and later larger more suitable premises were required. Thus a new home on the same site in Chapel Street, Woodstock, was built to accommodate 25 women.

This home was officially opened on April 9, 1992, by Lady Duncan and named St Anne's Home.

In 1989 a comprehensive evaluation of the service was done and the recommendations made were implemented.

## MEAT MADNESS!

We have used our buying power to drive down the price of meat — take the Makro wholesale

● St Anne's Home, 48 Balfour Street, Woodstock 7925. Tel: (021) 448-6792. (FR 08800330003)

# Bigger local govt role in welfare urged

Star 31/10/94

■ BY JO-ANNE COLLINGE

Local authorities will become a major agent for welfare services and social development, if PWV MEC for Welfare Sakkie Blanche has his way.

Non-governmental social development forums should be constituted in every municipal area to guide local authorities in the development of programmes, he said at the weekend.

By involving local government in rendering these welfare and development co-or-

inating services, we will not only involve them in addressing welfare problems at grassroots level, but we will empower the forums and therefore make the people responsible for how they spend their own taxes," Blanche argued. (297)

"Local councillors will be held responsible if they spend more money on heated swimming pools, airfields and golf courses than on facilities for the aged, the disabled and the needy."

The devolution of major State responsibility for wel-

fare to the third tier did not imply that the role of non-governmental welfare organisations would be reduced in any way, he said.

Acknowledging that the welfare sector was characterised by serious racial imbalances, Blanche said he foresaw that State assistance to some of the most sophisticated services in affluent communities was likely to be curtailed.

If State funding was to be spread equitably, the level of grants to non-governmental organisations would have to

be geared to the most cost-effective forms of service delivery.

He also gave an undertaking that before the four racial welfare departments were finally integrated, the grading of all social workers would be scrutinised so that they were "slotted in" fairly in the new structure.

This was one of the issues which underlay the recent strike by black social workers employed by the province. The social workers had feared they would be prejudiced in the merger.

Area	Sales	Quota	Last Name	First Name	Job Code	Level
CPT	17,000.00	14,000.00				



## Naidoo

5/10/94

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tional development assistance packages and negotiating with donors. (297)

Government wanted, for example, grant aid — so far worth R2,5bn — to be channelled into projects announced in August by President Nelson Mandela. But it was cautious about accepting loan aid because of the fiscal implications. Much of it was tied to credit guarantees.

Naidoo will be meeting all embassies and multilateral agencies on October 13 where "this process will be taken further".

He said a human resource development conference scheduled for October 26-28 would be used to "kickstart" a more coherent relationship between government and international donors. Next year SA would convene a major conference of donors to take the process further.

"This process is of crucial importance to ensure that SA drives our own development programme and that the international community participates as far as possible in that programme," Naidoo said.

## SA to set its own aid rules Naidoo

5/10/94

ALAN FINE

FOREIGN donors had to accept that, unlike most recipients of foreign aid, SA would set its own conditions for the acceptance of aid packages, Minister without Portfolio Jay Naidoo said yesterday.

He was reacting to the Japanese ambassador's reported frustration at the lack of official response to Japan's R1,4bn aid package announced three months ago. There were suggestions that other donors, too, were becoming impatient.

"We welcome international co-operation and building a partnership with the international community in implementing the reconstruction and development programme. But parts of the international community are not used to recipient coun-

tries laying down conditions," Naidoo said.

"Our programme has been developed largely in SA by South Africans. We are not holding out a begging bowl. Aid must be structured to ensure it advances our goals of reducing the government deficit and consumption and to ensure the RDP is a sustainable programme." (297)

For this reason, Naidoo said, the Inter-departmental Development Co-operation Committee (IDDCC) — composed of the RDP ministry and the departments of Foreign Affairs, Finance and Trade and Industry — had been analysing all interna-

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# RDP gets World Bank aid

STimes (Bus)  
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WORLD Bank officials will meet the SA government within the next few weeks to discuss which projects in the reconstruction and development programme are suitable for funding by the institution.

A priority list is being compiled by a committee approved by the Cabinet to liaise with foreign funders and government departments charged with implementing the RDP.

Senior World Bank officials gathered in Madrid this week for the IMF/World Bank's annual general meeting, say an application for loans could see money in South Africa within a few months, although it is admitted that this is an ambitious target.

Members of the SA delegation which held talks with World Bank officials in Madrid say the bank is not attaching any conditions to loans, besides those which government has already agreed to implement in the latest version of the RDP.

Gill Marcus, chairman of Parliament's standing committee on finance, says World Bank loans will not have conditions attached.

"Conditionality is not applicable. There are no areas of variance between the reconstructing identified by South Africans (in the RDP) and by the bank.

"We have a clear programme. We will only take loans if they fit into the programme."

She says that privatisation should be included if it meets the objectives of the

By KEVIN DAVIE: Madrid

RDP, benefits the economy and promotes black empowerment.

The initiative to secure World Bank funding follows the Cabinet decision to set up the inter-departmental committee on international development assistance.

The committee, headed by the Department of Finance's Eltie Links, includes representatives from the departments of State Expenditure, Trade and Industry, Foreign Affairs and the RDP ministry.

Mr Links says the committee is charged with identifying priority projects for discussion with the World Bank.

Areas which could get priority include infrastructural development for socio-economic upliftment, support for small and medium-sized enterprises and finance to assist with industrial restructuring to improve competitiveness.

One possibility that will be assessed is to use World Bank guarantees to enable South Africa — this week given ratings below BB — to get finance at rates available to countries rated AAA.

The bank's private sector arm, the International Finance Corporation (IFC), which opens an office in Johannesburg next month, announced two projects this week to facilitate economic growth and black empowerment — a \$9.2-million, 10% equity stake in Aflife and a \$3.7-million advance for a joint fund with Nedcor to assist black entrepreneurs

in franchising.

The World Bank group's insurance risk arm, Miga, has nine applications from SA companies wanting to invest in Africa and has registered eight investment projects in South Africa.

"We are already processing the first one," says Miga's Akira Iida.

The World Bank's annual report shows that SA companies supplied goods and services to the bank worth \$192-million during its last fiscal year.

The size of potential World Bank loans to South Africa has not been quantified but is likely to be prudent given Finance Minister Chris Liebenberg's insistence that money should not be taken just because it is available.

"The government will undertake a full review of (World Bank) resources available with the intention of jointly agreeing on how assistance can be optimised to achieve the objectives of the RDP," Mr Liebenberg told the annual meetings.

Reserve Bank Governor Chris Stals says South Africa needs its own structural adjustment programme. He says the RDP is moving in the right direction but is not comprehensive enough.

Mr Stals says the Reserve Bank is working on a submission on how exchange control reforms could fit in with the RDP.

He says it would be wrong to attempt this reform without it being part of a comprehensive restructuring package.



# Urgent EC meeting on SA millions

From LINDA ENSOR

LONDON. — Senior European Commission (EC) officials and European MPs will be meeting this week to thrash out project proposals to ensure that the millions of rand allocated for South Africa by the European Parliament are spent before the end of the year.

Haste is vital because if the funds — estimated at about R80 million — are not committed to specific projects by the end of the current financial year, SA will forfeit its right to them.

Mr David Lowe, of the European Parliament's development committee, said yesterday the EC was confident the funds would be disbursed before the end of the year.

Back seat CT 11/10/94

He added that this would require feedback from the government on whether the projects identified were compatible with the Reconstruction and Development Programme's priorities.

Mr Lowe conceded that the government's delay in identifying projects had caused a problem, but said the EC understood this was partly due to the elections, which had used up much political energy.

Also, the assessment of development projects had had to take a back seat while the new government worked out its administrative structures.

● The Speaker of the SA Parliament, Dr Frene Ginwala, has accepted an invitation to lead a delegation to attend a session of the European Parliament in the near future.

(297) ARG 12/10/94

“complicated” cases of land

☐ Slovo announces new draft legislation

law as the most significant legislation, in terms of the RDP's objectives, which would come before parliament.

The Department of Land Affairs has asked for written public comment on the Bill until October 28.

Attorney Johan Latsky, who drafted the Bill, described the new procedures to secure planning consent and the early registration of title and mortgage bonds as "a choice for the development fraternity". They would still have the option to go the old, slower route.

**Major provisions in the multifaceted legislation are:**

● The setting of nationally applicable principles for land development and planning.

**All provinces and local authorities will have to comply, but will be free to enact more detailed provisions within this**

framework. Where local structure plans conflict with the national principles they will be overturned.

● The establishment of planning tribunals for each province. At least half the seats on each tribunal will be filled by

development experts fr  
side the public service.

**Tribunals will expedite decision-making regarding devel-**

**oment applications and resolve disputes around land-use.**

Mr Iatsky said the pace of development approval would be forced by tribunals at which relevant authorities would be subpoenaed to appear.

● **New procedures for early registration of land title, so that financing, such as mortgage bonds and state subsidies, becomes available sooner.**

Mr Slovo said that the Bill included safeguards against unscrupulous developers.

He said that it was estimated that the new procedures could save developers anything from a year to 18 months in

Mr Latsky added that this time-saving could have a dramatically favourable financial impact, to the extent of reducing the burden of subsidies for low-cost housing.

**Minister of Land Affairs**  
Derek Hanekom pointed out that significant interest groups had been consulted during drafting of the Bill.

Although the original motivation had been to "fast track" land to house the homeless, the South African Property Owners' Association, the deeds registries and the surveying profession had been quick to appreciate the advantages the Bill held for them.



# Tough task ahead . . .

(297)

ARL 12/10/94

**I**T is estimated there are no less than 54 000 NGOs operating in South Africa today. With a combined budget of more than R6-billion — in an era of reconstruction and development — it would seem at first sight that this is an "industry" poised for apotheosis.

Yet, the transition from apartheid has presented the NGO community with more life-threatening challenges than the statutes and repression of the apartheid years.

The announcement last week of a major international reconstruction and development conference in Cape Town later this month comes as NGOs battle to maintain their income sources, their profiles and their independence.

Ironically, as the United Nations, the Commonwealth and other international agencies move in, many of the organisations who kept the development flag flying in the hostile environment fostered by apartheid are being pushed aside.

As a result, some NGOs are being distracted from their real tasks by the competition and manoeuvring that is part and parcel of staying in the game.

Writing in the latest issue of the Black Sash journal, Sash, former president

Post-apartheid South Africa's success in clinching rewarding international aid deals is putting enormous pressure on the organisations whose business it used to be to channel and use foreign cash. **Political Correspondent MICHAEL MORRIS** reports on the post-election challenges facing the huge NGO — non-governmental organisation — community.

Sheena Duncan writes about the biggest challenge facing NGOs today: survival

NGOs, she says, are certain they have a job to do, but are uncertain of their survival, of whether they will find sufficient resources, or whether they will simply be absorbed into the Reconstruction and Development Programme (RDP) as agents of the government, "losing our jealously guarded independence".

Key difficulties are that:

- Aid that used to be channelled through NGOs is now legitimately routed directly through the democratically elected government,

- The "big boys' club" in the NGO community — including the Independent Development Trust, Development Bank, South African Housing Trust, Independent Development Corporation and Small Business Development Corporation — are positioning themselves as "large sectoral conglomerates" to get the lion's share of aid,

- NGOs have been depleted

of skilled and dedicated people who have been elected or appointed to new government positions,

- The private sector has raided NGOs for affirmative action appointments,

- International agencies are moving in, competing directly with local organisations for staff and resources, and

- South African NGOs and community-based organisations are coming under pressure to be self-supporting and sustainable.

Ms Duncan concludes that the new environment is a "necessary and inevitable part" of the transition, reflecting in part the emergence of "the exciting new society . . . we have been working for for so many years".

But she warns that it is critical for NGOs to preserve their independence.

"What we do need to remember is that the existence of a vibrant, argumentative and protesting civil society is what democracy is all about."

**W**orld Vision's development efforts in Africa produced few results until the organisation decided to work through community facilitators rather than churches, reports David Robbins

# Direct community approach pays off

Star 12/10/94

**W**orld Vision's unadorned offices in Arusha's International Conference Centre is home base to a staff of 160, most of whom work as facilitators in community-based projects throughout Tanzania.

Major areas of concern are sustainable programmes in preventive health care and health education, food production, water supply and primary education.

Does all this sound too earnest and predictable by half? "Facilitation", "community-based", "sustainable development" — the same old NGO jargon. But then came a two-hour conversation with World Vision's national director in Tanzania.

Bruce McConchie gives the immediate impression of being a straight-talking pragmatist. He's spent three years in Tanzania, but much longer with World Vision in his native New Zealand.

"To understand where we are in terms of development, you need to understand where we come from," he says. "We had been in Tanzania since 1981, and quite frankly we were doing badly. By 1989 we were so unhappy ... with our efforts that we thought of pulling out."

Evaluation of World Vision projects in Tanzania revealed a limited impact on communities assisted, minimal community ownership of projects which often collapsed once World Vision support moved on.

Being a Christian-based organisation, funding was always channelled through a church. But funds were often diverted from the original projects and sometimes misappropriated.

Nevertheless, the decision was taken to have another try.

"We changed tack completely. Although we remain a Christian-based organisation involved in development projects, we have replaced a specific church as agent with a community committee on which all churches in the

## A few cents in a hat is no longer enough

**W**orld Vision began in 1950 when photographs of individual children who had lost their parents in the Korean War inspired Americans to give funds for the establishment of orphanages in Korea. The principle of sponsoring an individual child on a regular basis was subsequently used in many countries in the Far East. By the mid-60s, the emphasis in aid philosophy was shifting from the child to the family, although the individual child still remained a focal point for raising funds in the First World.

After another decade, however, World Vision began to see the dangers of getting locked into the idea of supporting individual children. One generation followed another with dogged

regularity, and there would be no end to the need for support unless development became self-sustaining.

The child is now presented to the donor as representative of its community. The message is clear: Unless we assist the child's community to become self-reliant, the child's child will need even more help than the original child.

Through constant feedback of information, the sponsors of individual children are beginning to learn the whole process of sustainable development and the real hope it can bring to otherwise desolate Third World children and their communities.

People are still giving alms, but the whole process has become a lot more involved than simply dropping a few cents into someone's hat.

community sit, as well as other religious groupings such as Muslims and traditional animists. And we ourselves have moved from being purely a funding agency to a funding and implementing one."

Many churches were aggrieved. They had lost a valuable source of funds. World Vision was accused of marginalising the Church. In the developed world, World Vision lost funding support. But it persevered.

"We took our lead in this new direct community approach from our office in Uganda ... and Ethiopia," said McConchie. "The Church had been traditionally used as the conduit for development funding, but the development demands after the (Ethio-

plan) famine of 1984/5 exposed this method as having severely limited capacity."

How does the new approach to development work in practice?

Instead of considering the funding proposals from this or that church for a clinic, World Vision now considers proposals from communities. Committees are organised. Then World Vision provides a facilitator who lives in the community and advises on project issues.

"We spend a lot of time and effort training these facilitators," says McConchie. "They're all Africans. Here, of course, most are Tanzanians. We provide them with a motorbike and ex-

pert back-up when they need it, and they help the community to get on with its own development."

This means a much longer commitment from World Vision than did the old method. It's cost-effective, however, because one of the basic tenets of this sort of development is that the community's own resources and resourcefulness are harnessed.

"A really good facilitator should be actively working himself out of a job," McConchie insists. "So should development NGOs. Our purpose is to leave something of our values permanently in the community."

"Does this sound grandiose or egocentric? It's not. The fact is that it's the way people think and are consequently empowered, rather than the amount of external aid, that will determine the success and sustainability of development."

An example of this process? Take a predominantly pastoral community in Shinyanga district, south of Lake Victoria. An integrated health, food, water and education project is underway. But so, too, is a fundamental change in community thinking.

Confronted recently with poor seasonal rains and a food shortage, the following plan emerged.

The community committee hired a truck and transported 24 of the community's cattle to Dar es Salaam where prices were higher; on the way back the committee's representatives bought maize in Dodoma, where prices were more reasonable. Then the truck proceeded home in time to avert the food shortage.

"The only role our facilitator played in this whole procedure was to direct the community to the right places to get information on railage, and current meat and maize prices at various places in the country."

"Now that's what I call real sustainable development," says McConchie enthusiastically.



# Govt funds urged for development

CT 12/10/94 Political Staff (297)

NON-GOVERNMENTAL organisations (NGOs) should be able to apply to the government for funds for development, the chairperson of the Commission on Provincial Government, Mr Thozamile Botha, said yesterday.

He said the government was not always the best agency to provide services.

Addressing a conference of the Institute for Local Government and Development in Sea Point on affirmative action, he said it had been suggested by the Department of Constitutional Development, the RDP office and other groups that it should be possible for NGOs to apply for funds for development.

"We have had the experience where the Independent Development Trust and the Development Bank of SA have received large sums of money for development.

"However, it was not released as these groups claimed there was no one on the ground who could receive this money.

"Therefore, release these funds to groups who can ensure delivery," Mr Botha said.

After a meeting of the cabinet, the government's own departments were "meaningless."

## Food led to death

JIS. — A man gobbled a hot dog inside a market in re- to a shop-assis- threat to call then choked to on his hasty meal. ore employee told that Mr Robert had been causing urbanee.

When she told him as going to call the he crammed the dog down his throat talked out without e," police said. in police arrived 2-year-old man lay- isious in front of ore.

Emergency medical tried to give Mr oxygen and found hot dog stuck in at. He later died. AP



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## City lawyer tells of mob attack

Crime Reporter

THERE was chaos in the city centre yesterday when 350 angry protesting fishermen attacked a city attorney, assaulted three policemen and vandalised lawyers' offices in Long Street, fleeing with thousands of rands in goods.

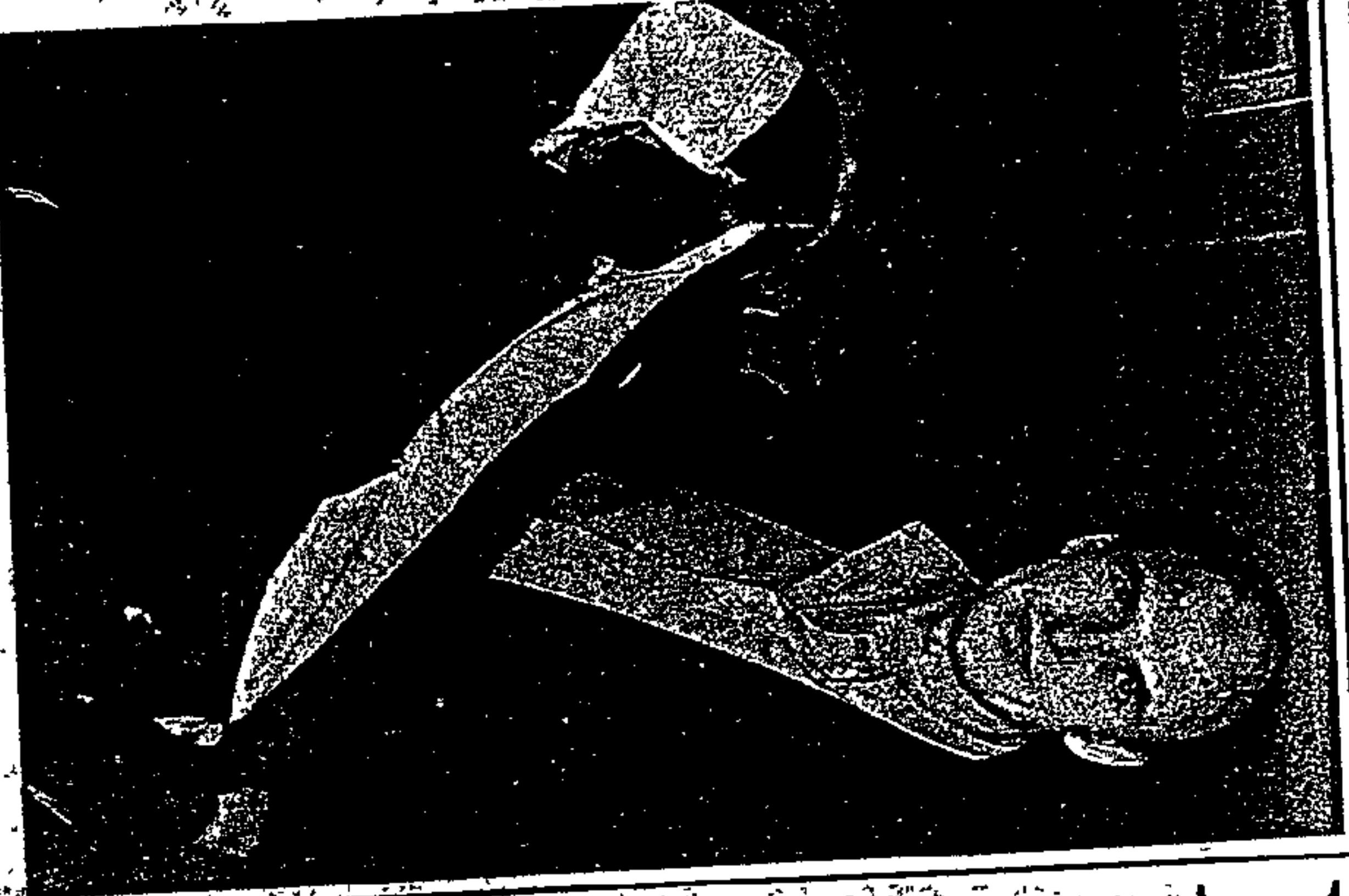
Three men — shot and wounded when they attacked police outside Longharf Building — were discharged from a city hospital and arrested in connection with trespassing, public violence and assault.

Shaken attorney Mr Frikkie Erasmus said the group would have killed him if police had not helped him out of the building.

The fishermen claimed Mr Erasmus was withholding about R23 000 in trust money — but Mr Erasmus said the money was in the bank in the Cape Town Harbour Community Trust's account.

Yesterday's incident is the latest in a string of violent incidents.

"As I came out of my office a man hit me on the head with a knobkerrie," Mr Erasmus said.



**ATTACKED** ... City lawyer Mr Frikkie Erasmus with the suit he claims was torn off his body during a demonstration by angry fishermen at his offices in Long Street.

Picture: BENNY GOOL

"They slashed my jacket off, slashed my trousers and stole my cellular telephone."

ANC MP Mr Tony Yengeni spoke to the fishermen and told police they would disperse if Mr Erasmus met them at the Food and Allied Workers' Union offices tomorrow.

The three arrested men, in their 40s, will appear in the Cape Town Magistrate's Court today.

## European aid for

## SA at risk

297 CT 13/10/94

BRUSSELS. — The European Union is to make emergency plans to distribute millions of rands of European aid — because it can find no one in President Nelson Mandela's government to take responsibility for accepting the money.

The EU's aid budget for South Africa this year is around R550 million on top of R55m which was given for the election.

For the first time, Brussels has offered to channel some aid — amounting to tens of millions of rands — through the government. In the past, the EU had refused to work with the white-only administration.

However, Brussels officials say it has been impossible to find a ministry to administer the aid.

If the cash is not handed over soon, EU budget rules make it impossible to carry over to next year.

### Aid committee

"We have not yet finalised who is the minister responsible for co-ordinating European aid," European commission director for East and Southern Africa Mr Giovanni Livi said.

"If the money is not committed before the end of November, it could be lost."

● The SA government has set up a committee to evaluate all offers of incoming aid.

The committee, which includes representatives from the Finance Ministry and the Ministry Without Portfolio, is making an assessment of all aid, donations and loans and assessing to what extent these fall in line with the RDP goals.

Mr Jay Naidoo, Minister Without Portfolio, and Mr Trevor Manuel, Minister of Trade and Industry, are overseas. — Own Correspondent, Staff Reporter



# Foreign aid plans for RDP projects being stepped up

(297)  
ARLT 13/10/94

## Business Editor

PLANS to allocate foreign aid to reconstruction and development programme projects are being accelerated amid warnings that South Africa could lose some of the R11 billion promised in aid if decisions are not made soon.

Officials from EU headquarters in Brussels on Monday met a special committee established by the Department of Finance and the section in the Office of the President under Minister without Portfolio Jay Naidoo to discuss the position.

A meeting of the committee was due to be held today in a further effort to speed up the process.

Brussels officials warned this week that EU rules made it impossible to carry over to next year money allocated for this year. They claimed they had not been able to identify a ministry to deal with the money.

The EU aid budget for this year is about R550 million, apart from the R55 million contribution towards the April elections.

European Commission director for East and Southern Africa Giovannie Livi said: "If the money is not committed before the end of November, it could be lost."

Department of Finance chief director for international financial relations Elty Links said today that at the meeting on Monday the process of allocating funds had been explained to the EU delegation.

Dr Links said money would be committed to various projects soon.

He confirmed that more than R11 billion had been promised to South Africa in direct grants (almost R4 billion), concessional loans (more than R2 billion), trade guarantees and export financing (R3,5 billion) and in assistance to parastatals (R709 million).

Meanwhile, Sapa reports that \$212 million (R750 million) in US foreign assistance to South Africa was committed during the 1994 fiscal year ended September 30.

US Agency for International Development (USAID) mission director Cap Dean said at a Press conference in

Johannesburg yesterday that the record total was nearly triple the amount committed to South Africa during 1993.

Furthermore, the amount was \$446 million more than initially allocated for 1994 after United States President Bill Clinton's announcement of a three-year \$528 million aid package to South Africa in May this year.

US assistance to South Africa, including trade, investment and development assistance, now totalled about \$700 million — scheduled to be allocated over the three-year period — after further additions since May.

Mr Dean said additional funding for 1994 had been achieved by "speeding up the obligations of major funders" and reaching forward into the funding allocation for the 1995/96/97 fiscal years.

He said that 1994 has been "a very extraordinary year for US aid in South Africa".

Of the \$212 million aid package committed during 1994, \$134 million was in the form of bilateral grant programmes, with the remaining \$78 million in the form of loan guarantees to South African banks.

Direct assistance to the new government during 1994 included the signing of bilateral agreements with the ministries of housing and justice.

Mr Dean said USAID had made significant changes in its aid programme since the April elections. It was the first time the agency had worked directly with the South African government.

"As we've looked at the reconstruction and development programme, we've been very impressed and feel it is something we can try and build our programme around," Mr Dean said. "We like the concepts and the way it has been developed."

He said South Africa now received more US aid than any other country in sub-Saharan Africa because of its importance as a regional power.

"The US government has the perception that South Africa has a major regional role to play and funds going into South Africa will help the entire region," Mr Dean said.

## R763m in aid from US agency

JOHANNESBURG. — US International Development Agency (USAid) assistance to South Africa had reached R763,2m for the year to September, nearly three times the amount committed in the 1993 fiscal year, USAid said yesterday.

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But the eventual pool of funds, created to promote the political, economic and social empowerment of SA's majority population, would be far greater than the official USAid figure, the agency said.

● In Tallahassee, Florida's governor and cabinet on Tuesday removed the last barrier to Florida investing its R138,6bn pension fund in SA, now that apartheid had ended. — Own Correspondent, Sapa-AP



# R300m for SA health, literacy

CT 14/10/94  
From LINDA ENSOR

**LONDON.** — Over R300 million is to be committed for development projects in South Africa by the European Commission (EC) over the next few months.

Commitment of the funds — which form the bulk of the European Union's 110m European Currency Unit (about R529m) allocation for South Africa — is crucial if allocation is to be increased by 25% next year.

Development committee official Mr David Lowe said yesterday there had been fears the funds would not be committed in time because EC officials had been unaware of the progress made.

## Sympathetic

About R100m was likely to be committed to health projects and over R100m to education, particularly literacy, and the rest to rural and community development projects.

Most of the money would be channelled through provincial legislatures.

The EC was sympathetic about the causes of the delay, especially as they arose from a determination on the part of the SA government to establish proper procedures which were effective, transparent and efficient.

# 'Govt not slow to accept aid'

By ANTHONY JOHNSON  
Political Correspondent

THE government yesterday dismissed as "completely incorrect" suggestions that tens of millions of rands of European Union aid might be lost because the EU could find no one in the government to accept the money.

And Deputy Finance Minister Mr Alec Erwin disclosed that South Africa had been offered foreign aid valued at R10 billion since the election.

He told a news conference the aid included grants, concessional loans and parastatal involvement.

The Minister without Portfolio, Mr Jay Naidoo, said in reaction to claims that the government had been slow in responding to offers of foreign aid. "We haven't missed the boat. We rather made sure the boat would reach its destination."

Earlier, the European Commission director for East and Southern Africa, Mr Giovanni Livi, was reported as saying in Brussels that no finality had yet been reached on which minister in

## R10bn in offers to SA since election

South Africa was responsible for co-ordinating European aid.

"It is astonishing that five months after the election, we have no commitment or involvement on the political level by the SA government," Mr Livi is reported to have said "If the money is not committed before the end of November it could be lost."

However, Mr Naidoo's deputy director-general, Dr Bernie Fanaroff, said there appeared to have been a misunderstanding, because the remarks attributed to Mr Livi were "completely incorrect".

Discussions had been going on with the EU and its component countries for weeks and "as far as

we are concerned the package has been more or less finalised and has already been sent off to Brussels".

Dr Fanaroff noted that EU aid to South Africa had been discussed with EU president Sir Leon Brittan last week and he had pronounced himself "very satisfied" at the progress being made.

Mr Erwin said it was imperative the government first set up a system to co-ordinate aid and ensure it is used effectively.

Earlier Mr Erwin, Mr Naidoo and Deputy Foreign Affairs Minister Mr Aziz Pahad met officials of the International Development Co-operation Community — including the EU — to discuss co-ordination of foreign aid.

The three ministers noted in a joint statement that a special inter-departmental committee existed to assess and process all forms of foreign aid.

They said the aid committee had been mandated to liaise with the donor community.

The Inter-departmental Committee on International Development Co-operation also had to ensure that the use of foreign aid fits into the government's overall fiscal management strategy.



# 84% in SA aware of RDP

Political Correspondent

A MASSIVE 84% of South Africans are aware of the Reconstruction and Development Programme, an independent national survey has found.

The survey, which was commissioned by the Institute for a Democratic South Africa, also found 60% of respondents supported government plans to establish a Truth and Reconciliation Commission.

The major RDP priorities were jobs (64%), followed by housing (18%) and education (10%).

But there was relatively weak support for increasing personal taxation to pay for the RDP, with wealthier segments of the population (whites and the elderly) the least willing, while blacks and young people were the most willing.

Supporters of the Freedom Front (4%) were least willing, with PAC supporters (46%) and those of the ANC (39%) the most.

Three out of every five respondents backed the proposed TRC while 14% gave the commission the thumbs-down.

CT 14/10/94

(297)

## Professionals to seek ways of helping RDP

ARG 18/10/94

MEANS of helping the RDP in the Western Cape will be discussed on November 3 by design professionals represented in the Society of Apes (architects, planners, engineers and surveyors).

The society's annual forum will explore means by which the design professionals can meaningfully contribute to the RDP.

Speakers include two Western Cape ministers — Leonard Romatlakakane (roads, transport and public works), and Gerald Morkel (housing).

Other speakers are Willem du Tbit, CEO of Umzomo, David Bridgman, executive director of Wesgro, and Ben van der Ross, director of housing and development at the IDT.

Subjects to be discussed include: Where will the RDP money come from and how will it be spent? What type of project will be promoted by the RDP? Implementation of projects on a labour-intensive basis and the importance of affirmative action, social compacts and capacity building.

Inquiries: ☎ (021) 25 2709. (297)



Govt gets direct say in spending

# Deal with donors starts aid flowing

B/Dag 27/10/94

DAVID GREYBE

CAPE TOWN — Foreign donors had agreed in principle to government's insistence that it be directly involved in determining how to spend the R10bn in aid-related packages, a government source said yesterday.

He was speaking on the opening day of the first major conference between government and the top 50 international donors. The three-day gathering, at the Cape Town Civic Centre, is being hosted by the UN and the Commonwealth.

As a result of the agreement, the first foreign funds — from the European Union — were expected to be released in March after a final go-ahead from Brussels, the source said. (297)

The European Parliament is today set to approve a 25% increase in EU aid for SA. The 567-member assembly is expected to vote through an increase in aid to R570m.

Some donors — notably Japan and the EU — have complained of Pretoria's apparent lack of urgency in taking up their offers. However, Minister without Portfolio Jay Naidoo has dismissed such claims, saying SA did not want to fall victim to the same difficulties associated with many aid projects worldwide.

The source said the interdepartmental Cabinet committee on international development co-operation had "merged" most of the estimated R4bn grant aid with the 21 presidential lead projects announced in August by President Nelson Mandela. These include a school feeding scheme, free health for youngsters and pregnant women and renewal of urban and rural

settlements. The balance, mostly smaller grant offers, would be "brought on board in the next few months".

The remaining R6bn in aid fell broadly into two categories: soft or concessionary loans and trade guarantees. They would also be "repackaged" to fit into SA's overall reconstruction and development plans. Unlike the R4bn grant aid, they were usually not tied to deadlines.

The source was at pains to stress that government did not want to dominate the aid process but wanted to avoid duplication around funding of the RDP projects.

"We are not prepared to let them direct the (RDP) process. We want to try to steer them towards the presidential lead projects, which they accepted."

He admitted there had been a lot of "very frank" talk between government and the donors "but in the end they did not kick against the idea". The "ideal is for donor money to become part of the RDP, so that it is reflected in some way or other in the national budget". This would be revolutionary — donors normally did not operate this way. At worst, he expected a compromise deal to be worked out.

Because the donor monies were mainly directed at human resource development, government would have to shift some of its funds for this to other RDP areas. Donors would be encouraged to work in their areas of expertise. Donors would take government's proposals back to their principals for endorsement, the source

☐ To Page 2

Aid

said. However, he was confident there would not be any major problems.

"We are trying to achieve an integrated approach to the issue. We do not want to create the impression that we want to control donor funds." (297)

He said it was difficult to distinguish between a grant and a concessionary loan.

"It is also difficult to say a grant is completely unconditional. There is not much free money around anymore."

SA therefore had to make sure that aid offers were in the country's interest before accepting them. "In the end we might not even accept some of the offers. You cannot merely accept all the money that is thrown at you."

☐ From Page 1

# Zenzele to train communities

THEO RAWANA

Plans included the provision for a resource centre where training courses, materials and machinery would be available.

The scheme would begin in the PWV and then spread to the whole of the country, he added.

Once the projects reached their final stages communities would be able to continue with their own projects, such as building schools, clinics and other social projects.

incented by efforts today in executing housing projects, there is a shortfall of their co-ordination and planning. "Finance must be put in place and strategic plans must be drawn up. We in the business sector do this all the time and it is the kind of expertise and experience that needs to be offered to the communities to avoid them ending up with frustrating problems," Doubell said.

COMMUNITIES were to be taught building skills under a housing scheme launched by the Zenzele Foundation, a non-governmental organisation formed by the business sector, Zenzele MD Marius Doubell said in Johannesburg yesterday.

Doubell said the scheme had the backing of Housing Director-General Billy Cobbet and had moved Edward Ayensu — who headed the UN Centre for Human Settlement delegation that visited SA recently — to suggest it as the best course for Africa as a whole.

Doubell said that Zenzele would organise and manage community projects and co-ordinate efforts by the housing sector with the communities.

"It is one of the most common problems exper-



Zenzele Foundation MD Marius Doubell, left, and chairman Craig Anderson announcing the launch yesterday of a housing scheme in terms of which communities would be taught building skills.

Picture NICKY DE BLOIS



## Sacob pushes for role in RDP implementation

CT 19/10/94

Own Correspondent

(297)

BLOEMFONTEIN. — Business had to play a strong role in moulding the way the RDP was implemented if it was to help fulfil the programme's goals, Sacob said at the annual convention yesterday.

In particular, business would have to be consulted on the RDP White Paper's provisions for regional economic imbalances, trade policy, financial policy and tourism.

Sacob reiterated its full support for the RDP, and said a concrete plan between business and labour was pivotal to improved productivity.

It called again for reduced secondary tax on companies and deregulation in the fuel industry.

National African Federated Chambers of Commerce (Nafcoc) president Joe Hlongwane said there was little point in trying to merge with Sacob if white and black business remained so far apart.

# Cash flow dries up for non-governmental groups

3 Day

WILSON ZWANE

CASH-strapped non-governmental organisations may have to close or sell their services to communities as consultants.

This would happen if government and donors bypassed them to fund community-based organisations directly. 20/10/94

Development Resources Centre acting director Zane Dangor said yesterday that although community-based organisations were the cornerstone of development, care should be taken that the funding was accompanied by training that would enable them to deal responsibly with the money.

He believed the desire to fund the community-based organisations directly stemmed in part from the failure of some non-governmental organisations to be accountable to the communities they served.

It also flowed from the perception that non-governmental organisations were only relevant during the apartheid era.

He said that while community-based organisations had a role to play in the implementation of the reconstruction and development programme, non-governmental organisations should also be appreciated because of their expertise. (297)

Dangor said non-governmental organisations were keen to be more accountable than in the past. In this regard, they wanted mechanisms to regulate the spending of funds they raised.

He said the non-governmental organisations would, at the international donor conference to be held in Cape Town next week, stress the need for the appreciation of the roles they and the community-based organisations could play in the RDP.

They would also argue against what he described as a tendency in government circles to centralise funding of the non-governmental organisations.

Dangor said the financial crisis in which the non-governmental organisations found themselves had resulted in collapse for many of them. Some, operating on a 'shoe-string', were looking into mergers as a means of survival.

He said organisations in the greatest danger of collapse were the human rights organisations because there was now the perception they were no longer needed.

He also said that the non-governmental organisations were in the process of setting up an umbrella body. The new body would be launched next year and would enable them to speak with one voice.

It is estimated that there are at least 48 000 non-profit making organisations in SA, about 8 000 of which are development-orientated.



## R4,7 bn aid from Japan draws closer

TOS WENTZEL (297)  
Diplomatic Correspondent

JAPAN'S R4,7 billion assistance programme for South Africa comes a step closer next week with discussions between the two governments.

The programme, one of the most attractive foreign offers so far, will run over two years. It was announced more than three months ago but South Africa has not yet supplied details to Japan about projects it is considering.

The counsellor at the Japanese embassy, Noboru Hara, said his country was ready to co-operate in the implementation of the reconstruction and development programme.

He denied suggestions that the Japanese government was disappointed or impatient because South Africa had not yet supplied details of how the aid offered could be applied.

He said Japan was interested in helping South Africa to be more self-reliant in its economic development.

ARL 20/10/94

# Welfare Minister criticises services

CT 20/10/94 (297)

By BARRY STREEK.

SOCIAL welfare services were being rendered on an unco-ordinated basis on regional and community levels and government funding was distorted, the Minister of Welfare, Mr Abe Williams, said yesterday.

He said at the start of the debate on his vote in the National Assembly that 86% of his budget went on social allowances and about 80% of these funds went to the aged.

But the growth in social allowances was about four percent a year and would soon exhaust the treasury.

At present local authorities played no constructive role in welfare services, Mr Williams said.

"Only registered welfare organisations are presently being helped financially by the government.

"The hundreds of NGOs and com-

munity-based organisations, which render excellent welfare work but are not registered in terms of the national welfare legislation, receive no financial aid.

"These organisations can make a major and positive contribution to the development of our communities and should be supported."

There were major backlogs in social welfare services, particularly in developing communities.

Mr Williams also said he was aware of the emotional and physical demands on social welfare workers and was concerned about working conditions, service benefits and promotion opportunities.

"Enough recognition is definitely not given to these people. I undertake to take this matter further with the relevant authorities," he said.



# Weekly battering for 25% of women

By BARRY STREEK

ONE out of every four women in South Africa was assaulted by her husband or boyfriend every week, the Department of Welfare said yesterday.

It also said that each week four women were forced to flee their homes because their lives were endangered by their male partners.

The department said in a document on "issues of concern", which was released yesterday, that annually 30 000 children were affected by divorce

and separation. Some estimates placed this figure at about five million children.

About 13 500 children were institutionalised and 29 000 placed in foster care between 1991 and 1993.

There were between 6 000 and 9 000 street children in South Africa.

More than 15 000 cases of child abuse were reported to the Child Protection Unit of the S.A. Police Service.

The department said that 75% of abused women

used tranquilisers and anti-depressants to cope with their emotional and physical pain. 53% used alcohol and 33% had attempted suicide at least once.

Alcohol was involved in 80% of abuse cases, and many men who battered their wives also abused their children.

The department said "urgent attention would be given to the 'unacceptable rate' of domestic violence in South Africa."

(297) CT 20/10/94

# 'Govt plan will cause job losses'

297  
CT21/10/94

By ARI JACOBSON

THE RDP would paradoxically lead to unemployment in the short-term — instead of the stated intention of creating employment, said Stellenbosch University's Mr Attie de Vries at its Futures Research conference in Somerset West yesterday.

Mr De Vries said job losses, for instance, had already occurred in Defence structures as a way of paying for the RDP.

In addition he said an economic growth ceiling of 3% in 1994 would further constrain employment in South Africa.

## 'Detrimental'

The intended breaking-down of businesses to curb the concentration of wealth would be another facet "detrimental to job creation".

He stressed that job creation programmes would have to be implemented, through the RDP, to enhance employment possibilities.

"Should the RDP only become a government programme — it is doomed to fail," he said.

The country needed to improve its capital account, attract venture capital and raise the value and volume of exports to succeed in lifting its economic growth rate and create further employment, he said.

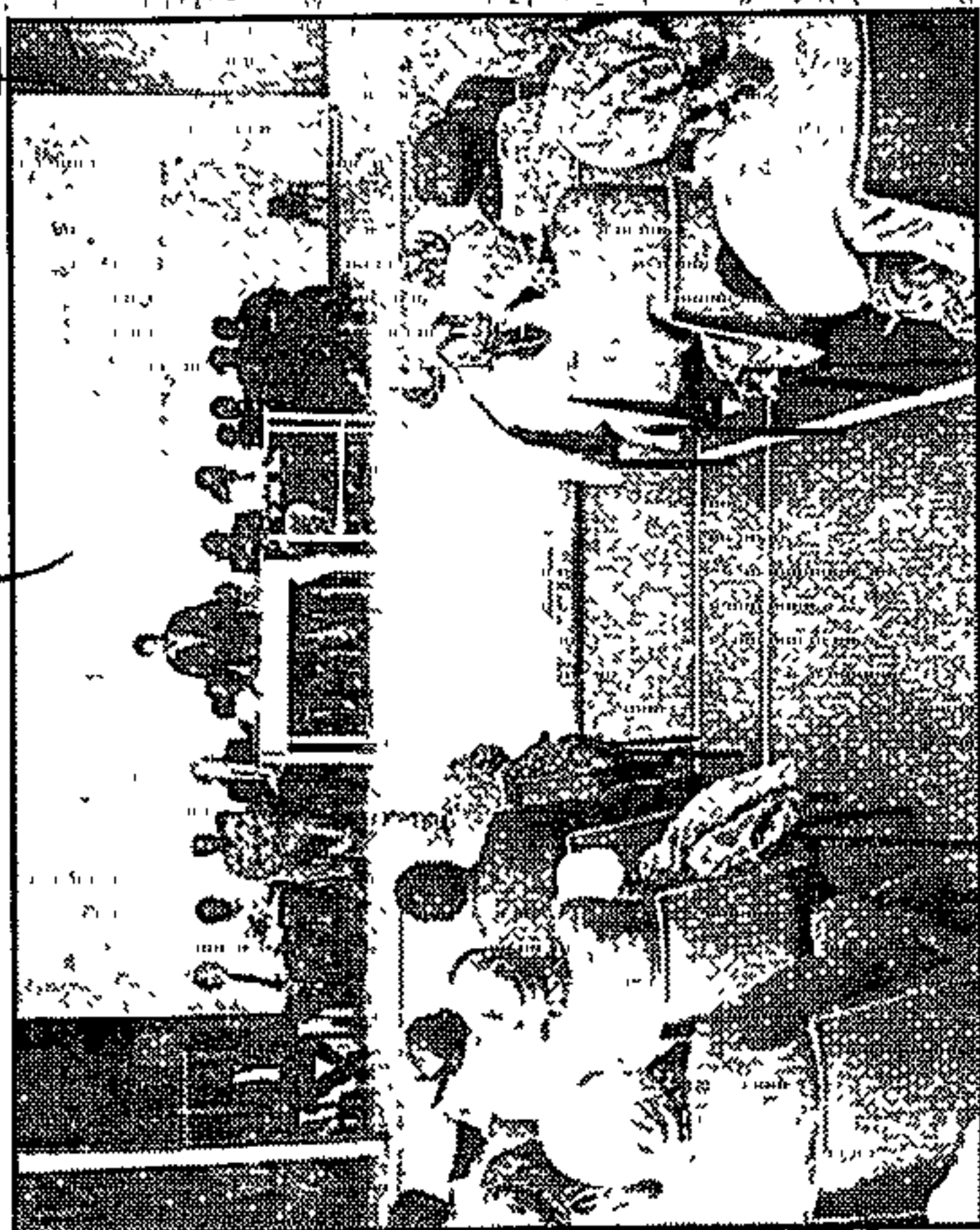


October 21 to October 25 1994

SOUTHEASTERN 5

(Supply to Santsu)

# Companies must be accountable to the <sup>297</sup>community — Sanco



DONATION: Residents at the hand-over ceremony

BY SABATA NGCAI

**KHAYELITSHA residents received a cheque for R20 000 last week from Spescom Electronics, the company installing electricity meters in the area.**

The money was a contribution made by the company to the Khayelitsha Community Trust.

The cheque was received by the South African National Civics Organisation (Sanco) on behalf of the residents.

Before Spescom started working in Khayelitsha earlier this year, the company entered into an agreement to work together with Sanco.

Sanco said that in terms of its policy all companies active in Khayelitsha should work with civic structures to make them acceptable to the community.

Sanco spokesperson, Mr Moses Mayekiso, said companies should not benefit from the hard work of the community without the community getting something in return.

An agreement was therefore reached stipulating that Spescom should contribute at least R2 to Sanco for every meter installed. "This is the only way to make companies accountable to the community," said Mr Mayekiso.

The money would not be used "to buy furniture" but would help train and develop the community in various ways.

Mr Mayekiso said companies should contribute to community development.

"If money for the Reconstruction and Development Programme is to come from the government, we will be taxed much more heavily," he said.

Sanco said many other companies wanted to work with the community, and they would have to follow the example of Spescom.

The honeymoon is over for those companies once able to get into the community through the back door and enrich individuals, Sanco said.

# Business 'can't play Santa'

(297) (86)  
ET21/10/94

Staff Reporter

BUSINESS cannot be the Father Christmas of the RDP, Anglo American Corporation executive director for public affairs Mr Bobby Godsell said yesterday.

"It makes a very bad Father Christmas," he said. There was a tendency, after finding the government's cupboards bare, to cast hopeful glances at business.

"The answer is 'no'. The resources of business are also not adequate."

Mr Godsell said business may come to invest resources in new ways and may change its ratios of reward, narrowing the gap between highest and lowest remuneration.

But these actions would not meet many of the needs the RDP hoped to address, he warned.

The total wealth of our society

## 'Resources inadequate for RDP'

was a gross national product of R8 091 per capita annually, he said. This was about a third of that of Portugal, and a sixth of that of Australia, New Zealand or Canada.

"The task is to increase total wealth."

"Another reason why business cannot play the role of Father Christmas is that its normal, natural and even noble purpose

is to produce goods and services for a profit. That is the way it operates."

If too much energy was diverted away from producing a world-class wealth-creation machine, "you will undermine the national purpose", he said.

Mr Godsell said the RDP was a vision of transformation that had captured the imagination of the country.

He urged those at the RDP conference at the Lord Charles Hotel in Somerset West to view affirmative action positively — as drawing on talent from an extra 80% of the population.

But merely changing skin colours and genders was too easy, he warned.

Affirmative action appointees had to have resources placed at their disposal, and they had to use them in such a way as to add value. If not, they were not adding to the national effort.



# Foreign donors want to know where RDP money is going

297 APR 25/10/94  
□ Government promises to report in detail

**TOS WENTZEL**  
Diplomatic Correspondent

THE government is to report in detail to foreign donors on projects and programmes being undertaken with aid provided by them for the Reconstruction and Development Plan.

This follows recent misgivings expressed by some foreign countries that months after some of them had announced huge aid packages, they had not yet had details of how they were to be used.

Minister Without Portfolio Jay Naidoo and deputy Finance Minister Alec Erwin have announced the government is putting into place an information management system which will track all projects and the use of concessionary and aid finance.

This follows a meeting between a South African RDP delegation and the international development co-operation community.

Mr Naidoo and Mr Erwin said the cabinet had decided that all concessionary and aid finance would be co-ordinated by an interdepartmental com-

mittee on international development co-operation (IDIDC).

The committee will be convened by the departments of finance, foreign affairs, trade and industry, state expenditure, the centre for economic advisory services (CEAS) and the office of the minister without portfolio.

It will report to the cabinet's core committee on the RDP and the economic affairs cabinet committee.

It has been mandated to liaise with the donor community to ensure that other types of aid and concessionary finance of whatever kind are optimally used and matched to agreed programmes.

They said the government wished to ensure the whole matrix of the budget would allow the generation of sufficient forex to repay loans when these fell due. The utilisation of aid must therefore fit into the government's overall fiscal and management strategy.

Trade-related aid also implied certain choices of technology and trade partners. These must link with the government's industrial and trade development policies.

A donor would first contact the Department of Finance.

There would be discussions of priorities between the donor, the RDP office and ministries which would be involved in projects. The discussions would be co-ordinated by the IDIDC which would be responsible for the assignment of aid finance to programmes.

All aid, including grant aid, must form part of on-going budget financing.

These considerations did not apply to purely commercial investments.

They would however apply to investments or loans to parastatal organisations and the government would expect the IDIDC to maintain an overview of all transactions related to concessionary finance of parastatals.

There would be a workshop with the donor community in February to establish ways of merging foreign funding with the national budget, Mr Naidoo and Mr Erwin said.

More than 50 foreign aid agencies are meeting at a conference in Cape Town from tomorrow at the first major international evaluation of the RDP.

# De Klerk calls on Afrikaans business to assist in RDP

ALIDE DASNOIS  
Business Staff

DEPUTY President F W de Klerk has called on the Afrikaans business community to get involved in the reconstruction and development programme at local level.

Addressing the congress of the Afrikaanse Handelsinstituut in Cape Town today, he said the AHI was faced with new challenges.

Gone were the days when resolutions passed by the AHI had been sent on to cabinet ministers who were "part of the family".

"It's different now," Mr De Klerk said.

He invited the AHI to find new approaches and new strategies.

Mr De Klerk said government economic policy was on track

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and there was agreement "at all levels" of the government of national unity on policy.

Business people who had been used to dealing with the problems of sanctions, violence, poor business confidence, a stagnant tax base and capital outflows should now be preparing to deal with the problems which came from economic progress.

"Things are happening. We must tackle the economic growth of South Africa just as enthusiastically as the RDP. The opportunities are there. You must seize them."

The government was tackling the need to encourage small business, he said.

"The programme affects your town, your district, your employees," Mr De Klerk said.



# Naidoo rejects NP complaints

CT 25/10/94 29 (297)

## Political Staff

NATIONAL PARTY complaints at the weekend that the Western Cape was being denied access to the Reconstruction and Development Programme fund were rejected yesterday by Minister without Portfolio Mr Jay Naidoo.

Senior members of the NP, including Western Cape Premier Mr Hernus Kriel and provincial Finance Minister Mr Kobus Meiring, told a party congress that the government was cutting funding to the province as its educational and health facilities were the best in the country, reports said.

The expected cuts, together with very limited access to the

## 'Waste' in education spending

RDP fund, would cause thousands of people in the Western Cape to lose their jobs, it was claimed.

Mr Naidoo said yesterday that these views were based on "misconceptions" about the RDP.

"The RDP fund is not just an add on, it is aimed at redirecting the spending of resources," he told the Senate's select commit-

tee on the RDP. He said expenditure on education already amounted to 21% of the state budget, which was significantly more than other countries in a similar development bracket.

SA's high level of spending on education could be blamed on wastage and on the misplacing of state resources. "In some schools the teacher-student ratio is 1:15 whereas in others, even in the same magisterial district, it is closer to 1:50."

Housing, which is a major priority of the RDP, only accounted for 1,4% of the national budget, while agriculture and regional industrial development, which are also important RDP objectives, consumed 1,8% and 0,56% of the budget, respectively.

## Boesak foundation slams Swedes for funding slur

ROGER FRIEDMAN  
Staff Reporter and Sapa

ALLAN Boesak's Foundation for Peace and Justice has lashed out at Sweden for halting aid in reaction to "rumours" of the misuse of funds.

And regional ANC chairman Chris Nissen has slammed "yet another attempt to discredit" Dr Boesak.

Dr Boesak is in Japan but his personal assistant at the foundation, Norman Michaels, dismissed the allegations of funding irregularities as "absolute nonsense."

He said an urgent meeting of foundation trustees would be convened to discuss the issue today.

A report by the Swedish government's International Development Agency (Sida) yesterday quoted foundation staffers as claiming funds were used to purchase curtains worth \$8 000 (about R28 000) for his home and a car for his wife, Elna.

The head of Sida in South Africa, Lars-Olof Hook, said the report consisted of notes taken during talks between foundation staffers and the Swedish Embassy.

Mr Hook said Sida had yet to independently confirm the allegations.

Sida had ordered an investigation after granting the foundation \$240 000 (R840 000) for the production of 12 videos on democracy ahead of the April polls. One has been made.

"Either they produce the remaining

videos or we want our money back," said Mr Hook.

Mr Michaels said the foundation had consulted on "every single matter" relating to the video project with Sida.

"Right through the process we have regularly provided financial statements. The claim of the misuse of funds is therefore completely unfounded."

"Yesterday I spoke to Sida in Pretoria and they confirmed there was no problem with the audited financial statements they had received."

"What they are doing is reacting to rumours. We are disappointed that Sida did not consider talking to us before taking action."

Regarding the videos, he said Sida had been kept informed "on the changing way the project was going to be run" and the foundation was now ready to proceed.

The 12-year-old foundation had been particularly active in setting up development and empowerment projects in the rural areas, and in changes to the fishing industry.

"Really, it's just pure speculation ... there is not a shred of evidence," said Mr Michaels.

The claims that curtains and a car had been paid for with donor funds were "absolute nonsense."

A spokesman for the Swedish embassy in Pretoria said the embassy had no further comment.



# Japan rating aids SA loan campaign

FRG 26/10/94 (297)

**BRUCE CAMERON**  
Business Editor and Sapa

SOUTH Africa has been given the final go-ahead for a major new international borrowing campaign with the award of an investment grade rating from Japan today.

The triple B investment grade rating granted by Nippon Investment Services follows two American ratings awarded recently — an investment grade Baa3 and a speculative double B.

The investment grade rating in Japan will enable the government to go ahead with plans for a

dollar loan which will be marketed in world capital markets.

A decision will be made soon on what money will be raised where this budget year.

The government has budgeted R1,8 billion to be borrowed in the international capital market during the current budget year.

The latest rating from Japan will mean that South Africa will pay a lower premium on international loans.

Finance Minister Chris Liebenberg said it ended the process of obtaining world credit ratings and provided a platform for access to a broad range of investors worldwide.

"The outcome of the Japanese rating is an important milestone for the establishment of South Africa's new relationships with Japanese investors. In particular, the rating will assist this process by creating an improved flow of information between the Republic of South Africa and the Japanese investment community."

"Nippon Investors Service and Daiwa Securities Co Ltd, which acted as advisor to the South African government on the Japanese rating process, have demonstrated the highest standards of professionalism in executing their respective responsibilities with regard to this matter."

# RDP 'bias' towards central govt slammed

Political Staff

THE RDP White Paper was biased toward central government intervention and provided insufficient acknowledgement of the importance of the market, the SA Chamber of Business told Parliament yesterday.

In a written submission to the National Assembly's select committee on the RDP, Sacob said it accepted the necessity of the RDP but said not only that a number of problems, anomalies and inconsistencies existed within the White Paper but that

business had not been consulted in the framing of the document. CT 26/10/94 (297)

The White Paper was based on the assumptions that the failure of the SA economy was a consequence of market failure and that market failure now provided justification for large scale state intervention, Sacob said

Both of these assumptions were false and a correct diagnosis of SA's economic ills was essential if policy was to be correctly formulated and implemented.

## Foreign aid battle ahead

CT 26/10/94 (297)  
By CHRIS BATEMAN

COMPETITION between the government and non-governmental agencies for millions of rands of foreign aid is expected to feature prominently today at the first international donor conference since the election.

The two-day conference in the city will feature top government ministers and the heads of the Commonwealth, the Organisation for African Unity, the UN Development Programme and nearly 50 foreign aid agencies.

It will focus on human resource development, structuring foreign commitments within the RDP and agreeing on delivery mechanisms.

The government said all concessionary aid will be co-ordinated by the new inter-departmental Committee on International Development Co-operation.



## Europe approves R558m aid for SA

From LINDA ENSOR

LONDON. — The European parliament yesterday approved a R558 million aid budget for South Africa next year — 25% up on this year and the largest increase for any country.

The aid is to finance the Reconstruction and Development Programme. **CT 28/10/94**

The resolution said the funds would be used for development programmes involving the local community and operated by the Kagiso Trust, the trade unions and the churches.

In addition the resolution stated that the funds would be used for investment, including risk capital, joint ventures and job creation schemes, and other projects. **(297)**

# Donor row:

## Boesak briefed

By DAN SIMON

WESTERN CAPE Economic Affairs Minister Dr Allan Boesak is expected to issue a statement surrounding allegations that he utilised Swedish aid granted to the Foundation for Peace and Justice for personal purposes.

This was said late yesterday by foundation spokesman and Dr Boesak's personal assistant Mr Norman Michaels, who said Dr Boesak was "briefed" yesterday on developments surrounding the row which has developed between the foundation and the Swedish International Development Agency.

### Statement

"He is preparing a statement and he is also expecting his wife to seek advice. He is distressed by events. This is the last thing he needed. It's almost as if people want him to fail," Mr Michaels said.

Dr Boesak, who is abroad, is

### Statement in reply to allegations 'soon'

also expected to address allegations of unauthorised spending of a grant of about R840 000 by a video production company, Camelot Communications, run by his wife, Mrs Elna Boesak.

Sweden suspended all aid to the foundation on Tuesday pending an investigation into the use of donor funds.

Dr Boesak, who is chairman of the foundation, is in New York on an "investment promotions" visit to attract foreign investment to

the Western Cape. He is expected back on November 11.

Mr Michaels said Dr Boesak contacted his office yesterday morning for an update on events surrounding the funding allegations. It is not certain at this stage whether Dr Boesak would cut short his visit to the US.

Meanwhile, Dr Boesak's economic affairs department is expected to move shortly to new offices with a rental of about R750 000 a year.

### Lease Agreement

A property leasing company yesterday said they had signed a lease agreement with Dr Boesak's department for two floors of office space in an Adderley Street building. Further space is expected to be made available to his department next year.

Mr Herman Beukes, acting director-general of the Western Cape provincial administration, could not be reached for comment on allegations that Dr Boesak rented the office space without authority or a budget.

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## Govt will not stop donations

(297)  
THE government would not stop donors from funding non-governmental organisations (NGOs) because it was committed to an active and vibrant civil society, Reconstruction and Development Office director Dr Bernie Fanaroff said yesterday.

Speaking at a United Nations and Commonwealth-funded donor conference in Cape Town, he said organisations representing civil society had been specifically invited to attend the first donor gathering hosted in a recipient country. CT 28/10/94

"All we're asking is that donors look at the Reconstruction and Development Programme before making decisions," he said.

South Africa received about \$140m (R490m) in official development aid in 1993. — Sapa

## RDP 'to make better use of resources'

(297)  
CT 28/10/94  
By CHRIS BATEMAN

THE cabinet will give RDP funds only to departments and provinces that show they are making better use of existing resources, says the minister in charge of the RDP, Mr Jay Naidoo.

Addressing a donors' conference at Cape Town Civic Centre yesterday, he said this would also apply to staffing.

RDP programmes would have to begin by redirecting existing staff.

An example of poor deployment was municipal workers "sifting sand" at Camps Bay instead of cleaning up townships "where garbage is piling up".

Mr Naidoo asked donors to try to fit funding into priorities outlined in the RDP White Paper.

Deputy Finance Minister Mr Alec Erwin told the conference that state spending on the salaries of teachers, nurses, doctors and community workers was "not only necessary but desirable".

Such spending was a "vital investment" in human resources and did not clash with the government's severe fiscal discipline.

He said the government was not moving towards nationalisation.

State assets would be evaluated and could be sold if they did not satisfy economic and social needs.

# focus on RDP

Sowetan 26/10/94

**T**HE KATHORUS PROJECT may very well represent the first measurable effort by the Government in implementing its Reconstruction and Development Programme

Racked by recurrent violence and overcrowding due to rapid urbanisation, Kathorus — the acronym deriving from Katlehong, Tokoza and Vosloorus — has become one of the worst urban centres of decay in South Africa

This decay and even complete collapse in places, is the result of the inherent inadequacy of the infrastructure that apartheid created and which has been compounded by the rapid growth of informal settlements in the region

For example, sections of the sewerage system in the area have collapsed. This is because the system was built to accommodate a set number of formal houses and each house now has one or two, often three, informal shacks on its premises

Thus, last weekend's visit to the region by the most senior Government officials and the reception that Minister Without Portfolio Mr Jay Naidoo received in hostels controlled by the Inkatha Freedom Party, which it was believed no ANC official would dare enter

"Here we had the local Inkatha leader at a hostel giving us a tour of the region. Some of them were even making music for us," Naidoo explained on Monday

The Kathorus Project is endorsed in a Memorandum of Understanding by a combination of groups with vested interest, including all levels of Government, the community, political parties and the public service sector. It seeks to stabilise and upgrade 28 "action areas" in the region

## Own priorities

These areas were defined on "a technical basis and were tested with communities and local authorities" and vary in size and population density. There are 13 in Katlehong, three in Tokoza and nine in Vosloorus

Each area will select its own committee that will be responsible for listing its own priorities in terms of the severity of problems in each area

A Kathorus Task Group has been set up to manage the project, take responsibility for mobilising funds and oversee the allocation of such funds as well as monitor progress, solve problems and report to the provincial and national Government.

The essential components of the project, which started on Monday and unfolds in four phases, include stability, housing, social and engineering services.

Phase one, which should conclude at the end of the year, seeks to stabilise the area by establishing temporary additional and safe satellite police stations, create forums for the police and community to interact and attempt to remove illegal weapons from regions.

There has been much talk about the Reconstruction and Development Programme but little action. Now, at last, there is a concerted effort to get the programme going, reports Political Correspondent **Ismail Lagardien:**



**SIGN OF THE TIMES ...** Violence-torn East Rand townships of Katlehong, Tokoza and Vosloorus are being redeveloped into habitable areas through the Reconstruction and Development Programme.

There will also be the installation or reinstatement of emergency services in informal settlements and hostels, the repair of houses damaged during recurrent violence, the repair and cleaning of existing schools, commercial centres, health and recreation facilities and establishment of maintenance programmes and teams

Phase two, which should start in December, envisages what is referred to as developing the South African Police Services "to national norms", by developing permanent additional police stations and upgrading facilities, personnel and response teams

Concurrently, repairs should continue to houses and hostels as well as schools, commercial centres, health and recreation facilities that have been destroyed in violence.

A crucial element of this stage is the rehabilitation and reinstatement of existing water and electricity as well as sewerage services, rail, road, refuse and postal services. Phases three and four will aspire to upgrade and improve the existing conditions and develop new housing and

additional schools, health and recreation facilities.

The withdrawal of the South African National Defence Force is a priority for January 1995

While the Kathorus Stability and Reconstruction and Development Programme will cost an estimated R645,1 million over five years, money will not simply be thrown at problems, Naidoo said this week

## Business plan

An integrated and comprehensive business plan — much like the idea inherent in the national RDP — must accompany the Kathorus Project, according to the expressed ideal of the project

The envisaged business plan will cover the identified short-term projects in the region. This will be managed by the Kathorus Task Group which will also oversee expenditure and approve project certificates estimated at R5,86 million, to be provided by the PWV government

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# Building industry falls under spotlight of affirmative action and RDP projects

Weekend Argus Reporter

CAN South Africa's building industry cope with RDP programmes? This question will come under the microscope at a high-powered conference in Cape Town on Monday.

Minister of Public Works Jeff Radebe will be the guest speaker at the conference, entitled "Implementing Affirmative Action and the RDP in the Build Environment", to be held at the Ritz Hotel in Sea Point.

Hosted by the South African Black Technical and Allied Careers Organisation (Sabtaco), the conference will examine affirmative action and the RDP's implementation by focusing on the construction industry's capacity to deliver.

The conference will address present biases of race, gender and socio-economic status.

"The present structured discrimination of the industry requires an enormous shift to transform the way in which delivery takes place. The conference will tackle the crucial issue of encouraging black people into the mainstream construction economy ... a vital part of the RDP. The issues of capacity building and partnerships in contracts will also be examined," a statement said.

Other speakers include Leonard Ramatlakane, Minister of Roads, Transport and Public Works (Western Cape), Ngconde Balfour, co-chairman of the Cape Town 2004 Olympic bid committee, and Delisiwe

Dludlu of the Black Management Forum.

Coinciding with the conference will be the official launch of Sabtaco (Western Cape). Its mission is to develop and promote technical skills within disadvantaged communities, to enable effective use of technology for sustainable social and economic development at the national, regional and local levels, and to build capacity and empower (economically and socially) communities as well as individuals with technical skills.

Sabtaco's principles include affirmative action, a sustainable built environment, sustainable socio-economic development, capacity building and community empowerment.

The objectives are:

- To promote theory and practice of the technical disciplines in disadvantaged communities;

- To address the unique problems, needs and aspirations of disadvantaged professionals;

- To exchange knowledge and experience between the relevant disciplines;

- To promote technical education and training;

- To conduct research, assist and co-operate with statutory or other bodies;

- To ensure affirmative action and empowerment is implemented; and

- To actively influence interventions to redress past and present inequities.

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# SA 'agents of change' to go

CT 29/10/94

By CHRIS BATEMAN

INEFFICIENT non-governmental organisations — for years the only foreign-funded "agents of change" under apartheid — face extinction unless they become accountable to their communities, the government warned yesterday.

Deputy director-general in the RDP office, Dr Bernie Fanaroff, said in an interview at the UN and Commonwealth-funded donor conference yesterday that they would get no government money.

"We won't allocate any funds to them. They should form a central body to liaise with us," he said.

The minister in charge of the RDP, Mr Jay Naidoo, had said in future government-to-government grants would go through an inter-departmental RDP committee.

Mr Fanaroff said the government had no plans to interfere

## They must answer to community

with the present funding arrangements of non-governmental organisations

But in the past they had "too often been accountable to the donors, and not to the communities".

"We will not keep them going just to secure jobs."

Mr Fanaroff said the donors themselves now wanted to give most of the money directly to the government.

The European Union's ambassador in South Africa, Mr Erwan Fouere, challenged the organisations to "reassess, refocus, improve efficiency and become

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more accountable, like all other RDP components".

"You should be the hands and feet of the RDP and show how you can deliver," he said

UN Africa development director Ms Ellen Johnson Sirleaf said funding would continue if the non-governmental organisations showed they were capable of carrying out approved activities under the RDP.

European Union development chief Mr Philippe Soubestre said if an organisation started a community-backed project and could support 25% of it in labour or finance it could get the rest from the EU.

"We don't expect central government intervention when we do that," he said

"These organisations have developed real knowledge and capacity"

It would, however, always be necessary to liaise with the government.

Mr Naidoo said another conference would be held in February.



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(297)

# It's a matter of déjà vu Over the RDP White Paper

The reconstruction and development programme White Paper may have doused some hopes.

By Reg Rumney

**N**O cornucopia of new money for social upliftment programmes" is the hidden message of the White Paper on the reconstruction and development programme, the ANC's grand plan to put right the economic wrongs created by apartheid, released last week.

The White Paper is likely to fuel the suspicions of the left that the RDP, as it relates to government spending, is a perpetuation of National Party policy followed since 1990 and continued in the last Budget.

Briefly, this entailed increasing social spending while cutting down spending on items like defence, at the same time as trying to rein in government spending on salaries and rather spending more on capital projects.

The White Paper released last week is a "discussion document", not a definitive programme with detailed spending plans. It does not differ

substantially from the RDP itself. A second White Paper will be released in March. Inasmuch as the RDP Fund fits closely with the Budget, this is logical.

The second White Paper will set out detailed policies for, among other things, economic growth, and monitoring what has been done so far.

The latest document reiterates that the RDP is about more than spending money on projects: it is about reshaping budgetary spending on one hand, and, on the other, more ambitious side, remoulding South African society.

The central RDP Fund, financed through the annual Budget, will initially be used as leverage to redirect resources, taking from departments and giving back to them to spend on new priorities.

In particular, the White Paper promises, the RDP Fund will steer government spending away from consumption, mainly on salaries, to spending on lasting bricks and mortar-type projects.

It also says the RDP Fund will get money in future from, among other sources:

- Investment of money already set aside;

- Gambling and lotteries;
- Privatisation of assets "not relevant to the RDP"; and

- Donor grants and loan money, which is now being assessed to sort out the true aid from the financing of trade, and the cost of concessional loans.

Aside from the RDP Fund and the Budget, the White Paper makes clear the real role of the RDP: "The structure of the main body of the RDP White Paper is meant to assist both personnel of the government of national unity and all South Africans who are taking an active role in the implementation of the RDP."

"The RDP is a vision for the fundamental transformation in our society."

For businessmen, the White Paper makes most of the right noises about economic policy.

Foreign and local investors will be keen to see the White Paper recommends the government to fiscal and monetary discipline and drops some of the business-bashing rhetoric of the published RDP itself. It retains a threat to act against financial institutions which discriminate in lending racially or on the basis of sex. Whether it goes far enough to entice



Jay Naidoo: 'I've got the foreman's job at last?'

foreign investors or allay domestic investor fears is debatable: the assumption is that the fulfilment of the RDP itself will lead to investment, but the RDP relies on growth, and growth relies on investment.

While the RDP White Paper does nothing to startle nervous investors, it does nothing radically new to soothe their fears about socialist leanings.

On the other hand, if the White Paper is to be believed, the government is serious about running a tight ship, and this should pay off over time.



# The IDC is facing a black future

(297) 25 1500 cam 30/9-6/10/94

From PAGE B1

assists businesses with assets of R5-million to R100-million, which we regard as small business.

The IDC handed over its small business development arm to the SBDC, of which it owns 50 percent, when it was formed.

"We're a small outfit of 500 people, handling assets of more than R10-billion. The SBDC handles R1-billion with double that staff. We serve companies that don't need much after-care."

Despite a perception that the IDC toed the apartheid government line, and was an instrument of decentralisation policy aimed at putting industry next to the labour pools of the homelands, as well as being a home for Afrikaner males, Van der Merwe says the IDC is non-political.

"We're a non-political organisation, and have been non-political since our formation in 1940. There are no politicians on the board."

However, the government appoints the directors of the IDC.

The government has the rights of a shareholder: it is not allowed to interfere in the day-to-day running of the company but can intervene by changing the board and firing the management.

The threat of intervention may be enough, hence the high-profile black empowerment projects.

The IDC's present board is white, Van der Merwe admits, but it has an active affirmative action programme. Rather than go in for tokenism in a rush to appoint a black board member, he says, the IDC has waited until after the election, and the present board will be expanded in January with the appointment of four or five new members.

Senior management has no black representation yet. There are four or

## CURRENT PROJECT DEVELOPMENTS

### Natural resource beneficiation

Rm

#### MINING BASED (capital intensive)

Aluminium smelter	7 200
Mini steel mill	4 400
Stainless steel	4 100
Phlogopite	3 770
Heavy minerals	1 100

#### AGRICULTURE BASED (labour intensive)

*Dissolving pulp	1 000
Polysols	4 000
*Lysine	300
Pistachio nuts	117
Tea replanting	100
*Dates	13
Cashew nuts	10
Cocoanuts	10

#### OTHER

Petrochemical complex	6 000
Electronic detonators	100

\*Approved by IDC board, being implemented

five black managers.

Of the 250 professional staff, 45 are black. On the administrative side the figure is 20 percent black, and this does not include blue collar workers such as cleaners and drivers.

He admits the IDC is under a lot of pressure to step up the number of black staff.

Care must be taken with affirmative action not to damage the IDC's "core of competence", he says. "We employ top guys here. The govern-

## BLACK ADVANCEMENT

Medical clinics	R40-m
Sorghum Breweries	R44-m
Eastern Cape bottling plant	R15-m
Metropolitan Life	R140-m
Community Bank	R40-m
Merchant Bank	R8-m
Cellular phone development	R97-m
SA Express	R8-m
<b>Total</b>	<b>R392-m</b>

ment relies on us for expertise. For example, we were asked to do a study for the government on the financial implications of the Olympic Games."

Better paid than the public sector, IDC staff are not paid top-dollar.

Research shows IDC pay to be in the third quartile — in other words, second from the bottom of private sector companies surveyed, if pay is divided into four groups.

"For a parastatal we probably should be paid less than the private sector."

It is also a misperception that the IDC is sitting on assets which could be sold off to fund the RDP.

The large projects the IDC is involved in mean the IDC has to find R10-billion to create projects of R30-billion over five years. That has to come from the sale of IDC assets.

The IDC has sold around R4-billion-worth of assets already to meet the commitments of, among others, the Alusaf project, and most of the assets it has acquired over the years will have to be sold to finance large projects.

Many of the shares it holds are unquoted, and this makes them more difficult to sell because in many cases they have pre-emptive rights attached.

For the future the IDC sees three

streams of investment.

One will go into social upliftment in meeting basic needs, much of it stimulated by the government.

Another will be capital intensive investment to create badly needed foreign exchange, in large projects where the stress is on beneficiation, that is turning raw materials into something more valuable, like iron ore into steel coil.

The third is investment in labour-intensive large-scale agricultural programmes. The IDC is involved in tea plantations, coffee growing, edible nuts of various types, table grapes for export and orchard schemes.

Van der Merwe notes that the citrus industry can be expanded by about five percent to create another 20 000 jobs.

"If I was in government I would not interfere with something that is working well. I would, however, like to accommodate whatever makes sense, if they come up with ideas which make us more efficient in terms of job creation."

The government has received over R2-billion in tax and dividends from the IDC over its existence against the R900-million it has put in.

Van der Merwe stresses the IDC doesn't do social upliftment or infrastructure.

Working within the framework of policy set by the Department of Trade and Industry, the IDC has to get its money back plus profit.

Echoing comments frequently made by SBDC managing director Ben Vosloo, Van der Merwe says the development corporations to the north of South Africa are bankrupt.

"Where they went wrong was by taking over existing businesses. Surely this is not envisaged for the IDC."

"I see the IDC hopefully carrying on under the new government the same way as it did in the past."



# RDP business

(297) WNM 30/9-6/10/94

have formal meetings with him. They also expressed a particular interest in the reaction of Sanco's constituency to the petrol price increase.

The request was discussed by Sanco's Pretoria executive on June 29. The minutes of the meeting note the executive agreed that "these meetings (between NIS and Masemola) should continue to ascertain their (the NIS) role in the RDP".

Masemola said this was not a green light for him to establish formal contact with the NIS agents. Sanco had approached Naidoo's office to verify the NIS claim and was still awaiting a response. In addition, the general council of Sanco had discussed the matter and had recommended caution in dealing with the NIS.

In another incident, the housing coordinator of the non-governmental organisation Planact, lawyer Carien Engelbrecht, said she had been interviewed by an NIS agent after giving a speech early this month at a high-level housing conference which alluded to

illegal immigrants living in the Johannesburg inner city.

A member of the Planact management committee had been present at the interview.

Engelbrecht said a certain Greta Bezuidenhout, an NIS section head operating from an office in Braamfontein, had told her the intelligence agency "was investigating issues which threatened the attainment of the RDP", including illegal immigration.

Bezuidenhout had asked for the source of Planact's statistics on immigrants and had offered to share information "in the interests of the RDP". She had also implied that her information-gathering exercise had the backing of PWV Safety and Security minister Jesse Duarte.

Last week Duarte vehemently denied this, saying she would follow up the issue with the NIS.

"The questions related to existing or potential clients," Engelbrecht said. "It was very creepy and we didn't co-operate."



**Jay Naidoo: Angry response from the RDP minister**

It has also been learnt that the secretary of Sanco's Northern Cape region has been suspended for, among other things, holding secret meetings with NIS agents on Sanco premises. The nature of these dealings could not be established.

# SA, US sign on key RDP agreement

CT 1/11/94  
(297)  
SOUTH Africa and the United States yesterday signed an agreement on cooperation in South Africa's Reconstruction and Development Programme (RDP).

Minister without portfolio Jay Naidoo, in charge of the RDP, said it was the first major agreement signed with the United States and mapped out "a shared commitment" to establish feeding schemes, provide clean water, help small-scale farmers and co-operate in a range of areas in agriculture.

The agreement was signed on behalf of the US by Agriculture Secretary Mike Espy, who said Washington had a team of experts ready and waiting to offer technical advice to the SA government.

Land Affairs Minister Derek Hanekom and Water Affairs Minister Kader Asmal said they hoped the US would be able to help with projects being carried out by their departments.

Espy told reporters earlier he had held talks on supplying SA with US wheat and other farm products under the Export Enhancement Programme (EEP).

Asked about this, SA Agriculture minister Kraai van Niekirk said his government would oppose importing highly subsidised food unless there were shortages.

Espy said he understood the SA "and we will never work to displace indigenous producers... we are against unfair practices".



# UCT's Ramphele to head trust

Staff Reporter

DR Mamphela Ramphele, deputy vice-chancellor of the University of Cape Town, has been appointed chair of the Independent Development Trust (IDT).

Dr Ramphele, 47, an author and scholar with degrees in medicine, social anthropology and commerce, and recipient of numerous

awards and honorary degrees from various universities, has been an IDT trustee since the organisation was formed in 1990.

She succeeds Professor Wiseman Nkhulu. She is set to take up her new post from January 1 next year.

An IDT statement yesterday said Prof Nkhulu had asked to be re-

lieved of the post to allow him to concentrate on his responsibilities as IDT chief executive officer. Prof Merlyn Mehl will become deputy chief executive.

Before her appointment as the first-ever woman deputy vice-chancellor at UCT in 1991, Dr Ramphele was a senior research officer in social anthropology.

CT 1/11/94

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# Big-hearted Harry gives cash boost to the disabled

PETER FABRICIUS  
Argus Foreign Service

WASHINGTON. — South African ambassador to the US Harry Schwarz is to put his ambassador's salary and his MP's gratuity into a foundation to help physically- and mentally-disadvantaged South African children.

Mr Schwarz said he would start the foundation with his entire salary as ambassador since his appointment in March 1991 and the gratuity he received on retiring from parliament.

Mr Schwarz announced his plans yesterday, at the end of his ambassadorial term.

He officially ceases to be ambassador on November 15, but is to take leave until then.

Mr Schwarz said in a statement yesterday that his wife Annette had for many years worked with physically- and mentally-disadvantaged children, using the creative arts as the learning process.

They had decided, therefore, to form an "upliftment and educational foundation" to assist persons and or-

ganisations helping mentally and physically-disadvantaged people.

"We hope to attract funds from other similarly-intentioned persons and hope that the foundation can survive us and exist indefinitely," Mr Schwarz said.

He added that if the law in SA was amended to bring it into line with US law, it would make charitable and educational contributions more attractive and much larger sums would be made available.

"I accepted the position as ambassador to convey the message of negotiated change and the need to sustain the democracy when achieved by strong economic growth.

"We intend to try and continue this work. We are, however, both concerned that those who are in need of additional support in a competitive, fast-changing world, should not be forgotten, so that they too can make their contributions to a better society.

"One of the matters which has concerned us has been the plight of disadvantaged persons, particularly those who suffer physically and mentally."



HARRY AND ANNETTE SCHWARZ: Foundation for the disabled.



# NGOs warned not to get tied to foreign policies

297 ARG 1/11/94  
MXOLISI MGXASHE  
Staff Reporter

NON-GOVERNMENT organisations that depend on foreign funding could become subject to foreign policies and objectives that do not suit the needs of the communities served by the NGOs.

NGOs need to do everything to become more self-reliant, says Kwesi Prah, head of the University of the Western Cape sociology and anthropology department.

Speaking at the annual meeting of the Langa-based Council for Black Education and Research Trust (Cobert), Professor Prah said while NGOs needed to obtain initial funding from abroad, it was crucial for them to adopt a style that

would guarantee their independence and protect their "morally-based objectives".

"If our NGOs do not do this they are likely to become victims of foreign policies and objectives that may not be very helpful to ours," said Professor Prah.

Cobert runs a number of community projects including literacy for both adults and youths, arts, pre-schools, seminars on women's rights, and in other areas that may not be covered by the RDP.

Ikapa commissioner and Cobert chairman Wallace Mgoqi, said Cobert, like other NGOs, was compelled to review its position and develop a new mission in the wake of the new democratic political order.

# Welfare bodies suffer hardship

CT 2/11/94

297

By CHRIS BATEMAN

PENSIONERS, social workers and welfare organisations in the Western Cape are facing untold hardship as millions of rands in welfare subsidies are being paid up to three months late.

Welfare bodies are the latest victims of the "chaotic" re-organisation of the tricameral system after it emerged recently that up to 30 000 pensioners were also waiting up to three months to get their pensions.

About R214 million in subsidies is paid out annually to 15 022 people in old-age homes alone in the Western Cape.

Cheques, many hastily handwritten, are arriving so late that the budgets at the homes are being thrown into turmoil, many going into the red.

One Mossel Bay old-age home claimed its grocery cheques had begun "bouncing".

A source in the Western Cape Ministry of Health and Social Services claimed no reconciliation of audited financial statements in subsidy payouts had been done for at least two years.

This resulted in heavy losses and huge potential for fraud.

To add to the ministry's problems, a computer software programme designed to ease amalga-

## Millions in subsidies paid late

mation, was recently withdrawn by its designer, who became "fed-up" with the bureaucracy, leaving civil servants floundering.

Auditor-general Mr Henri Kluever, reacting to a claim that the CPA recommended writing off R4m last year because of non-existent welfare payout reconciliation, predicted the situation would get worse.

He predicted the collapse of parts of the system. "I think with amalgamation and rationalisation things are going to get worse."

Mr Kluever said his records showed from 1992 his department could not reconcile amounts payable with amounts actually paid to welfare institutions "because the audited financial statements were unavailable."

A Cape Times survey revealed most local welfare bodies were still being paid three different cheques, with the House of Re-

presentatives consistently the worst late payment offender.

The director for the Western Cape Association for the Physically Disabled, Miss Shelagh Hurford, said she had some R205 000 outstanding in subsidies from the House of Representatives — with no payment since June this year.

Mr Syd Eckley, the director of the South African Council for the Aged, said he recently threatened the Western Cape government with legal action unless social workers received about R70 000 in unpaid salaries. "Within two to three days the cheque was delivered."

He said there was a "very high level of incompetence" in the House of Representatives.

Miss Frieda Van der Walt, regional director of the Family Association of South Africa, said she knew of at least four Cape Flats social workers who had not received their monthly salaries of R4 140 since July.

A spokeswoman for the Ministry of Health and Social Services, Ms Ruth Lewin, said on Monday evening she had "no information — but if this is true, it is unacceptable and we'll look into it".

Faxed a copy of the Cape Times report yesterday morning, the ministry had yet to respond by last night.





**Wefare Minister Abe Williams announcing Ithuba's donation of R16,5m to 700 organisations at a presentation in Johannesburg yesterday.**

Picture ROBERT BOTHA

## Ithuba Trust to hand out R16,5m to organisations

KATHRYN STRACHAN

ITHUBA Trust yesterday announced that a record R16,5m would be distributed to more than 700 organisations. *By Day 21/194*

Speaking at a presentation in Johannesburg, Ithuba chairman Raymond Parsons said most of the funds would go to welfare and community development.

He said many welfare agencies, social services and developmental non-governmental organisations were dependent on funds generated by scratch-card sales for their survival.

He said it was clear that existing approved scratch card operations should not be terminated but brought into a framework of legal control as soon as possible.

"Meanwhile, welfare, social and development needs, particularly in disadvantaged areas, continue to grow," Parsons said.

For its current distribution of funds, Ithuba received more than 1 000 applications totalling more than R180m.

Welfare Minister Abe Williams said an efficient social security net should be developed to help people living below the bread line.

The establishment of a national social security savings scheme should also be investigated to ensure that people with low incomes and those in the informal sector saved for circumstances such as disability and retirement.

Williams also announced that government intended establishing a national register of child abuse and a similar register listing perpetrators, Sapa reports.

A proposed national plan of action on child development would produce policies, programmes and legislative changes to ensure the needs and concerns of children were met. Government also intended to offer free therapy for abused children.

Williams gave no indication of when government hoped to set up the registers. *(29)*

He said government hoped to table a White Paper on welfare in 1995.

# Kagiso's R100m boost for black firms

AMANDA VERMEULEN

INVESTMENT body Kagiso Trust would announce up to five major investments to the value of about R100m in "black empowerment" companies in the next three months, deputy director Horst Kleinschmidt said yesterday.

The trust is a founding investor in Real Africa (RAI), which this weekend announced a share swap with investment trust company New SA (NSA). The deal saw NSA buy Kagiso's 13,8% stake in RAI for R20,7m.

Announcing the deal, RAI chairman Don Ncube said Kagiso had invested in RAI to help the fledgling black-owned company get started.

Once Kagiso's involvement was no longer required, it had disinvested in RAI and would use the proceeds of the deal with NSA to invest in other

start-up black companies.

Ncube said yesterday that although Kagiso was no longer an investor, Kagiso CE Eric Molobi would remain an executive member of the RAI board until further arrangements were made. Kleinschmidt said Kagiso's aim was to nurture black-owned organisations.

As happened with RAI, Kagiso would invest in black-owned companies to assist development, and then withdraw at a strategic point to once again invest in other black-owned organisations. (297)

He said there were four or five deals on the cards, with an announcement of the first deal expected in two

weeks. The remainder would be announced in December or January.

The investments could reach R100m, but Kleinschmidt declined to be more specific. 219/94

Although its policy was to invest for short periods, some of its investments could be long term.

"The trust may choose to stay longer in certain investments depending on how it wishes to develop its portfolio. With Kagiso Publishers, the trust has taken a long-term view because the functions of the company — educational publishing — are in line with the aims of the trust."

Kagiso was also a member of a consortium that included publishing company Publico, the Weekly Mail & Guardian newspaper and independent film producer Anant Singh.



# 'Investors must aim at disadvantaged'

(297)

MICHAEL MORRIS  
Political Correspondent

INCENTIVES and other forms of "pressure" could be used to get Western Cape companies — and foreign investors — to direct new development into disadvantaged areas.

ARL 2/11/94  
This was said today by Western Cape minister-designate of economic affairs Chris Nissen.

He said this would be one of the key items on his agenda when he takes over from outgoing minister Allan Boesak.

Speaking at an Institute of Personnel Management breakfast at a Cape Town hotel today, Mr Nissen said: "We cannot legislate to tell people what social responsibilities they have, but we can use pressure and incentives to ensure that local and foreign investments go to areas that need it.

"When I take over from Dr Boesak, I will be looking at mechanisms to achieve this."

There was a need, for instance, to build factories closer to the townships, where the majority of workers lived.

While increasing productivity was important, it was also necessary to bring about a change in "business mentality".

In a wide-ranging address on his vision for the Western Cape, Mr Nissen stressed the need to inculcate "a culture of responsibility" in the public so that people acknowledged resources "are ours, not theirs".

He said that while some institutions and services were best kept in the hands of the state, "we have to develop free enterprise at all levels". Special initiatives were necessary to encourage small and medium-sized businesses.

## Poorer areas missing out

Business Staff

(128) (297)

THE new government continues to discriminate against poorer South Africans, according to Institute of Race Relations executive director, John Kane-Berman.

The two richest regions, the PWV and the Western Cape, had been allocated a third of the government's housing subsidy, he told a Cape Town investment conference yesterday.

This proportion was higher than the two regions' share of the country's population and contrasted with the poorest province, the Northern Transvaal, where 13 percent of South Africa's people lived but which was allocated only 10 percent of the housing money.

ARG 2/11/94

This imbalance was not deliberate government policy but partly reflected the superior bargaining power of urban politicians.

He called on the government to divert government spending to the poorest parts of the country.



## R1,9-bn of special RDP fund spent

Political Correspondent

THE government has spent R1,9 billion so far of the R2,5 billion special fund for the reconstruction and development programme.

The fund was generated by savings in government departments.

Finance minister Chris Liebenberg, speaking in a national assembly debate, said the budget deficit would not be affected by expenditure from the RDP fund (297.)

ARLT 2/11/94

# Naidoo: R11bn aid available for RDP

CT 3/11/94  
(297)

UP to R11 billion could initially be made available for the Reconstruction and Development Programme from international donors, Minister without Portfolio Mr Jay Naidoo said.

Briefing the parliamentary RDP committee, Mr Naidoo said the inter-departmental committee was still "unpacking" all the aid on offer and indications were about R11bn would be available "over a number of years".

The aid was made up of a range of different components and would be finalised in early 1996, he said.

It would be integrated into the national budget so that, for example, aid would not be used to build a hospital without taking into account the funds that would be needed to staff and run it.

The government was also considering its portfolio of assets and enter-

prises with a view to privatising those that had no link to the implementation of the RDP, for which the government had already allocated R2,5bn.

But utilities such as Telkom and Eskom, which were closely linked to the RDP, "are not up for grabs" and would remain "in the hands of the state although we have every intention they should operate efficiently".

A major aim of the RDP was that all funds allocated to projects should be spent efficiently and effectively.

"We are not going to throw money down a deep hole... no matter how commendable a project, if it does not follow the procedures, we will not give it money," he said.

The government was also re-prioritising its spending to ensure all expenditure not linked to the RDP was scrapped. — Reuter



# RDP 'to lift building industry'

**BRUCE CAMERON**

Business Editor

THE Reconstruction and Development Programme should get the building industry back to work, Murray and Roberts (Cape) managing director Geoff Turner said this week.

And further stimulus would be provided as the city moved into the next phases of the Olympic bid and, hopefully, an announcement that Cape Town would host the games in 2004.

With the RDP and the Olympics, infrastructure would have to be created, new townships built and existing facilities, including the airport, would have to be upgraded.

The export potential of the Western Cape also had to be developed with further spin offs for the building industry.

He said that not only did small contractors stand to benefit from the RDP but the major construction companies would reap benefits, as plans were concluded for upgrading roads, sewerage systems, water and electricity supply to provide the infrastructure for new townships.

At present the industry was "in a fairly difficult state".

"There was a bit of an upturn soon after the elections in line with the increased business confidence."

# SA needs wartime effort to beat poverty and corruption

On the positive side, this creates the basis for a national effort to rebuild South Africa, address poverty and stimulate sustainable economic growth. On the negative side, many people assume that they are now entitled to government charity.

When President Nelson Mandela talks of a "people-driven" process, he means getting out of our armchairs, rolling up our sleeves and getting to work.

**The belt-tightening exercise and fiscal discipline**





ident Thabo Mbeki last week are intended to release resources for the two key areas of the RDP — redistribution and economic growth.

The financing of the RDP must come primarily from the restructuring of the national, provincial and local budgets. That means putting the money where it should be and not wasting it.

The RDP fund is the tool to make everything, from money to efforts, flow in one direction, towards RDP priorities. It will not allow government departments another bite of the cake to run their normal activities.

The public service must be radically restructured. Its job should be to deliver efficient services at a lower cost.

This requires training, im-

proving management skills and efficiency, and redeploying public servants to where they are most needed.

Corruption especially must be rooted out mercilessly.

We need to ruthlessly cut away the bureaucracy that dominated our lives in the past. That is why we passed the Development Facilitation Act, to ensure a "fast track" for reconstruction and development.

All state assets are being reviewed. It doesn't help the RDP for the state to be the biggest landowner, or to continue with white-elephant projects hatched under apartheid. We must dispose of these wasted assets and redirect the funds to priorities

such as land reform and housing.

**H**OWEVER, the RDP does not foresee government giving up its primary role of providing basic services such as electricity, water, public transport and telecommunications to its citizens.

These services are unlikely to be privatised.

A key element for the success of the RDP is an efficient and accountable government. Everybody has the right to know what government is doing and how the country is being rebuilt. A perform-

ance-assessment system based on key indicators such as community involvement, training, affirmative action, job creation, gender sensitivity, quality adherence to time tables, customer service, cost saving and efficiency, is being established.

The private sector also needs to shed its mantle of piety and omniscience and put its money where its mouth is. Permanent jobs must come from private-sector investment in the productive sector. South African business's commitment to the RDP can't just be the transformation of their social-responsibility programmes into RDP "fronts".

The labour movement has the right to a living wage and

fair working conditions. It also has a responsibility to increase productivity to address the needs of millions of South Africans living in poverty. The government supports the closing of the wage gap in the public sector, although any demand in excess of the R2,5-billion allocated in the 1995/96 Budget will be a problem.

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**S**HOULD money set aside for water, housing and clinics go to wages when salaries already account for more than half the government's recurrent expenses? This is an issue which unions must take seri-

ously if they wish to see the RDP succeed.

This applies also to communities boycotting rents and service charges — boycotts which makes the RDP unsustainable. It will fail unless communities pay rents and charges for improved services.

The world has applauded the miraculous political transformation of our country. We must now stop whining, roll up our sleeves, and get South Africa working.

Our country needs a wartime effort to fight poverty, crime, the druglords, corruption and the abuse of our women and children. Now is the time to act decisively.

□ Mr Naidoo is the minister in charge of the RDP

# CHAMPION OF THE PEOPLE

City Press  
6/11/94 (297)

CONSUMERS now have a body to stand up for their rights.

A new body, the National Consumer Forum, was launched at a meeting in Johannesburg last week. Director of the Johannesburg Legal Resources Centre, Thandi Orleyn, one of the country's best-known champions of consumer rights, was elected chairman.

The forum's management committee will be made up of representatives from government-funded consumer bodies, women's groups, legal, business and disabled people's organisations.

Orleyn said: "For the first time in the history of our country, consumers will be able to speak with one voice."

"Through the forum, we will strive to make this voice strong enough to be heeded at all levels of government and in society as a whole."

"We will dedicate our efforts to making sure that gains made by the majority of consumers through the Reconstruction and Development Programme (RDP) will not be lost through abuse of their consumer rights."

## Weak

Orleyn said consumer issues affecting most people in SA had taken a back seat and the consumer movement had been weak and divided in the past.

She said the forum would encourage people to stand together and to stand up for their rights as consumers.

The forum endorsed consumer rights including the rights to information, education and safety, which are contained in the charters of the UN and the International Organisation of Consumer Unions (IOCU).

"As a lawyer specialising in consumer matters for the past several years, I have been involved in thousands of cases where these rights have been infringed, whether it be in clients' dealings with major financial institutions, fly-by-night housing contractors, unscrupulous businesses or government services such as pensions," she said.

Orleyn said consumer legislation had to be reviewed

and amended where necessary and the whole question of funding for consumer education, complaint services and mechanisms of redress had to be worked out.

"In terms of the interim constitution, consumer affairs are a provincial government responsibility so the forum will be approaching the provincial legislatures to discuss how we can co-operate to improve the lot of consumers."

"Every single person in society is a consumer and we believe the new dispensation will allow consumer problems to be effectively addressed on the local level."

"We hope we can play a positive role in both preventing the kinds of abuses which are rife and in improving consumer education and complaints' services so that unscrupulous practices will be stamped out," Orleyn said.

## Know your consumer rights

- The Right to Satisfaction of Basic Needs – food, shelter, clothing, health care, education and sanitation.
- The Right to Safety – against dangerous products, processes and services.
- The Right to be Informed – in order to make informed choices.
- The Right to Education – including consumer education.
- The Right to Choose – from a range of goods and services.
- The Right to be Heard – in government and other forums.
- The Right to Redress – to get fair settlement of just claims.
- The Right to a Healthy Environment – to live and work in.



*We help you fight for your rights*



**PROTECTING THE  
CONSUMER . . . Top  
lawyer Thandi  
Orleyn has been  
elected chairman of  
a new consumer or-  
ganisation that is in-  
tent on protecting  
consumer interests  
throughout the  
country.**

# Ramphele plans to shape IDT policies

JENNY VIAL, Staff Reporter

THE appointment of Mamphela Ramphele, right, deputy vice-chancellor of the University of Cape Town, as chairwoman of the Independent Development Trust's (IDT) Board of Trustees, will allow her to be more closely involved with shaping and articulating IDT policy directions.



Dr Ramphele succeeds Professor Wiseman Nkhulu, who asked to be relieved of the post so he could concentrate on his responsibilities as IDT chief executive officer.

Dr Ramphele, a founding trustee of the IDT board, said the appointment would change her profile within the board.

"Putting me at the head of the board enables me to articulate policies the board would like to see pursued. It makes me available to the executive committee so I can help shape and articulate policy directions more closely than I could otherwise have done." (297) ARG 7/11/94

She emphasised she was not employed by the IDT and was not in an executive position.

In addition to the usual monthly meetings, she will meet IDT portfolio managers for regular briefings.

"I will have to hold their hands as they struggle through this tension-filled transitional period."

The IDT saw its role as that of a partner with the government in development and in assisting with the Reconstruction and Development Programme. The issue of development was a critical one which offered enormous opportunities, she said.

Dr Ramphele sees her appointment as a logical progression in her working life which started as a community development activist.



## Belgium gives R50m for RDP projects

JOHANNESBURG. — Belgium has re-established ties with South Africa and pledged R50 million to help the post-apartheid government with its RDP projects. (297) CT 7/11/94

Belgium severed diplomatic and economic ties with South Africa in 1977 in protest against apartheid. The two countries re-established ties on Friday, shortly before the aid package was announced.

The Belgian consulate said the money would go toward housing, small and medium businesses, education, culture and training.

The new SA government is to spend millions on homes, schools, roads and creating jobs. — Sapa-AP

# Presmed notches 26% rise in earnings

From BEATRIX PAYNE

JOHANNESBURG — Acquisitions and an increase in patient numbers proved good treatment for President Medical Investments (Presmed) which reported a 26% rise in earnings a share to 17,6c for the six months to August.

"I feel chuffed with the results as they reflect consistent growth by the group," joint chairman Carl Grillenberger said.

He said pressure at state hospitals during the second quarter had triggered an increase in black patients using private health facilities.

Turnover jumped 42% to R83,5m and operating income increased to R13m

(R9,2m) This reflected last year's acquisition of Carstenhof clinic, Pretoria's Faerie Glen hospital and a 25% stake in Pretoria's Wilgers hospital.

Interest paid edged up to R1,8m (R1,7m) and outside partners' interest rose to R3,3m (R723 000). Pretax profit was 17% higher at R7,9m.

The tax bill more than halved to R1,2m as the group reaped the benefits of its more tax efficient structure. The group has separated day clinics and hospitals into two business units.

Net income after tax rose 78% to R6,7m (R3,7m).

Shares in issue rose to 38-million (20,3-

million) after 12,5% debentures were converted into ordinary shares and new shares were issued to finance the acquisition of the stake in Wilgers hospital.

No dividend was declared as policy was to declare a single dividend at the end of each financial year.

The introduction of a global fee system at its day clinics would result in cost savings for patients, and by providing incentives to doctors would encourage them to use the group's facilities. Rates for certain procedures would be the same at all group clinics but would be below the Representative Association of Medical Schemes tariffs.

(299) 57/11/94



eat a cool pool on a hot day as from ten o'clock on. They were while frolicking at Newlands pool yesterday.

Picture: ALAN TAYLOR

started printing Sunday

● F W shocked — Page 3

## Armcor probe open to public

JOHANNESBURG. — The Cameron Commission of inquiry into Armcor's weapons deals began yesterday.

The Commission's chairman Mr Acting Justice Edwin Cameron has ruled that hearings would be open to the public, except in instances where national security or individual safety was involved.

CT 8/11/94  
● Armcor, arms agent link — Page 2

## Xmas sales boom expected

RISING inflation and fears of another hike in interest rates dented business confidence in October—but Christmas sales are expected to be R3 billion higher than last year.

Sales are likely to total R23bn, with the biggest improvement expected in the Cape coastal area, according to a survey carried out by the SA Chamber of Business.

● Xmas sales set for real growth — Page 10

# Govt bypassed in EU aid of R440m

CT 8/11/94

(297)

BRUSSELS. — The European Union (EU) has abandoned efforts to channel part of its aid for this year through the South African government.

The EU would now direct aid of R440 million to non-governmental organisations (NGOs) instead of the government, its acting director of development policy, Mr Peter Pooley, said yesterday.

Until now, EU aid has deliberately bypassed Pretoria officials and ministers. The South African government said last night it was mystified.

Yesterday, Mr Pooley said Brussels was keen to work through the South African government, in a way that would never have been possible during the apartheid era.

"What we need is a single minister and a single official through whom we can channel our development aid," he said.

"We need a single channel so we are not having to arbitrate between, say, the minister of housing who wants one thing and the minister of health who wants another.

"With the new government, it is extremely difficult to decide who should be the great co-ordinator." He said he hoped the problem would soon be solved.

However, it was too late for the R440m to be channelled through the government.

"We must avoid losing the aid at all costs—and that we shall do," said Mr Pooley.

"All the R440m will go to non-governmental

tal organisations, to ensure none of it disappears down the drain."

The EU aid budget for South Africa for next year is expected to increase by 25%.

Mr Pooley added he hoped that in the coming years, the EU would be able to channel more money through the government, while maintaining some links with NGOs.

But Dr Bernie Fanaroff, the deputy director-general in the office of Mr Jay Naidoo, the Minister without Portfolio, said the matter had been raised with Mr Pooley's deputy two weeks ago after press reports about alleged difficulties and "they told us there were no problems".

Dr Fanaroff also said neither Mr Pooley nor the EU had raised the matter nor had they written to his department about it.

"If we had received anything in writing, we would have dealt with it urgently.

## Lome treaty

"We can only conclude there is a problem in the EU structures. It is certainly not here."

Meanwhile, the SA government is preparing to announce whether it will seek partial membership of the Lome convention.

This is the trade and aid treaty linking the EU with 70 developing nations.

Mr Pooley said he expected an application for membership from the SA government. — The Telegraph plc, Political Staff

# Funds threat to Black Sash

CT 8/11/94

(298)

By BARRY STREEK,  
Political Staff

THE Black Sash may have to retrench its 50 workers in nine advice offices across the country because of funding cuts, its president, Mrs Mary Burton, warned yesterday.

The future of the advice office network, initially established to help black people fight pass laws, is at stake.

Mrs Burton's announcement follows decisions by some of the funders of its R4.4-million budget, including USAid, to change their funding priorities.

The Black Sash has also still not received European Unity funding which had been pledged for last year.

The problem has been caused by funders' decisions to support the government directly through the Reconstruction and Development Programme and to move away from backing anti-apartheid projects.

Mrs Burton said with its present resources the organisation had no option but to enter into immediate discussion with all its advice office staff before issuing a three-month notice of across-the-board retrenchments.

## No RDP funds paid out yet

NO funds have yet been paid out from the Reconstruction and Development Programme (RDP) fund, Minister Without Portfolio Mr Jay Naidoo told Parliament yesterday. (297)

In answer to a question from Mr Ken Andrew (DP), Mr Naidoo said the business plan process was still underway. CT1011194

The business plans required would set out in detail procedures to control and monitor spending and use of resources.



## 'SA offered R10m in aid'

SOUTH AFRICA has received offers of international aid totalling some R10,9m rand up to the start of September, minister without portfolio Jay Naidoo said yesterday. (297)

The aid offers would be spread over several years, Naidoo said.

"Since then many changes have been made by certain countries ... and exact figures should be known by the end of the year," Naidoo said.

He said a departmental committee was busy matching the aid offers with the requirements of the RDP's key programmes. CT 10/11/94



**PROMISES:** From the left, Mr John Daly, president of the Dublin Chamber of Commerce, Irish Minister for Tourism and Trade Charlie McCreevy and Cape Town Chamber of Commerce and Industries president Ernest Wilson — himself an Irish expatriate — exchange gifts and promises of major trade between South Africa and Ireland.

ARGUS 11/11/94 (297)

## Irish mission pledges more trade with SA

### Business Staff

IRISH Minister for Tourism and Trade Charlie McCreevy says trade between South Africa and Ireland last year amounted to R350 million and is likely to increase greatly in coming months.

Two-way trade increased 40 per cent last year and the potential for development of strong trading partnerships was significant, he said.

The biggest growth area for trade, at present "modest", was likely to be in tourism and education, he told a Cape Town Chamber of Commerce and Industries meeting.

Mr McCreevy leads an Irish Trade Mission representing 56 top Irish companies, the Irish government and or-

ganised commerce and industry in Ireland. The mission will be in Cape Town for a week.

At another function in Cape Town Mr McCreevy signed an Ireland-South Africa air transport agreement with South African transport minister Kadar Asmal — who spent years of exile in Ireland.

He said that as major European airports like Heathrow became more and more congested the benefits of South African Airways connecting with Aer Lingus, the Irish airline, would prove valuable.

Shannon and Dublin Airports could serve as a hub or intermediate terminal for flights between southern Africa and Europe.



# NGOs need restructuring 297 Naidoo

By BARRY STREEK  
Political Staff

THE non-governmental organisations (NGOs) should concentrate on capacity-building and skills-training with donor and government funding, but should be restructured, the Minister With-

out Portfolio, Mr Jay Naidoo, said yesterday.

The most important objective should be to deliver efficient and effective services to the people, he said at a press conference.

"We recognise from the government side that we cannot do this on our own.

"There is an important role the NGO community has to play and we certainly want to keep it, but a restructured, reorganised and more efficient NGO sector within the context of the Reconstruction and Development Programme.

"We have identified this role as capacity building and

skills development. That's the role we will support and we will try to reach agreement with them on this.

"One would want to see that there is a balance struck between funding going to the NGO community both from international donors like the European Union and the

government, and the fact that we need to redirect resource to government structures.

"It is not like in the past where the government serve the needs of the minority.

"The services the NGC provided in the past can be taken over by the government," Mr Naidoo said.

ARG. 12/13/11/94 (297)

# 'Irish - SA trade set to soar'

Weekend Argus Reporter

TRADE between South Africa and Ireland is poised to grow dramatically in the near future, with a recent 40 percent increase already recorded, said the Irish Minister for Tourism and Trade Charlie McCreevy.

Speaking at a reception last night on the occasion of the Irish trade mission's arrival in South Africa, he said the mission was not only Ireland's first major one to this country, but the "biggest trade mission we have ever sent anywhere in the world".

Trade now saw some R380 million flowing between

the two countries, as well as the formal inauguration this week of the South Africa-Ireland Trade Association.

The Irish mission would be building on the "excellent results" of initial trade between the two countries.

The 56 companies represented in the trade mission included "many of Ireland's leading firms which have built international reputations over a wide range of trade sectors".

Mr McCreevy said Ireland also brought to the table its young, well-educated people, its experience in transforming its economy to a hi-tech one,

its open trading and export status, its source as an expert consultant in key economic and social areas, and its membership and connection with the European Union.

In reply, Minister of Water Affairs and Forestry Kader Asmal said the trading relationship between South Africa and Ireland "will be one of partners in the future, rather than the previous colonial relationship of the past.

"It appears many joint ventures and much sharing of expertise will come out of the visit by the Irish trade delegation," said Professor Asmal.



# Mandela's fund for children in need gears for delivery

ARG. 12-13/11/94

297

■ A meeting of the high-profile trustees of President Mandela's trust fund for South African children in need is the catalyst required for movement forward.

## DI CAELERS

Weekend Argus Reporter

GETTING a bunch of high-profile personalities together in the same place at the same time is apparently no easy task — because that's the major stumbling block to getting President Mandela's trust fund for needy children up and running effectively.

But that does not mean the fund is at a standstill, according to Mr Mandela's lawyer, Ismail Ayob, who told Weekend Argus from Johannesburg this week that some progress had been made.



□ Ismail Ayob

And he has strong hopes that the high-profile trustees of the fund will meet early

next year to pool their expertise and decide when, why and how the money will be distributed.

Mr Mandela kicked off the fund on June 16 with his first R150 000 donation, promising to pay the same amount into the fund each year for the next five years.

Donations from several other people and organisations have followed.

The money is aimed at alleviating the plight of street children, those with limited education, children in prison or detention and abused and disabled children.

Some of the trustees include University of Cape Town vice-chancellor Mamphela Ramphele, Arts, Culture, Science and Technology minister Ben Ngubane, former Pan Africanist Congress deputy president Dikgang Moseneke, former Kangwane chief minister Enos Mabuza, De Beers depu-

ty chairman Nick Oppenheimer, Trade and Industry minister Trevor Manuel and the President's daughter, Zinzi Mandela-Hlongwane.

Mr Ayob said a small group of trustees had met regularly and had now finalised a trust deed that would be signed next week. Following that, an application will be made to the director of fundraising for a fundraising number, and another to the receiver of revenue for a tax exemption.

"The meeting of all the trustees, or as many as possible, will be convened at the earliest possible date, probably early in the new year. After that there will be definite movement forward," he said.

Mr Ayob confirmed that applications for assistance had been received and that applicants had been informed their appeals would be processed as soon as possible.

# Welfare panic as funding held back

By JESSICA BEZUIDENHOUT

A BREAKDOWN in communication between the Department of Welfare and ground structures in various parts of the Cape has caused panic among welfare organisations. *SI Times EC/metro*

Some of the hundreds of state-funded organisations have complained about non-payment of their subsidies over the past few months. *13/11/94*

Welfare organisations in the Western, Eastern and Northern Cape even fear they might have to close down as a result.

Although the situation has not reached crisis proportions, panic is growing as most of the organisations are "in the dark" about the cause of the non-payment. *(297)*

The Department of Welfare this week blamed the problem on the transformation process it has been undergoing since the amalgamation of the previously separate welfare departments.

Until April this year, welfare departments operated separately under the racially-divided government administrations; the houses of Assembly and Representatives and the Cape Provincial Administration, responsible for welfare in the black communities.

Acting director of the department, Ms Julinda Kruger, said the problems had arisen as a result of the different modus operandi of the various departments. "The new department has as yet not been able to ascertain all beneficiaries on the ground."

The department was in the process of re-establishing links with ground structures. Then all beneficiaries would be on a new computerised system, which would "hopefully" streamline the situation.



Calitz focuses on debt reduction

# Sale of state assets 'could raise R27bn'

CAPE TOWN — At least R27bn could be raised from the sale of state assets to fund the reconstruction and development programme (RDP) or reduce debt, Finance director-general Estian Calitz said on Friday.

Addressing a Stellenbosch Bureau for Economic Research conference, Calitz said the Public Enterprises Department had indicated the book value of saleable public enterprises at R27bn.

Reuter reports he said part of this could be used to reduce debt, as long as "the sale of public assets (was not) a goal in its own right unrelated to developmental objectives". The repayment of debt was now "usurping essential resources that could go to the RDP".

If government debt could be reduced by R100m in April it would cut interest payments by R12,5m a year, making this money available to the RDP.

Calitz said there was little room to manoeuvre in terms of fiscal policy as demand for increased social infrastructure and public services had accelerated while scope for increasing the tax burden was severely limited.

Government was spending one out of every five rands in interest on debt and even with steady reductions in the Budget deficit, public debt ratios were likely to continue increasing for two to three years before declining.

Public debt had to be reduced in a manner which would not disrupt economic growth. Deficit financing should also be managed in a non-inflationary manner, and government would not borrow impru-

EDWARD WEST

dently — locally or abroad.

Additional sources of income, apart from reprioritising existing revenue for the RDP, would come from interest on invested money, income from asset sales and grants.

Both commercial and concessionary foreign loans would be used as substitutes for domestic lending, given the overall budget deficit. These loans would not permit any higher borrowing figure than would otherwise apply, said Calitz.

Reserve Bank Governor Chris Stals and Board of Executors portfolio manager Rob Lee, speaking at the same conference, differed on scrapping exchange controls.

Stals said maintaining financial stability while controls were being phased out was vital to the capital account of the balance of payments.

The Bank would not feel comfortable about abolishing the finrand and exchange controls until reserves stood at between R20bn and R30bn. But Stals warned that these figures should not be seen as firm benchmarks for the abolition of exchange controls.

Lee said if exchange controls were not lifted in the next three to six months the impetus of the economic upswing would stall. Government's "war against speculative currency traders" through exchange controls was a "disturbing defensive posture at odds with the rest of the world".

Once controls had gone an obstacle to foreign investment will have been removed.

# EU officials failed to monitor R85m in aid

Own Correspondent

BRUSSELS. — Officials here have been slated for failing to monitor aid to South Africa worth R85 million.

The aid was paid last year by the European Union's civil service, the European Commission, to the Kagiso Trust for student bursaries in South Africa.

A report to be published today by the EU's financial watchdog, the European Court of

Auditors, attacks the way the aid programme was handled.

It says that Brussels officials did not have the information about the project "needed for effective monitoring and control".

The EU's Programme Co-ordination Office in Pretoria — which has been upgraded to a diplomatic mission — is partly blamed for the alleged incompetence.

The report says this office "has not carried

out detailed checks on this expenditure, despite its considerable volume".

It adds that there was no evidence that independent checks had been made on the 1992 and 1993 programmes to determine whether the students receiving bursaries actually existed.

One problem in ensuring that EU aid to South Africa is properly spent lies in the continued failure of the European Commis-

sion to give details of grants.

This stems from the days when the European Commission was helping the victims of apartheid and wanted to mask its activities from the then white minority government.

However, the criticism in the Court of Auditors' report will increase the pressure for South Africa and the EU to sort out the uncertainty over who in Pretoria is responsible for receiving EU aid to be channelled through the South African government.



# Boost for squatter children

□ Germans provide aid

ARG. 16/11/94

PIETER MALAN, Staff Reporter

297

THE Cebolomzi Preschool for children of the Lusaka squatter settlement in Nyanga has been given three container classrooms and furniture by the German government.

At a ceremony, new German consul Frederich Bruns presented the classrooms, furniture and blankets to school principal Christina Koti.

Mr Bruns said children were the future of the country and by helping them his government hoped to give South Africa's future a boost.

Mrs Koti and four teachers look after 160 children between the ages of one and six.

Western Cape Health Minister Ebrahim Rasool said the upgrading of the school's facilities was the second phase of a relief plan set in motion after the winter floods.

"Phase one was emergency relief — handing out blankets and plastic sheeting to help cope with the emergency.

"Now we must create something more substantial to prevent the same thing happening again," he said.

He thanked the German government for establishing "almost an entire crèche" in the township with a single donation.



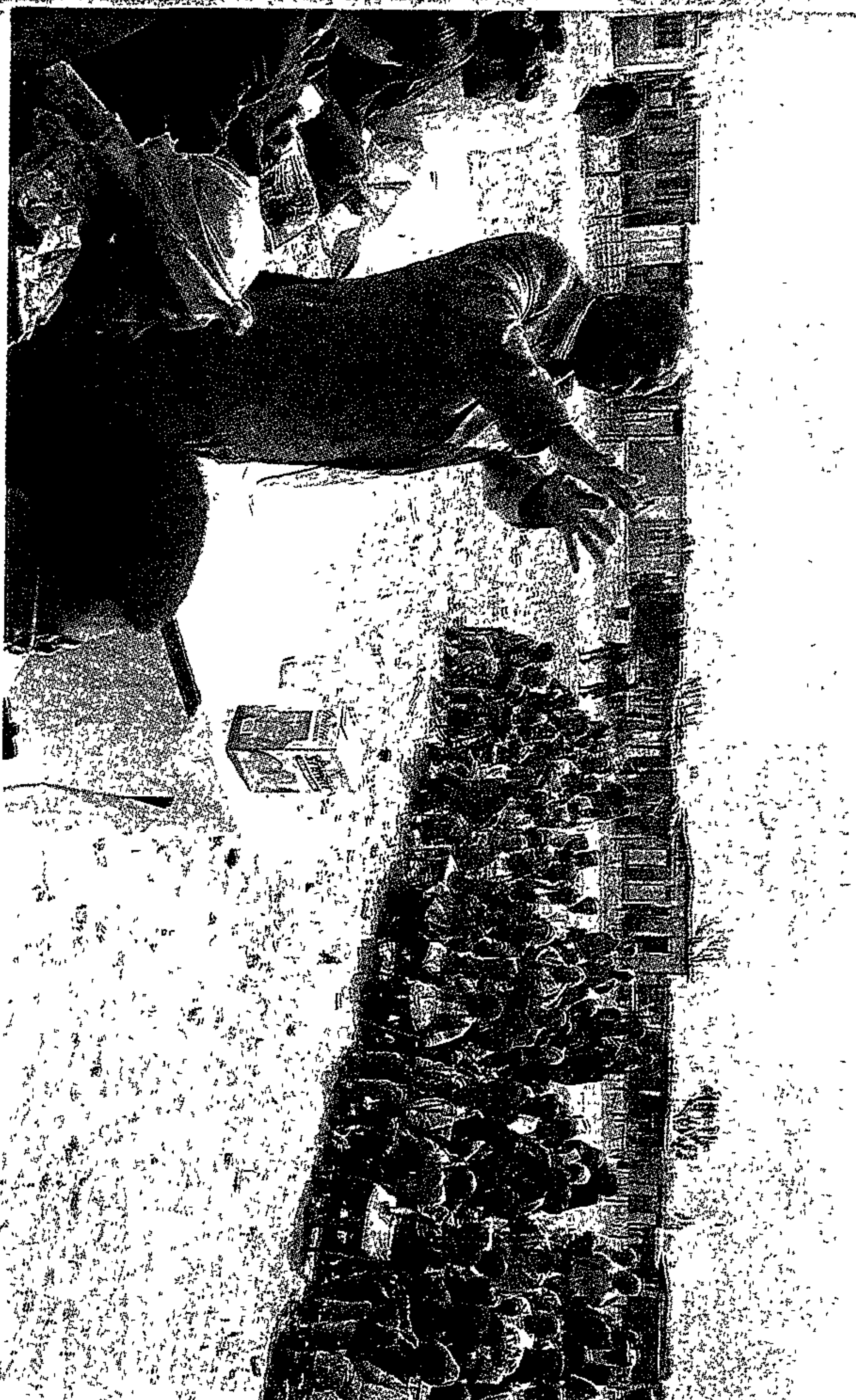
Picture: PIETER MALAN, The Argus.

**GERMAN GENEROSITY:** German consul Frederich Bruns presents furniture and classrooms to Christina Koti, principal of the Cebolomzi Preschool, while Western Cape Health Minister Ebrahim Rasool looks on.



The Argus, Wednesday November 16 1994

7



**THANKSGIVING:** The South African National Civic Organisation chairman for Miller's Camp, Wilson Dlamghe, thanks the German consul for the gift.



# 'Every cent to be evaluated' as RDP gets priority

VUYO BAVUMA  
Political Staff

THE government plans to re-structure the civil service and increase budget expenditure to boost the Reconstruction and Development Programme, Minister without Portfolio Jay Naidoo said.

During the debate on the RDP White Paper in the national assembly yesterday, Mr Naidoo said the government also planned to rid itself of the

"white elephants" of the apartheid era.

It wanted to establish RDP priorities because the country needed "a patriotic effort to reverse the grotesque and brutal legacy of deprivation".

Housing and infrastructure, with specific emphasis on water, roads, primary health care, schools and services, were a priority.

It was important to evaluate every cent to ensure the RDP

had the necessary priority, Mr Naidoo said.

Maxwell Sisulu (ANC) said the slowness in implementing the RDP was causing concern.

Piet Coetzer, (NP) said the RDP should be implemented — and the time for philosophising was over.

Ken Andrew (DP) said the RDP White Paper did not pay sufficient attention to problems like population development, lack of economic growth and lawlessness.

If these issues were not sufficiently addressed, the objectives in the RDP could not be realised, Mr Andrew said.

● A special account has been opened for people who want to contribute to the RDP fund.

Mr Naidoo said there was immense public interest in contributions to the fund.

Contributions can be deposited at any commercial bank into Reserve Bank account 803 01 754.

# R1bn for RDP local govt plan

## Political Staff

THE Reconstruction and Development (RDP) ministry outlined its budget for 1995/96 yesterday which would include spending about R1 billion on municipal infrastructure as part of a major local government renewal plan.

Of the R5bn the ministry will receive, about R2,5bn will be spent on continuing 22 projects and R1bn will be spent on rural land and water projects.

Because the ministry expects about R500 million from international donors, it will have an extra R1bn to spend on a variety of projects, including a major job creation programme.

Presenting the RDP White Paper in Parliament yesterday,

Minister Without Portfolio Mr Jay Naidoo said there were legitimate complaints about delays in transferring money to the projects.

Mr Naidoo said at a news conference he hoped the business plans for the 22 projects would be ratified by January.

The ministry's deputy director-general, Mr Bernie Fanaroff, said the ministry's fund committee would probably approve the business plans of some projects this week. "If we do, we will send out the cheques next week."

Mr Naidoo said a major obstacle remained the lack of delivery capability at provincial level.

The government has a major plan to re-organise local legislatures. This would also involve

community groups, NGOs, trade unions and private sector organisations.

The new version excluded a part in the labour market section which committed the RDP to "safeguard and extend the gains that workers have already won".

The excluded section also stated "all workers should be entitled to a living wage and humane conditions of employment".

Mr Naidoo said the exclusion did not imply the RDP was no longer in favour of a "living wage". The new section was aimed at a more specific explanation of the RDP's labour goals.

The ministry said because of the huge interest shown by the public for ways to contribute to the RDP, contributions may be deposited in the Reserve Bank Account 80 301 754.

CT 16/11/94

(297)

(214)



R1bn for municipal upgrading

# Govt unveils RDP funding allocations

B1 Day 16/11/94

TIM COHEN

CAPE TOWN — The Reconstruction and Development Ministry yesterday outlined its probable 1995/96 expenditure, including R1bn in new spending on bulk infrastructure in a local government renewal programme.

Of the R5bn allocated to the ministry, about R2,5bn will be spent on the existing 22 Presidential projects, while R1bn will be spent on rural land and water projects.

The ministry expects to get about R500m from international donors, giving it an extra R1bn to spend on projects including a major job creation programme.

Presenting the RDP White Paper to Parliament, Minister without Portfolio Jay Naidoo admitted there had been legitimate complaints about delays in the transfer of funds to existing projects. (297)

He hoped business plans for the existing 22 projects would be ratified by January. Deputy director-general in Naidoo's ministry, Bernie Fanaroff, said the RDP fund committee was likely to approve some plans this week. "If we do, we will send out the cheques next week."

The fact that no money had been spent from the R2,5bn RDP fund this year was partly an "optical illusion" because the State Expenditure Department had instructed the departments responsible for the school feeding scheme and the free health care scheme to spend what they needed and they would be refunded.

Naidoo said a major obstacle remained

the lack of delivery capacity at a local government and provincial level. A campaign would be launched to organise local government, involving community-based bodies, non-governmental organisations, trade unions and the private sector.

Outlining the RDP's key priorities, Naidoo said housing, bulk infrastructure, agriculture and industrial promotion still had less than 6% of the national budget. Reorganising the public service and institutional reform were also priorities.

In a focus on institutional reform, the White Paper includes a new section on the "belt-tightening" programme.

It specifies that a task group from the State Expenditure and Finance Departments, the Central Economic Advisory Services and the RDP Ministry would meet departments before February to help redirect their expenditure. The group's recommendations would form part of an adjustment to existing proposals for the departments' 1995/96 budgets.

The group would continue working until July to prepare the 1996/97 Budget which would mark the start of the implementation of ideal "multi-year, zero-base Budgets". Zero-base Budgets would not incrementally increase existing allocations — as has often been the practice — but would assume all allocations were open for re-

To Page 2

## RDP

B1 Day 16/11/94

From Page 1

sion every financial year.

Compared with the draft RDP White Paper, the version tabled yesterday includes a section of departmental proposals for projects to advance the RDP. But the RDP ministry said these could change.

Among the suggestions were: the RDP ministry's plan to transform the Development Bank of SA by the year-end; a R1,3bn Agriculture Department plan to settle new farmers on 300 000ha of state land; and a Mineral and Energy Affairs plan to electrify 2,5-million households by 2000. (297)

The new version of the White Paper included few other changes other than rewording sections on labour and welfare.

It excluded a section on the labour market committing the RDP to "safeguard and extend the gains that workers have already won". This section had also stated that "all workers should be entitled to a living wage and humane conditions of employment in a healthy and safe environment". Naidoo said the exclusion did not imply that the RDP no longer supported the ideas, but rather that the new section detailed goals more specifically.

The ministry said because of the public interest in contributing to the RDP, a Reserve Bank account — Account 80301754 — had been opened for contributions.

See Page 14

## European aid to SA cut back

Own Correspondent

BRUSSELS. — European Union budget ministers decided last night to cut back aid to South Africa next year.

CT 12/11/94  
Last month the European Parliament increased the aid package from R440 million to R550 million, but the 12 EU budget ministers voted yesterday to reduce the aid to the original figure (297)

The budget returns for a final reading to the European Parliament next month.

Socialist members pledged last night to restore the increase.



Start 17/11/94

## NGOs 'still have important role'

Cape Town — Non-governmental organisations (NGOs) would continue to play an important role, particularly in creating the capacity to ensure the implementation of RDP projects, Minister without Portfolio Jay Naidoo said yesterday.

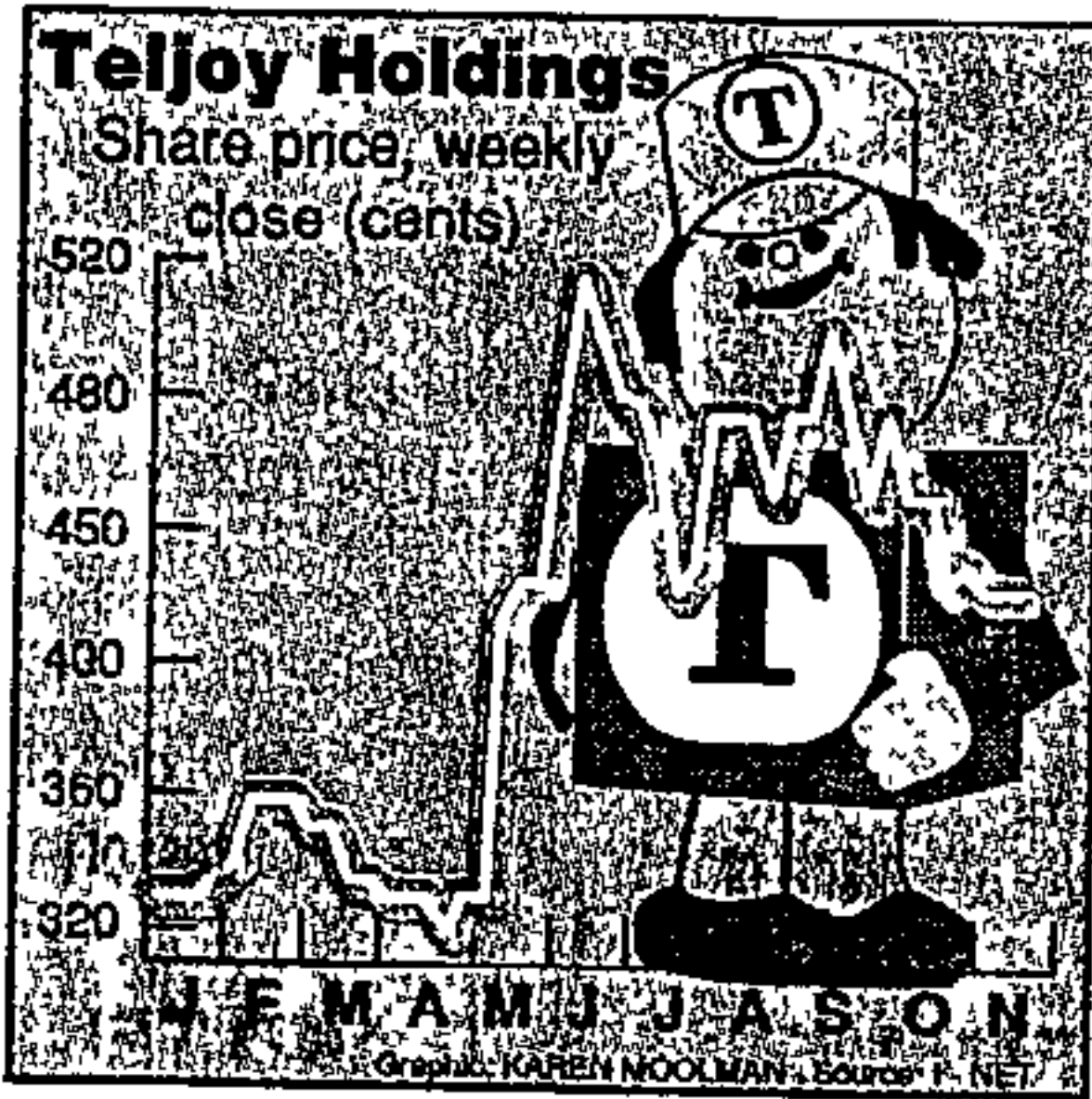
He was speaking after signing an agreement with the Danish Minister for Development Cooperation, Poul Nielson, whose government has allocated R430 million in development aid to South Africa for the period 1994 to 1998.

The money will be used for projects in land reform, rural development, education and training and black economic empowerment. Nielson said between 25 and 30 percent of the total allocation would be channelled through NGOs. — Sapa. (29)

# Teljoy reaches 'critical mass'

TELEVISION rental and cellular phone service provider Teljoy lifted earnings 3,2% to R8,8m in the six months to September after borrowings related to an increase in the cellular division's subscriber base hoisted finance charges 77,9%.

Teljoy chairman Theo Rutstein said cellular phone subscriptions had overshot the company's budget, reaching critical mass levels far sooner than expected.



SELLO MOTLHABAKWE

Management had opted for short-term borrowings, which resulted in net financing charges rising to R4,6m (R2,6m). This was partially offset by a 29,8% reduction in the tax charge to an effective 22%. Full provision was made for secondary tax on companies and the transition levy.

Earnings before equity accounting for Teljoy's 50% interest in cellular phone subsidiary Afrilink rose 9,8% to R9,4m. An equity-accounted loss of R560 000 was attributable to Afrilink's late entry into the cellular phone market. *BIDAY*

Consistent performances in the television rental and Mastercare divisions saw operating income improve 11,6% to R16,6m. Earnings a share were 15,2c (14,7c), and the interim dividend was maintained at 4,5c. *(295) (292)*

Rutstein said the short-term borrowings resulted in an increase in the gearing ratio from 76% at year end to 154%. *17/11/94*

The company expected borrowings to increase in the short term, but drop sharply in financial 1996.

To Page 2

## Teljoy

However, the high level of borrowings — coupled with rising interest rates — would result in increased finance charges in the short term. Attention was consequently being paid to the appropriate balance of long-term and short-term funding. *(295) (292)*

The company's core rental business remained a cash generator, with capital expenditure financed from revenue.

Rutstein said Teljoy's cellular operations had achieved "remarkable success" and had performed above expectations in its first six months of operation. The division had captured market leadership, accounting for more than 50% of Vodacom's

subscriber base. Management had discovered certain fraudulent activities in the cellular phone market. Detectives had been hired, and this had resulted in the recovery of a substantial number of handsets, some of which belonged to Teljoy.

He said the rental and Mastercare divisions were poised to benefit from opportunities arising from the launch of the Pan-Amsat satellite next year, and their entry into residential areas formerly considered too dangerous in which to do business.

Rutstein said the earnings growth would be maintained in the second half.

From Page 1



2 Cape Times, Friday, November 18 199

## Kagiso 'inefficiency' allegations rejected

JOHANNESBURG. — Kagiso Trust executive director Mr Eric Molobi yesterday rejected as incorrect reports that the trust was inefficiently managed and could not account for assistance it received from the European Union.

Mr Molobi said a comprehensive evaluation, led by "a prominent educationist", into the EU's bursary funding to the trust was conducted in August this year. The subsequent report clearly indicated the success of the programme, he said.

Statistics were available from the Kagiso Trust or from the EU. — Sapa

# Workers Key to RDP's success

B/Dag 18/11/94

ERICA JANKOWITZ

COMPANIES which believed re-directing funds from corporate social responsibility programmes to a reconstruction and development programme (RDP) fund was sufficient to help transform SA should think again, Cosatu negotiations co-ordinator Jayendra Naidoo said yesterday.

At an RDP summit in Midrand, he said companies should formulate their contribution in terms of a basic tenet of the RDP: helping to grow the economy. Industry was inefficient and needed to be restructured. However, labour should be involved in decision-making processes.

Full information disclosure should be introduced so labour could make informed decisions. This aspect should be regulated by law. Business could not introduce co-determination in a paternalistic manner, but should envisage the process as harnessing the skills and experience of workers for the benefit of the economy.

"It's not an act of charity, it's an act of survival," he said.

Business efficiency could be fostered only through the full participation of all players, including workers, so as to raise productivity.

To ensure initiatives succeeded, companies should help build capacity in unions which had lost leaders to posts in government and business.

Labour's vision of the new SA was a society with full employment and in which living standards were high enough to ensure workers had leisure time and disposable income.

A union priority was to flatten wage curves and eradicate the huge

disparities between management and worker incomes. Workers believed they had suffered from a four-year wage freeze as wage increases had failed to keep up with inflation.

Permanent jobs, especially in the service, construction and manufacturing sectors, had to be created to combat growing unemployment.

Housing Department residential environments director Johan Wallis said government was working on getting people to pay for goods and services. It would also encourage private sector investment in low-cost housing and was developing a flexible subsidy policy. (297)

Sapa reports Free Market Foundation executive director Leon Louw said the RDP's success depended on the sale or privatisation of state assets, coupled with private sector growth, as "there is much less scope for redirecting existing expenditures towards the RDP than had been assumed". Methods of privatisation worth considering included granting the public shares in state corporations or utilities, putting the proceeds of privatisation into the RDP fund or into direct welfare "so that the public experience the benefits in a tangible way. This could make the policy not only enormously popular but get the public hooked on privatisation."

AP-DJ reports Minister without Portfolio Jay Naidoo said privatisation of SA's largest state enterprises was not on the agenda. However, private sector joint ventures with parastatals would be considered.



# US aid 'peanuts' — Mandela

By ANTHONY JOHNSON  
Political Correspondent

AID granted to South Africa by the US was described as "peanuts" by President Nelson Mandela yesterday

Telling reporters at Tuynhuys yesterday that the US had voted only R600m over three years, he said: "We would have expected something more than

that."

However, President Bill Clinton had promised aid of \$543 million over three years, a USAID spokesperson said later, the equivalent of almost R2 billion

Mr Mandela said South Africa needed funds to implement its Reconstruction and Development Programme.

"The response from the international community has been positive if you consider the aid announced by Japan, the British government, the French government and, to a very limited extent indeed, the US government"

The president said he was disappointed by the US aid package because of the support he had received from former

president Mr George Bush and from Mr Clinton

Mr Mandela further confused matters when, in a radio interview later yesterday he gave the US aid figure as R600 000, again characterising it as "peanuts", but then corrected the figure to \$600 million in the next sentence without noting the change, Sapa-AP reports.

(297) CT 18/11/94

# Sash in talks to rescue its offices

WM 18-24/11/94 (297)

Nombuyiselo Maloyi

**T**HE Black Sash was this week engaged in a series of negotiations with local and international funders in a bid to rescue its advice offices, former president Sheena Duncan confirmed.

Duncan maintains that if the Black Sash can't get financial help, it will have to go ahead with retrenching its staff.

She said donors had expressed concern and support for what might be "community suicide" if advice offices were to close. However, she declined to name the organisations involved, saying it would not be appropriate at this stage.

Asked whether the organisation would accept financial help from the government, Duncan said the Sash didn't have any expectations of state funding because next year's Budget had already been set. Also, "there has always been tension between human rights organisations and the government with the paralegal work they are doing"; for example, the Sash's clients sometimes institute cases against the state.

"The Black Sash welcomes the attitude of the government, but non-governmental organisations must maintain their independence. We might get into an agreement with the government and carry out contracted programmes, but not be entirely dependent on their aid," Duncan said, however, that the advice offices were considering setting up a trust to fund their activities, and state money, if any, might be included in this.

Minister of Justice Dullah Omar last week called on the government to ensure that NGOs, in particular the Black Sash, received the necessary funding to continue with their work.

His call followed the news that cutbacks in foreign funding would force the Black Sash to close most of its nine advice offices at the end of February.

Omar made a strong plea to funders not to divert money to the reconstruction and development programme at the expense of NGOs which were serving the community.

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# Privatisation, sale of assets key to funds

(297)  
CT 18/11/94

JOHANNESBURG. — Achieving the aims of the Reconstruction and Development Programme depended on the sale or privatisation of many of the state's assets, coupled with private-sector growth.

This was said by Free Market Foundation executive director Mr Leon Louw at yesterday's summit.

The cost of the programme far exceeded what the government had hoped to spend on it.

"There is less scope for redirecting existing expenditures towards the RDP than had been assumed.

"The only hope therefore, for achieving the RDP, is if most of its goals are the result of private-sector growth and activity."

In addition to stimulating private-sector growth, the state needed to sell some of its vast land holdings and assets suited to privatisation.

Research showed that assets suited to privatisation had been substantially undervalued in the past. More recent estimates valued them at about R600 billion.

"R600 billion is the equivalent of nearly R20 000 for every black South African, or R100 000 for every household of five. In other words privatisation, if done in ways that benefit ordinary people directly, could bring about material, tangible and immediate benefits for the disadvantaged." — Sapa

# RDP payouts 'not enough'

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Own Correspondent

JOHANNESBURG. — Companies which believed redirecting funds from corporate social responsibility programmes to a Reconstruction and Development Programme fund was sufficient to help transform SA should think again, Cosatu negotiations co-ordinator Mr Jayendra Naidoo said yesterday.

Speaking at the RDP summit in Midrand, Mr Naidoo said companies should formulate their contribution in terms of a basic tenet of the RDP: Helping to grow the economy.

SA industry, especially in manufacturing, was inefficient and needed to be restructured,

## 'Involve labour in decisions'

Mr Naidoo said.

But this process should be initiated with the full participation of labour which should be involved in the decision-making processes of companies.

Full information disclosure should be introduced so labour could make informed decisions. This aspect should be regulated by law, Mr Naidoo suggested.

He stressed business could not

introduce co-determination in a paternalistic manner, but should envisage the process as harnessing the skills and experience of workers for the benefit of the economy.

"It's not an act of charity, it's an act of survival."

Mr Naidoo said labour's vision of the new SA was to have a society with full employment in which living standards were high enough to ensure workers had leisure time and sufficient income to buy some non-necessities.

A constraint was the growing unemployment level which needed to be urgently addressed by the creation of permanent jobs.



# We'll keep our jewels'

297

WM(BM) 18-24/11/94

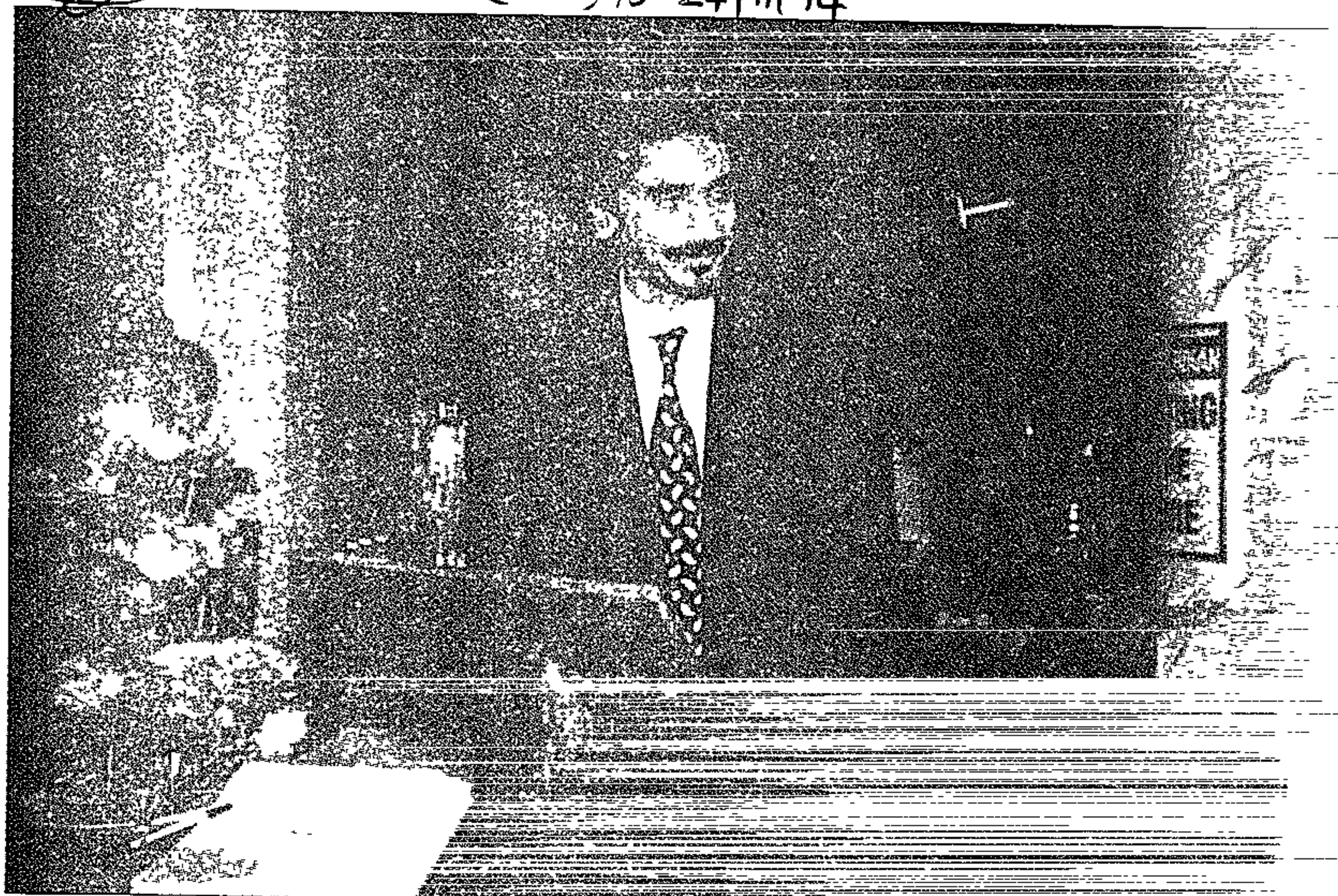
Jay Naidoo lays down the law on privatisation, aiding the RDP and the public sector.

**Reg Rumney** reports

**T**ELKOM and other parastatals will not be privatised, according to Minister without Portfolio Jay Naidoo. In a hard-hitting and wide-ranging speech at a breakfast hosted by the *Mail & Guardian* in Johannesburg last week, Naidoo also said the salaries of certain levels in the public sector would be frozen.

And he warned companies against merely renaming their social investment departments as reconstruction and development programme (RDP) units, calling for a more creative approach.

At the breakfast, where the WM&G Investing in the Future Awards were handed out, Naidoo spelt out the basic approach of the RDP: "Essentially we are talking about a growth and development strategy. Many cynics, and perhaps people who narrowly misunderstand the RDP, see it as a set of ad hoc charitable projects."



Minister Without Portfolio Jay Naidoo: 'Do we want to buy Corvettes for R1,2-billion, or build houses with that money? That is the choice'

PHOTOGRAPHS RUTH MOTAU



Naidoo suggests the "Operation Overhauling exercise" be called Operation Overhaul, because its aim was overhauling the system that has wasted important and limited resources. It was an attempt to revitalise the economic, social and political fabric of society. Naidoo said South Africa had achieved a political miracle, but the task ahead was to shake the rest of the system out of the lethargy.

One of the components was the cabinet salary cut. "This is more than just symbolic. It is an indication of our seriousness in addressing a fundamental issue: the wage gap between those at the higher levels of decision-making and those at the lower levels." Naidoo said he hoped the spotlight would now fall on narrowing wage gaps in the public and private sector.

The second crucial element was fundamentally restructuring the public sector. He said the civil service was bigger than South Africa could afford, with anything between one and 1.2-million people.

The public sector had to be cut down to an affordable level and made to deliver efficient and effective services to the whole population. Within the public sector there were enormous discrepancies, with most workers at the bottom level earning less than R1 000 a month, while at the upper echelons the basic salary package of directors general was R266 000, beside perks.

The government would use scarce resources to close this gap. It would begin to address training and affirmative action, increased efficiency and productivity, and career pathing. This meant that at a certain level wages in the public sector were going to be frozen and those resources released to close the wage gap — despite the threat of strikes.

"We have allocated R2.5-billion to salary increases this year. The majority



**Toyota SA executive chairman Albert Wessels (centre) was at Johannesburg's Market Theatre Precinct to receive an Investing in the Future award. With him are Triple Trust Organisation director Hubert Hlabangane (left), and National Economic Forum secretariat head Debra Marsden (right)**

of that is going to go towards bringing the bottom up — and if people don't want to accept it then it is too bad."

Now R151-million was being made available for a small area relating to overtime payments for professional staff in the hospitals. But not a cent more would be allocated.

"The third element is re-prioritisation," Naidoo continued. "It is important people understand this is the kernel of what the RDP is about."

While the R2.5-billion RDP Fund provided for in the Budget would kick-start RDP programmes and, more importantly, begin to leverage changes within the Budget, this would mean difficult economic and political choices. "Do we want to buy Corvettes for R1,2-billion, or build houses with that money? That is the choice."

There were also choices to be made within departments: "Eliminating the wastage, the corruption, the mismanagement of funds is at the core of the

RDP, and to begin to shift resources towards priorities of the RDP."

While the RDP fund would be used to build necessary schools or clinics, changes in the health and education budgets would pay for the running costs of those institutions.

The next element of Operation Overhaul was measurement of the government's performance, with key management information systems being put into place, allowing both the government to monitor itself and society to monitor government.

The final element was the review of all state assets, to see which did not fit into the objectives of the RDP and could be sold off. "But we maintain there are important state institutions central to the RDP. We will not sell off crown jewels such as electrification, the core of telecommunications and the public transport system."



**Virginia Ogilvie-Thompson accepts an award from Business Mail editor Reg Rumney for Southern Life's role in the Triple Trust Organisation**

## Social investment winners

TOP honours went to Toyota SA, Southern Life and Pick 'n Pay in the Mail & Guardian's social investment awards.

Toyota SA chairman Bert Wessels and Southern Life Foundation executive director Virginia Ogilvie-Thompson accepted awards for their companies' contribution to social investment at a breakfast ceremony in Johannesburg last Friday.

They were co-winners of this year's WM&G Investing in the Future Project Award; Toyota for its Toyota Teach Project, and Southern Life for its role in the Triple Trust Organisation.

Mary Rodney accepted an award for responsibility reporting award.

The awards are granted in conjunction with the annual supplement to the WM&G, Investing in the Future.

■ **TO PAGE B4**



# Crown jewels

■ From PAGE B1 (297)

Those that related to the provision of basic services to the majority the government would certainly use to advance the RDP goals.

Linked with major decisions on state assets were releasing resources to address poverty and meeting basic needs and sustainable economic growth. A campaign would be launched to get communities involved.

Naidoo warned that the RDP was not a bible, and people had to think for themselves about how to make their contribution. He called for a type of wartime effort, or the kind of effort that rebuilt England and Germany after the war.

It was myth that South African wages were too high and that this made South Africa uncompetitive, he said. The competitive edge did not lie in cheap labour, though labour was a factor, but in investment in human resource development, in science and technology, in marketing techniques and in identification of niche markets internationally.

"We are prepared to support that economic growth path, but we have to be able to compete in the value-added part of the production chain. We will

never compete with the one-dollar-a-day economies."

Naidoo said investment in the productive sector of the economy had to be increased: "We cannot survive as a casino economy, with paper chasing paper on the JSE."

"The real test of whether we succeed as a country is how many permanent jobs we create. That is what ultimately sustains the developmental path or the RDP."

The state's role was to redirect billions of rand into investments in infrastructure, housing, electrification, transport. This created enormous opportunities for entrepreneurs.

Businesses had a responsibility, he said, to shake off their lethargy and stop claiming everything they did was RDP-related. He had noted social responsibility departments were suddenly being transformed into RDP outfits, but this was not what the RDP was all about.

Businesses had to put their thinking caps on and look at investment in research and development as well as in design.

Labour, too, faced a challenge: "The common challenge to both business and labour is that we are reintegrating into a world economy that is both ruthless and competitive. And unless we face the challenge together, there won't be anything left to fight about."

wm (B m) 18-24/11/94

# Denmark seeks stronger ties with SA

DENMARK wished to strengthen its future relations with South Africa to help promote economic growth throughout Southern Africa, Danish Minister of Development Co-operation Mr Paul Nielson said yesterday. Speaking at the end of a four-day visit to South Africa, he said Denmark's five-year, R430 million development aid package announced on Wednesday was a continuation of its

support for the liberation struggle in South Africa.

The Transitional Development Assistance Programme, which runs from 1994 to 1998, has been earmarked for projects in land reform and rural development, teacher and police training, black business empowerment and job creation as well as campaigns to broaden public debate on democratic

sation and the constitution-making process.

Part of the allocation for black business promotion will be used to fund the President's Conference on Small, Medium and Micro Enterprises in Durban in March next year.

Mr Nielsen said about 25% of the aid package would be channelled through non-governmental organisations, "on

the understanding that their operations fit in with specific priorities identified in the RDP".

Funding would also be provided through the Danish Co-operation for the Environment and Development for environmental projects.

Denmark was considering providing technical support for next year's local government elections. — Sapa



## Streetkids: a priority (297)

ARG. 19-20/11/94  
**T**HOUSANDS of children in South Africa today find their lives at a crossroads — literally. On street corners and at intersections all over the country's major cities, they ply their "trade", begging for scraps, often to fund the next fix or to pay their "mafia" boss.

It is truly one of the tragedies of contemporary South Africa that so many of its children are left fending for themselves in such desperate conditions. And it is going to be one of the measures of success in the new democratic South Africa that rapid solutions are found.

With his usual perspicacity, President Nelson Mandela was quick to identify the problem — and quick to take initial steps to do something about it. He appointed a high-powered committee.

But, as reported in today's Weekend Argus, little progress has been made by that committee, mainly because it is so high-powered that the people involved are distracted by other priorities.

This is sad. The issue of the streetkids *is* a priority. It must not be allowed to languish.

# Big business 'supports RDP'

DURBAN. — The important sectors of big business in South Africa were "coming on board" to participate in the Reconstruction and Development Programme, Minister Without Portfolio Jay Naidoo said yesterday. *ET 19/11/94*

Addressing the Black Management Forum here Mr Naidoo said while this was fortunately the case, there were others who unpatriotically referred to the RDP as "Rape, Destruct and Pillage".

He said companies which were unbundling and restructuring without the involvement of unions did not benefit the RDP.

Mr Naidoo said while government could not punish business which refused to embrace the programme, those which did could be rewarded.

He said a key feature of the RDP was monitoring to establish whether the programme was achieving the goals it set out to do within a set timetable.

He called on organisations at the micro-level to come forward with proposals for RDP implementation because the government could not be expected to do everything.

Mr Naidoo told the conference the government was not against privatisation and would privatise some of the state's assets if the move benefited disadvantaged communities. — Sapa



## Sash seeks money (292) as US funds dry up (10)

ET 19/11/94

THE Black Sash yesterday appealed for donations after its US funding lifeline was severed, threatening the closure of nine advice offices and free legal services to thousands of poor South Africans.

"With the help of the public a vital service to thousands of South Africans will be maintained," president Mrs Mary Burton said yesterday.

The organisation's main benefactor, USAid, recently announced unexpectedly it would not meet the Sash's R750 000 budget proposal for 1995.

Donations should be posted to the Black Sash Advice Office Trust (fundraising number 08800-962-0001), 7 Long St, Mowbray 7700. — Sapa

# The good news on RDP finance

By ARI JACOBSON

MODERATE economic growth over the next five years will be enough to finance the RDP and allow for a decline in personal income taxes, was the good news from Econometrix director Azar Jammie at the Bolland Bank annual economic presentation held yesterday.

Jammie forecast that a mere 3% increase in economic growth annually, over the next five years, would be sufficient to collect R50bn in additional taxes. This he said would quite easily finance the requirements of the RDP over that time period.

"This is the ray of hope for the country, because with a slight increase in economic growth, SA can raise the necessary taxes without increasing the burden."

He added that should

## Govt revenue 'overstated'

JOHANNESBURG. — The Department of Finance said exchequer revenue remained ahead of budget and spending below budget in the first seven months of the fiscal year which ends March 31.

This was despite a sharp R1,2bn downward adjustment in October receipts following an overstatement of September revenue.

Financing was progressing, with R24,85bn raised, including rollovers and financing by the Public Investment Commissioners but excluding treasury bills, in the seven months to end-October.

The adjustment was the result of an overstatement in tax and loan accounts introduced in February, in which surplus funds are invested in bank accounts.

"There are . . . teething problems in that information received regarding the balances on the accounts from the various banks is subject to change."

Exchequer issues were R9,37bn in October, which brought to R76,23bn the amount spent in the first seven months of the year — a 9,5% rise on the same period in 1993/94 against a budgeted 10,2%.

bracket creep be taken into account, the revenue collected would be "a lot higher", potentially allowing for lower personal income taxes.

Jammie stressed while SA's corporate taxes were in line with other countries, its per-

sonal income taxes were "much higher".

In particular, he said that the country's steep marginal tax rate was an issue that needed to be tackled.

He pointed out that the marginal tax rate for individuals "rises from

zero percent to 40% between 0 and R50 000 a year in income".

Jammie said that the US, in contrast, had a marginal tax rate of 15% at the R50 000 a year income level.

He pointed out that Zimbabwe with a 55% marginal tax rate, at the R50 000 level, was about the only country worse than SA.

"So it's not the country to consider for immigration purposes," he quipped.

On SA's corporate taxes, he said that the Secondary Tax on Companies (STC) was proving to be a "deterrent" for foreign investors.

In general Jammie felt that high revenue collections and controlled government spending, would allow the budget deficit to fall to an acceptable 6% of gross domestic product in the 1995/96 financial year.



# Plan for new development bank to fund RDP projects

ALIDE DASNOIS

Business Staff

ARG 19/20/11/94  
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A NEW development bank is on the cards to deal with local government funding, according to Bernie Fanaroff, Deputy Director-General in the office of the Minister without Portfolio.

Addressing the Pensions 2000 conference in Cape Town this week, Dr Fanaroff said the key level for the delivery of the Reconstruction and Development Programme (RDP) would be local and regional government.

The new wholesale bank, which could be a joint venture with the private sector, could play a role in this.

"We need to create and market paper more systematically than local and provincial governments have done so far."

Dr Fanaroff said "bankable" projects would have to be created and budgeting would have to be more careful than in the past.

Fiscal discipline would be used to drive the RDP. The government would not "just give money out in the hope it will be well spent".

Government departments would now have to conform to zero-based budgeting.

A department which had a budget of R10 billion the previous year could not count on a similar amount in the new budget.

"Each job and each cost will have to be justified," Dr Fanaroff said.

# 'We'll keep our jewels'

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WM(BM) 18-24/11/94

Jay Naidoo lays down the law on privatisation, aiding the RDP and the public sector.

Reg Rumney reports

**T**ELKOM and other parastatals will not be privatised, according to Minister without Portfolio Jay Naidoo. In a hard-hitting and wide-ranging speech at a breakfast hosted by the *Mail & Guardian* in Johannesburg last week, Naidoo also said the salaries of certain levels in the public sector would be frozen.

And he warned companies against merely renaming their social investment departments as reconstruction and development programme (RDP) units, calling for a more creative approach.

At the breakfast, where the WM&G Investing in the Future Awards were handed out, Naidoo spelt out the basic approach of the RDP. "Essentially we are talking about a growth and development strategy. Many cynics, and perhaps people who naively misunderstand the RDP, see it as a set of ad hoc charitable projects."

Naidoo suggested the "belt-tightening exercise" he called Operation Overhaul, because its aim was overhauling the system that has wasted important and limited resources. It was an attempt to revitalise the economic, social and political fabric of society. Naidoo said South Africa had achieved a political miracle, but the task ahead was to shake the rest of the system out of the lethargy.

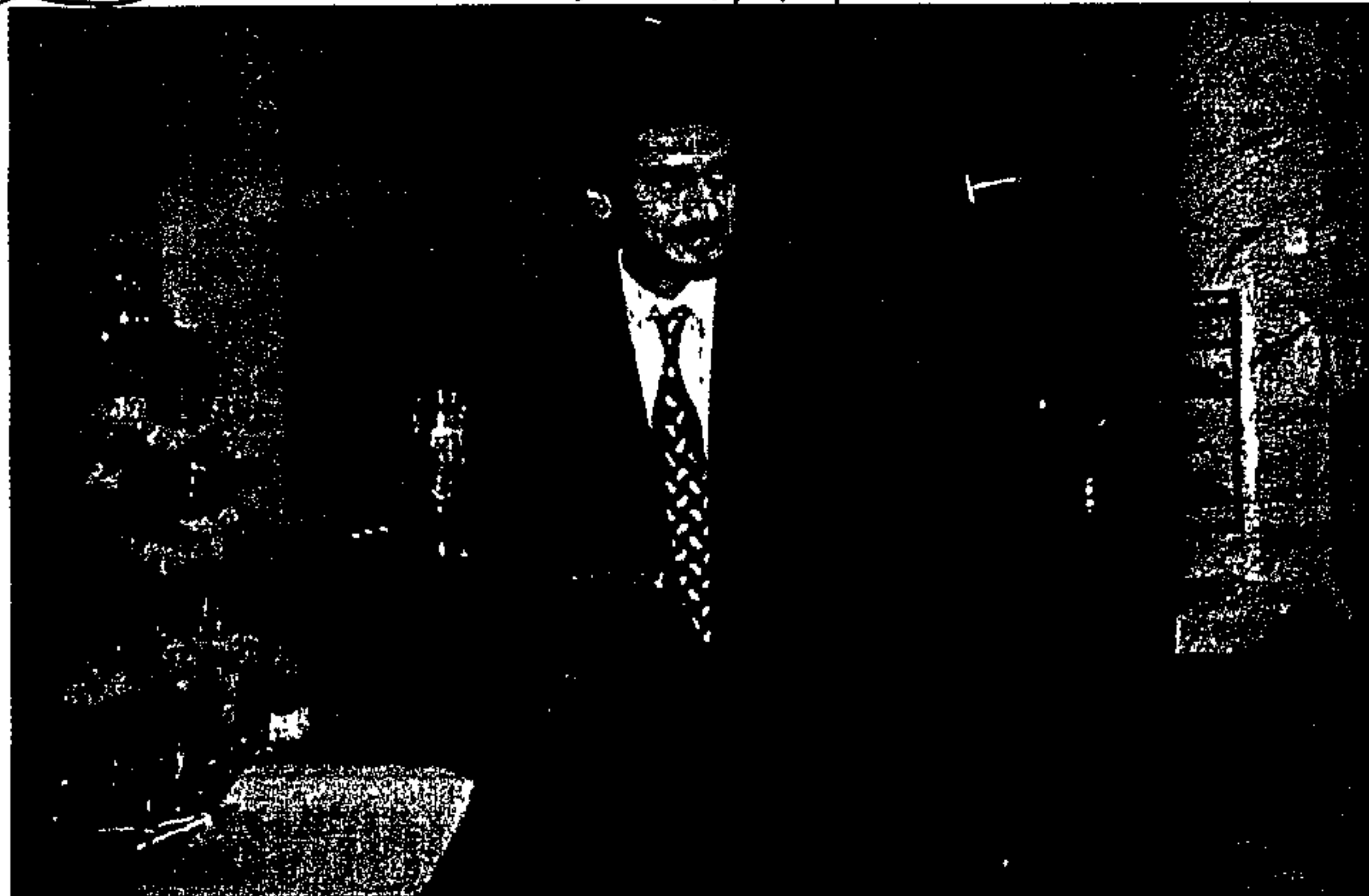
One of the components was the cabinet salary cut. "This is more than just symbolic. It is an indication of our seriousness in addressing a fundamental issue: the wage gap between those at the higher levels of decision-making and those at the lower levels." Naidoo said he hoped the spotlight would now fall on narrowing wage gaps in the public and private sector.

The second crucial element was fundamentally restructuring the public sector. He said the civil service was bigger than South Africa could afford, with anything between one and 1.2-million people.

**T**he public sector had to be cut down to an affordable level and made to deliver efficient and effective services to the whole population. Within the public sector there were enormous discrepancies, with most workers at the bottom level earning less than R1 000 a month, while at the upper echelons the basic salary package of directors general was R266 000, beside perks.

The government would use scarce resources to close this gap. It would begin to address training and affirmative action, increased efficiency and productivity, and career pathing. This meant that at a certain level wages in the public sector were going to be frozen and those resources released to close the wage gap — despite the threat of strikes.

"We have allocated R2,5-billion to salary increases this year. The majority



Minister Without Portfolio Jay Naidoo: 'Do we want to buy Corvettes for R1,2-billion, or build houses with that money? That is the choice' PHOTOGRAPHS RUTH MOTAU



Toyota SA executive chairman Albert Wessels (centre) was at Johannesburg's Market Theatre Precinct to receive an Investing in the Future award. With him are Triple Trust Organisation director Hubert Hlabangane (left), and National Economic Forum secretariat head Debra Marsden (right)

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Now R151-million was being made available for a small area relating to overtime payments for professional staff in the hospitals. But not a cent more would be allocated.

"The third element is reprioritisation," Naidoo continued. "It is important people understand this is the kernel of what the RDP is about."

While the R2,5-billion RDP Fund provided for in the Budget would kick-start RDP programmes and, more importantly, begin to leverage changes within the Budget, this would mean difficult economic and political choices. "Do we want to buy Corvettes for R1,2-billion, or build houses with that money? That is the choice."

There were also choices to be made within departments: "Eliminating the wastage, the corruption, the mismanagement of funds is at the core of the

RDP, and to begin to shift resources towards priorities of the RDP."

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Virginia Ogilvie-Thompson accepts an award from Business Mail editor Reg Rumney for Southern Life's role in the Triple Trust Organisation

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They were co-winners of this year's WM&G Investing in the Future Project Award; Toyota for its Toyota Teach Project, and Southern Life for its role in the Triple Trust Organisation.

Mary Rodney accepted an award for Pick 'n Pay, winner of the social responsibility reporting award.

The awards are granted in conjunction with the annual supplement to the WM&G, Investing in the Future.

■ TO PAGE B4



# RDP must fly or else trouble warn critics

ARG-19-20/11/94

**DAVID BREIER**  
Weekend Argus Political Staff

SOUTH AFRICA'S multi-billion rand reconstruction and development programme (RDP) is being buried under a pile of government white papers and red tape, critics warned this week.

There are growing fears of large-scale political unrest as the frustrated electorate waits for the government to deliver on its RDP election promises.

Yet another RDP white paper was tabled in parliament this week amid accusations that little was being done

■ The RDP is becoming bogged down in bureaucracy and little is happening, critics say. They warn of political unrest as a result of delays in discernible progress.

to build houses and services, provide jobs and raise the living standards of disadvantaged people.

RDP minister Jay Naidoo acknowledged there were legitimate complaints regarding delays in transferring RDP money to projects. He said he hoped the business plans for 22 projects would be ratified by January.

Mr Naidoo said a major obstacle to delivering the RDP promises was the lack of capability at provincial level.

Max Sisulu of the African National Congress and chairman of the RDP select committee in the national assembly, admitted this week that the slow implementation of the RDP was causing concern.

The National Party's Piet Coetzer said the time for philosophising was over and the RDP should be implemented.

Civic organisations have been increasing their warnings about RDP delays.

Patience is also growing thin in the private sector.

Business people at an RDP summit in Midrand near Johannesburg this week said there was a growing perception the RDP was "all talk" and no action.

In Cape Town, Nolan Marsh, managing director of Cape civil engineering contractors E U Civils, warned that if the government did not get moving on the RDP, the concept would fall into disrepute.

"When the RDP was first discussed and used as an electioneering promise, the entire construction industry took heart. After four years of a very severe recession, it really seemed there was light at the end of the tunnel," he said.

"However, the impression among an increasing number of consultants and contractors is that those responsible for implementing the RDP are better at talking and finding excuses for not going ahead than actually doing anything constructive," he said.

He said the usual excuses for delays had been bandied about long enough.

These excuses included the delay in the delegation of provincial powers from central government and the need to identify impoverished communities.

He warned that the level of frustra-

tion in the building industry was being reflected by the township electorate who felt election promises were not being kept.

"This definitely will lead to political unrest within the next six months if urgent action is not taken to satisfy the needs of at least some of the people."

Mr Marsh said the industry needed information six months ahead of schedule in order to plan, but little was coming from the government.

"The limited information that is available is continually changing. We are beginning to suspect that the planning authorities do not know the answers," he said.

He said that, far from being overloaded with RDP projects, "we are more likely to find ourselves slowly strangled to death through a lack of work opportunities".

Mr Marsh said the non-implementation of the RDP appeared to stem from the government's attempts to create foolproof blueprints.

"While this is commendable, it is equally important that the process should commence and be modified as one goes along. Obviously, there will be a learning curve, but that is inevitable, whatever one does."

He supported the government's intention to focus on newly-trained labour and emergent contractors. But, he said, "it would be unwise to try to convert our sophisticated construction industry to labour-intensive methods overnight".

Mr Marsh said the Western Cape construction industry needed a go-ahead. He was frustrated by the government's perpetual calls for private-sector involvement in the RDP.

"Most of us are ready to get involved and to advise at any time. The difficulty is that the people asking for this type of advice really only want capital loans, which most of us are not in a position to give."

A spokesman for Mr Naidoo said contractors should work in partnership with communities and identify their needs.

"The RDP is people-driven," he said.

The spokesman said the RDP was not a handout and sectors could not merely demand what they wanted.





# NGOs tussle for funding

By Alexandra Zavis

NGOs are staking their claim to national and international funding in a tussle with the government's RDP office.

Minister Without Portfolio Mr Jay Naidoo has pointed out that many of the services provided by NGOs in the past can now be taken over by the government.

He still sees a role for NGOs in the development process, but wants them to redirect their energies toward skills development and capacity building.

Mr Fred Oberholzer, Naidoo's spokesperson, explained that the government did not have the infrastructure to bring skills to people at a local level.

However, Ms Michelle Booth of Idasa pointed out this gives a role to just one sector of NGOs. Others were engaged in service delivery in health, literacy and housing; human rights monitoring; information dissemination; policy development and campaigning around those policies.

"Yes, there is a government ready to do the job, but nowhere in the world do governments have the capacity to develop innovative new programmes to meet the needs of the poorest of the poor," said Ms Jacqui Boule of the Development Action Group (DAG).

"Governments are interested in mass delivery, the private sector is interested in profit. NGOs fill the gap by producing pilots that can be multiplied on a mass scale by the government.

"There are a whole lot of new

problems, land claims for example, and I believe it is NGOs that will be able to find creative solutions."

The RDP office has called on NGOs to form a single co-ordinating body, with which it can engage on issues like funding.

"But this is assuming that NGOs are a homogeneous grouping with the same political and organisational interests, and that is not true," said Boule, who represents DAG on the NGO Steering Committee (297).

The committee, established at an NGO summit in February, is instead considering a coalition which will look at creating an enabling environment for NGOs. This includes ensuring there is funding.

Beyond that they would like to see the establishment of sector and geographical networks, which could negotiate with the government about specific funding relationships.

"The RDP office needs to accept

South 18/11 - 22/11/94

the diversity of NGOs," Boule said. "Essentially there is competition, and there always will be because of limited resources, especially as South Africa falls away from the limelight of countries to fund," she said.

But the tension could be resolved in two ways. By drawing up a code of conduct to guide the funding process, and by establishing which NGO was doing what.

"We have a state with a declared intention to serve the people. We need to find out to what extent this is happening, and establish the role of the NGOs," Boule said.

Most funders are still waiting to see how events unfold before making allocations, but Oberholzer said NGOs had nothing to worry about.

Major international funders like the European Union have already set aside funds which would be channelled directly to NGOs rather than through the government.

## Strand 'jumped the gun'

By Alexandra Zavis

THE regional Minister of Local Government and Development Planning, together with the Provincial Committee, has decided to give legal recognition to the Cape Metropolitan Negotiating Forum (CMNF) despite the Strand's court action.

Strand is contesting its inclusion within the Cape metropolitan area, but senior council advised the minis-

ter that the municipality had served its interdict too soon.

Only after the CMNF had been recognised in terms of section 6 of the Local Government Transition Act should Strand enter into negotiations with the forum. Only then could Strand serve the interdict.

Lawyers stressed the composition and structure of the municipality would only become final after the sub-structures, appointed transitional local counsel, were in place.

Mr Wille van Schoor, co-chairperson of the forum, was delighted to hear the news and said recognition was long over-due.

There will be a plenary session on Monday to ratify the agreement already reached by the forum and to consider nominations for the transitional local government structures.

"With that kind of planning in mind, we should have transitional structures in place by early December," Van Schoor said.



JAY NAIDOO



Standard Bank group senior GM Graeme Bell and securities head Tony Strutt explain the benefits of the US Securities and Exchange Commission appointing the bank custodian for US investors in Africa. Picture: CHRIS COLLINGSBEE

sition of further changes of vestigate and present a national report to Manuel.

## Economic integration plan for southern Africa

JOHN DLUDLU

THE African Development Bank was planning regional economic integration which would beef up industrial capacity and competitiveness in southern Africa, vice-president Adewale Sangowawa said yesterday. Sangowawa said at a joint conference with Saito in Midrand that intensive consultations on implementation strategy were taking place with task forces in relevant countries including SA. The strategy was based on recommendations of the bank's 1991 study. Sangowawa, leading a high-level delegation to SA, said regional integration would strengthen productive capacity, increase trade, financial potential and improve the region's general economic welfare.

"These benefits will come through production specialisation in areas of comparative advantage, economies of scale and cost reductions as well as enhanced efficiency resulting from harmonised legislation, practices and standards."

Apart from the benefit of an enlarged market, SA's membership would reduce the bank's project investment costs.

Sangowawa said the bank expected a large portion of its capital injection in SA would finance the development of small to medium-sized enterprises with labour-intensive components.

"The bank intends targeting those borrowers because they are particularly adept at employment creation and in broadening income distribution."

However, the bank's strategy on SA would be guided by the priorities of government's reconstruction and development programme.

## Talks on SA role in African bank schemes

JOHN DLUDLU

GOVERNMENT would push for an early entry by local companies into projects financed by the African Development Bank to maximise the advantages offered by the bank, Finance Department chief director Elias Links said yesterday.

Addressing a bank/SA Foreign Trade Organisation conference in Midrand, Links said the possibility of an early participation by local companies would be discussed this week with the bank's delegation led by vice-president Adewale Sangowawa.

Participation of SA companies would also benefit SA's neighbours, he said, while non-participation would increase the cost of certain projects up to 30%.

"Opportunities for growth and employment can be created in SA and the countries hosting the projects."

To influence development decisions in the region, Links said, SA needed to get representation on the bank's board of directors.

Board representation would enhance co-operation through institutions such as the Southern Africa De-

velopment Community and would encourage the private sector linkages in sectors such as telecommunications, power and postal services.

Board representation and subscription options would also be discussed in this week's meeting.

Cabinet recently approved in principle SA's membership of the Abidjan-based institution, and appointed a negotiation team.

Although membership discussions were continuing, Links expressed some concerns.

These included the fact that SA had not been part of the bank's founding process, and the continuing decline in the bank's net disbursements — disbursements less repayments.

Although no decision has been taken on SA shareholding, the bank's president recently indicated that SA should subscribe to 10% of the bank's shares.

The cost would be R8,7bn at the current exchange rate, but only about R1bn of this had to be paid up over a period, Links said.

## Japan waits for SA to take up aid

EDWARD WEST

CAPE TOWN — The Japanese government was still "waiting patiently" for signals from SA on taking up the R3bn aid package offered earlier this year.

Japan's ambassador Katsumi Sezaki said yesterday that negotiations were under way, but progress had not been made towards a concrete plan for the package, announced in July.

"Unless government takes action, we cannot do anything. It is up to them to arrange meetings. We can only wait patiently."

Spokesman for the ministry overseeing the reconstruction and development programme, Fred Oberholzer, said although foreign aid offers were still being "unpacked" to assess influences on macroeconomic balances, officials were in constant negotiations with Japan.

Sezaki hoped details would be finalised during his government's financial year to March 1995, after which "the whole process would have to be renegotiated".

# RDP success 'depends on economic growth'

CT 21/11/94  
JOHANNESBURG. — The reconstruction and development of the country — aimed at improving the lives of especially the poor — depended on sustained economic growth, President Nelson Mandela said on Saturday.

Speaking at the Greek Chamber of Commerce and Industries' Man of the Year award ceremony here, Mr Mandela said the government had committed itself to economic policies that create an environment in which business, big and small, can thrive.

The challenge was to seize the opportunities created and so contribute to building the country.

"This requires boldness in investment decisions. It entails utilising

your wealth of experience to build partnerships of mutual benefit with those excluded by past policies.

"Through such partnerships you could pass on the skills which have taken your own community from the economic margins into the mainstream, and help empower the nation as a whole."

Mr Mandela, in welcoming a delegation of deputy ministers from Greece, said the South African government was determined to expand trade and investment links with Greece.

"The environment fostered by our transition creates conditions for productive investments in South Africa, increased trade, cultural and other links between our countries." — Sapa



# World Bank in RDP talks

CF 21/11/94 (297)

Own Correspondent

JOHANNESBURG. — The World Bank and the Reconstruction and Development Programme ministries are planning strategies which will form the nucleus of a local government renewal scheme.

The programme to rehabilitate rural and urban infrastructure was one of President Nelson Mandela's projects, RDP deputy director-general Mr Bernie Fanaroff said yesterday.

He said the framework of the programme would be published in March next year for discussion in a second RDP White Paper. This was intended to secure wide consensus on the programme.

He said the government wanted to tie rural and urban upgrading schemes through a campaign which would be spearheaded by Provincial Commission chairman

## Planning on services backlog

and Constitutional Development deputy director-general Mr Thozamile Botha.

The campaign, which would involve community-based bodies, non-governmental organisations, trade unions and the private sector, would seek to develop credible local government.

This programme would be launched early next year.

RDP Urban Infrastructure Investment Planning Team (UIIPT) met the World Bank's Urban Mission in Pretoria last week to look at the implications of financing

such a backlog.

The meeting was the first between the two organisations, but Mr Fanaroff said the bank had been working closely with major cities for some time. The bank was now extending its services to smaller cities, he said.

The objective of last week's meeting between the UIIPT and the bank's Urban Mission was to "initiate planning on the feasibility and sustainability of various levels of local government services such as water, electricity and garbage removal".

UIIPT chairman Mr Joe Modibane said the urban renewal strategies would be developed in conjunction with local government. This was expected to be completed by February.

"The World Bank and the planning team of the UIIPT will be working together with local authorities in certain cities to draw up profiles of each community."

## Japan waits for SA to take up aid

22/11/94  
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CT 22/11/94 (297)  
**IMF concern over RDP 'hidden costs'**

JOHANNESBURG. — Concerns about hidden costs in the RDP and its potential effect on fiscal discipline were likely to feature in the IMF's annual report on SA, sources said. An IMF delegation, which left Johannesburg yesterday, was in SA to carry out its annual consultations in terms of the IMF's constitution. The delegation, headed by assistant director for Africa Leslie Lipschitz, presented its preliminary findings yesterday to Finance Minister Chris Liebenberg, Finance director-general Estian Calitz and Reserve Bank governor Chris Stals.

Soweto 22/11/94

By Claire Keeton

**S**CHOOLS WILL BE RESPONSIBLE for the repair of their buildings and in getting access to Government resources, Mr Graeme Bloch of the PWV School Rehabilitation Project said.

If the schools did not organise themselves they would not receive a slice of the R10 million to R12 million allocated to physical repairs in this province from the RDP.

"Reform has to be based at a school level and the school is the fundamental unit, the starting point," Bloch said.

The renovation of schools will begin with a short-term campaign from March 4 next year.

The weekend will launch a process of repairs and cleaning and brightening up of schools.

"We are asking everyone to get involved and roll up their sleeves — parents, teachers, students, government officials, religious groups, the police, army, local sports and cultural clubs — we want it to be localised," Bloch said.

Prior to this, in the first week of February, there will be a PWV schools

conference to prepare for the weekend and to look broadly at education and the RDP.

Bloch explained the money would be divided on the basis of equity among schools that need access to it, working out at around R10 000 a school.

"The amount is not the point, we must make sure the money goes into a process. Before schools get access to the money they must meet preconditions," he said.

A key requirement is that schools show they have democratic governance structures and there has been proper consultation about the problems, needs and resources of the school.

"We must get away from looking at problems only, to look at resources," Bloch said. (297)

He stressed there must be a "minimum consensus" at the school before the Government hands over resources. And the community must be prepared to defend their schools.

Bloch said it seemed around 1 500 former DET schools would need attention.

The Government was busy with special building projects in Kathorus and was looking at rebuilding the worst schools in Soweto.



# IDC takes part in big farm projects

BIDON

23/11/94

MICK COLLINS

IN A major boost for the agricultural sector, the Industrial Development Corporation (IDC) yesterday confirmed its participation in eight projects with a total value of R2,2bn.

Senior GM Malcolm Macdonald said the developments would create more than 34 000 new jobs, bolstered by a further 18 000 indirect employment opportunities.

"We have been trying hard to enter the labour-intensive sectors of industry," he said. "The agro-industry is a major area for concentrated employment."

One of the projects which is due for completion in the first half of next year is the R1,4bn Saiccor cellulose pulp-making facility at Umkomaas.

The pulp-from-wood project is expected to generate R390m a year in forex earnings and will create about 5 000 new jobs in timber plantations in KwaZulu/Natal. The corporation has provided R500m in equity financing and assisted in raising R238m in foreign export credits.

The production of glycols from sugar is also being investigated and a feasibility study into a R850m, 100 000-ton-a-year facility is under way. Preliminary studies indicate that the plant will generate forex savings of R340m and create employment for 10 000 workers.

Also based on sugar cane, a R286m synthetic lysine plant at Umbogintwini near Durban is expected to be commissioned next year.

The IDC, a 40% participant in the project, is providing R60m by way of equity financing, R110m in loans and has arranged R25m in foreign export credits. About half the production will be exported with net forex earnings estimated at R75m a year. The project will create 70 direct and 3 000 indirect jobs.

The corporation has also entered into a joint venture with Mondi, Anglo American and De Beers to develop a 45 000ha pine

plantation in the northeast Cape at a cost of R521m.

Employment generated by forestry activity is expected to result in the creation of 2 500 direct job opportunities and a further 13 000 indirect jobs during harvesting. The IDC has undertaken to provide 33% of the capital requirements.

The first phase of a R22m project to establish 150ha of orchards and the main infrastructure for a 1 000ha pistachio nut industry near Prieska in the Northern Cape are to be completed by mid-1995.

The project is aimed mainly at the export market with estimated forex earnings of R45m a year at full production. Private farmers will be encouraged to switch an estimated 15 000ha of suitable land from lower-value wheat and maize to pistachio nuts, creating an estimated 4 000 jobs.

The corporation is also involved in the development of an 850ha cashew nut project in the Ingwavuma area of northern KwaZulu/Natal. Total funding for the project is estimated at R18m spread over an eight-year period. An estimated 500 new permanent jobs will be created.

One of the corporation's subsidiaries, Sapekoe, has established a 415ha macadamia plantation at Levubu in the Northern Transvaal, to be completed in 2004.

Under its orchards scheme, the IDC has made R50m available on "attractive terms" for fruit industry expansion.

"The industry is the most important employer in the agricultural sector, supporting 400 000 families and is an important generator of foreign exchange earnings — R3bn in 1993," the IDC says.

The corporation is also involved in a joint venture to expand the production of dates on the lower Orange River near Pofadder with total expenditure budgeted at R18m. About 200 jobs will be created.

Development Bank unable to lend

# 'Bureaucratic hurdles stifle new projects'

BIDCO 23/11/94

MUNGO SOGGOT

UNCERTAINTY over the provinces' borrowing powers and bureaucratic hurdles were stifling new development projects, Development Bank of Southern Africa CE Andre la Grange warned yesterday.

After the release of the bank's results for the six months to September, La Grange said not one loan had been concluded with a provincial government since September.

"The bank has been confronted with the same bureaucratic hurdles hindering government's progress with the reconstruction and development programme."

None of government's R2,5bn RDP fund has been spent yet, as plans are still being drawn up.

La Grange said the provinces were still deciding which institutions could handle development projects. Efforts by government and the bank to solve the problem were unlikely to bear fruit for some time.

The bank was studying ways of giving the authorities the capacity to plan and fund projects, but there were a vast number of problems to overcome.

He warned that continued delay in sorting out provinces' borrowing powers would affect future development momentum. In the first half of the year, the bank had approved only 98 projects worth R415m, compared with 176 projects worth R570m in the same period last year.

Meanwhile, as new projects were drying

up, the bank's interim results showed that loan payouts were sharply up on projects already agreed. Overall loan disbursements rose 53% to R446,6m (R292m).

With the "difficult and violent pre-election time" over, the private sector was more willing to participate in projects. The bank expected to hit its R950m loan disbursement target — 34% higher than the previous financial year — by March.

Net income fell 27% to R84,9m for the six months. The increase in disbursements cut interest income 12% to R223,1m — a decline partially offset by an 11% rise to R185,7m in interest earned on its development loan portfolio. (297)

"Loan repayments have been made in good time, despite transitional difficulties experienced in many areas of public finance," La Grange said. There was no need to increase the loan loss provision.

A further 255 projects worth R1,9bn were being considered and 1 817 projects worth R11,2bn were in the pipeline.

La Grange said the bank was working closely with the RDP ministry and other departments to revamp its portfolio so that it fully supported the RDP's goals. "It is clear that a reconstitution of the board of directors and a redefinition of the bank's role in the institutional system supporting development are necessary."



# NGOs may lose EU funding

BRUSSELS. — Non-Governmental Organisations (NGOs), which have survived thanks to hundreds of millions of rands in European Union aid, fear the rug may soon be pulled from under them.

They have expressed deep concern that from next year the EU is planning to channel a large share of its aid to South Africa through the government.

The fears of the NGOs — which

include church organisations and trades unions — were raised by the NGO-EU liaison officer here, Mr James Mackie.

"We understand that we are in a transition phase, and that a new formula has to be found. But when aid is channelled through the SA government, some NGOs fear for their future."

The EU is next week expected to formally announce that it has allo-

cated all of its R440 million aid budget for South Africa.

However, a senior EU diplomat in Brussels revealed yesterday that the South African government has been closely consulted about the aid programme.

Officials from several SA government ministries arrive here today to explore future relations with the EU.

# Fears that funding will dry up

BRUSSELS — Non-governmental organisations, which have survived thanks to hundreds of millions of rands in European Union (EU) aid, fear the rug may soon be pulled from under them.

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The fears of the organisations — which include church organisations, trades unions and the Kagiso trust — were raised by the NGO/EU liaison officer in Brussels, James Mackie.

"We understand that we are in a transition phase, and that a new formula has to be found. But when aid is channelled through the SA government, some (organisations) fear for their future.

"They are worried the rug will be pulled out from under them and that they will go to the wall."

He added that assurances were also being sought about the future of the EU development aid office in Pretoria. EU officials in the city say this will be merged with the union's diplomatic delegation.

Mackie said: "We don't want to lose the expertise of this office, and the NGOs want

continuity and clarity." 23/11/94

The EU is next week expected to formally announce that it has allocated all of its R440m aid budget for SA. This is on top of the R44m which was allocated for the elections. Almost all of it is being channelled through non-governmental bodies.

However, a senior EU diplomat in Brussels disclosed yesterday that the SA government had been consulted about the aid programme, most of which is going on health and education programmes.

The SA government agreed earlier this month on future EU aid being controlled by Minister without Portfolio Jay Naidoo.

"For this reason, because of timing, none of the aid for SA will be going through this government channel this year," said the EU diplomat. "We are therefore continuing to work through the NGOs."

He said that the EU was keen to work in future with government. "We are not here to make the NGOs happy."

In another development, a team of officials from several SA government ministries arrives in Brussels today to explore future relations with the EU.

JOHN FRASER



## Joint venture funds cleared

From LINDA ENSOR

LONDON. — The application of the European Union's joint venture financing scheme to South Africa came into effect last week and already applications for funds have been approved.

An initial once-off sum of one million European Currency Units (ECUs) (about R4,4m) was committed to South Africa pending its formal incorporation into the programme next year.

Head of the European Community Investment Partners unit Mr Tom Roe said that in terms of the joint venture, a European bank would open credit lines via a South African bank for black entrepreneurs to develop medium-sized businesses. (297)

Mr Roe said three other projects had been approved. (309)

■ BY JO-ANNE COLLINGE

Thousands of non-governmental, non-profit organisations are part of a move to get the ineffectual Fund-raising Act wiped from the statute book early next year and to get a new law enacted for the voluntary registration of organisations.

Representatives from non-governmental coalitions in seven provinces met in Johannesburg this week and endorsed this course of action.

Yesterday they announced that they would engage a legal team to draft legislation providing for a statutory body to advise, register and monitor all manner of non-governmental organisations (NGOs) — from sports clubs and civic organisations, through to cultural societies and welfare bodies.

The intention was to lobby for this draft legislation to be introduced as a parliamentary Bill, said Sheena Duncan, a member of the study group whose two-year research programme formed the basis of the strategy adopted by the NGO regional structures.

The group, known as the Independent Study into an Enabling Environment for NGOs, consulted between 4 000 and 5 000 organisations in the course of its work, said Zane Dangor, a member of its secretariat.

*New plan for registering NGOs*

*Star 24/11/94*

# 'Fund-raising Act should go'

*297*

Dangor described the Fund-raising Act as "restrictive and bureaucratic". He pointed out that only 4 500 organisations were registered in terms of the Act, a mere fraction of the 56 000 to 80 000 non-governmental organisations in operation.

When the Act was passed in the mid-'70s it was widely interpreted as an attempt by the government to control NGOs, cutting the funding lifeline of any that strayed into politically sensitive territory.

Duncan made it quite clear that the proposed new system of registration would operate on a totally different basis.

Not only would registration be voluntary, but the statutory board charged with maintaining the register would have no right to refuse registration to any applicant. Therefore, it could not meddle with the

aims and activities of NGOs.

Tax benefits for registered NGOs would be the incentive for organisations to submit to the monitoring and accounting requirements involved in registration. Once registered, organisations would be required to file annual financial statements — and these would be available to the public.

The majority of the board would be drawn from outside the government sector.

The other major area of attention at this week's meeting of NGO groupings was the proposed national NGO council, intended as a vehicle for the sector to interact with central Government. The consensus was that it should be a non-statutory body, able to engage the Government independently.



## RDP 'stalled by red tape' (297)

Political Staff

DURBAN. — Paralysis and malaise were frustrating the government's ability to deliver on the RDP, Democratic Party leader Mr Tony Leon said here last night.

"The guiding principle at present appears to be: When in doubt, establish a committee," he told a DP function that formed part of a nation-wide tour to whip up support for the party during the parliamentary recess.

"The economy is bound and gagged by reams of red tape," he said.

25/11/94

# Don't write off the NGOs *Fun 25/11/97*



**Nick Taylor is acting director of the Joint Education Trust**

**Much debate** on the future of nongovernment organisations (NGOs) clouds the pages of the media, the airwaves, and agendas of conferences. This debate has generated more anxiety and confusion than enlightenment and constructive action.

One of the problems is that the NGO sector is occupied by a variety of organisations covering a wide spectrum of activities.

This article is concerned with those bodies which provide education and training services in areas such as adult basic education and training (ABET), early childhood development (ECD), youth programmes and teacher development. In order to move this debate in a more positive direction, account needs to be taken of

□ NGOs significant contribution to the delivery of social services in all healthy market economies. In Holland, for example, over 60% of all educational services are provided by the nongovernment, nonprofit sector. With the international move away from big government — precipitously in eastern Europe, and more gradually in the welfare states of the West — the trend towards diversification, in both choice and delivery, of services formerly provided by the State is gathering momentum.

□ If the present levels of support to NGOs in SA are not expanded, then certain services will not be provided, or will occur on a limited scale. The recently published White Paper on Education & Training, for example, states that, given the current education budget and the need for fiscal discipline, government will have to confine its activities to improving the quality of the formal schooling system, and moving towards compulsory education when resources become available.

"New services," such as vocational programmes, ABET and ECD, will have to rely heavily on "off-budget funding" and on "new partnership arrangements" between government and NGOs, development agencies, business, labour and other organs of civil society. (297)

□ The sources of NGO funding are various: business, churches, local and international development agencies, trade unions, individual philanthropy and the State. The mix varies. Given the distribution of wealth in SA, it is likely that we will follow the American model and business will begin to play an even greater role than it does in sustaining the NGOs.

This trend is likely to become more marked as much foreign aid is redirected towards bilateral arrangements with the new government and, once SA's transition is well under way, towards new causes in other countries.

□ The services provided by many local NGOs have in the past been directed largely by ideological criteria rather than by considerations of impact and cost effectiveness. This is not to say that their work should not occur within a vision of a better society. Indeed, NGOs constitute an essential component of any functioning democracy.

They provide vehicles for citizens to become involved in social action. But it is true that in SA NGOs need to pay greater attention to questions of quality assurance and productivity. Under these circumstances, it is unhelpful, even counter-productive, to call on NGOs to close down, merge with each other or fall under the control of the State.

## Fresh approach

NGOs work best when they operate on a relatively small scale and are run by enthusiastic and creative individuals with sufficient freedom to experiment with innovative approaches to the problems of education and training. Heavy-handed and ill-considered measures will all too easily inhibit these advantages. What is needed instead is careful consultative planning directed towards the establishment of qual-

ity assurance mechanisms appropriate to the sector. Such mechanisms would need to fulfill at least the following criteria

□ Assure clients and funders that the expected services are being provided,

□ Ensure that programmes provide learners with the knowledge and skills relevant to their personal needs and to the demands of a competitive economy and a democratic society;

□ Locate programmes within a national framework which ensures that qualifications awarded by any programme are accredited in other parts of the education and training system; and

□ Assure the quality of educational outcomes without inhibiting diversity at the level of delivery — that is, as long as programmes produce the goods to the right standard, they should not be constrained to using specific curricula, materials or teaching methods.

Only within such a framework will it be possible to measure the effectiveness of the NGO sector.

These mechanisms are also essential to holding together the partnerships required for delivering the educational skills so badly needed to build a democratic polity, stimulate and restructure the economy, and alleviate poverty.

Building these partnerships, in turn, requires identifying the role players in each educational sector, listing the functions involved, and investigating how each of these roles would be best performed and by whom. Government has a twofold role in initiating this process.

First, to involve all prospective partners in the search for solutions and, second, to create incentives for optimising the support of all the actors.

These processes need to start soon. The future existence of many NGOs is in jeopardy as funders suspend grants in anticipation of a sign from government. Undue delay may result in the collapse of a component of the education and training system vital to the delivery of services which government has already indicated it is unable to provide.



Millions to flow into RDP with early-1995 lottery launch

Argus 28/11/94

# Betting bonanza!

297

297

■ Legalised gambling and a national state lottery are on the cards for South Africa early in the new year.

**WILLEM STEENKAMP**

Weekend Argus Reporter

**HUNDREDS** of millions of rands are set to pour into the reconstruction and development programme through South Africa's first national lottery, expected to be set up early next year.

Draft legislation on the gambling industry in this country is due to be tabled in parliament early in the new year.

The South African national lottery is expected to be based on the hugely successful new British national one which raised more than R225 million in the first five days of its launch with jackpot payouts of R40 million.

After the successful launch of the British lottery, a 15-member delegation led by Nic Wiehahn, chairman of the South African Lotteries and Gambling Board, today flew to Britain on an exhaustive fact-finding mission.

Indications are that the South African gaming legislation may be strongly influenced by the British system and this country soon could have a similar national lottery.

Earlier, Minister Without Portfolio Jay Naidoo said premiers of the different provinces had agreed that a single national lottery be established to fund the RDP.

David Swanepoel, secretary to the Lotteries and Gambling Board, said Professor Wiehahn and his team were well-advanced in compiling a report and draft legislation on gambling. It is to be handed to the government early in the new year.

Mr Swanepoel pointed out that the Lotteries and Gambling Board used the Howard Commission's report on gambling only as a reference document.

And, although he did not want to speculate on Professor Wiehahn's report, indications were that this could contain some surprises for the local gambling industry.

Mr Swanepoel said the team that left for Britain would have extensive talks with government structures and private companies connected to the gambling industry in that country.

■ Small illegal casinos were closed down countrywide last month except in the Western Cape, where owners received a reprieve from the Supreme Court until December 2 when a final decision will be made.

# Kagiso Trust programme launched

**TOS WENTZEL**  
**Diplomatic Correspondent**

A LOCAL and provincial government support programme is being launched today by Kagiso Trust, the European Union and the Canadian International Development Research Centre.

The one-year programme is to provide assistance in response to some of the problems in the local government reform process. (201) (297)

Its overall objective is to help non-statutory bodies participate in the formulation of policies and institutional reform processes of the local and provincial governments

The EU is giving R6 million and the IDRC R2 million.

It will support short-term activity and projects in priority areas: AR 6-29/11/94

- Implementing local government transitional legislation;

- Establishing metropolitan government;

- Drafting a single local government budget for 1994/95;



# RDP: Call for 3 commissions

JOHANNESBURG. — An economic think-tank has recommended that the government establish three commissions of inquiry to supervise public spending, taxation and government business enterprises

The call was made by the National Institute for Economic Policy in a paper delivered to an Economics, Business Management and Manpower

(297) CT  
conference at Rand Afrikaans University yesterday

The paper said the commissions would guarantee the re-allocation of government resources to fund the Reconstruction and Development Programme (RDP).

The paper, prepared by the institute's quantification team, said the first, "audit" commis-

29/11/94  
sion would review central government projects and budgets, the second would review the tax system, and the third would streamline government enterprises.

The paper warned that the RDP could be undermined by the corporate sector, which it said should be co-opted by a carrot-and-stick approach.

The institute said in another

paper that affluent South Africans should be weaned off cellular telephones, foreign travel and fast food if the RDP was to succeed. It proposed new taxes on cellular phones, airport taxes, and VAT on fast food

The conference was organised by the National Productivity Institute and the National Manpower Commission — Sapa

## SA, Sweden sign aid deal to support RDP

STOCKHOLM — South Africa and Sweden signed a development aid agreement here yesterday to support the Reconstruction and Development Programme. (297) CT 29/11/94

The agreement, signed by Minister without Portfolio Mr. Jay Naidoo and Swedish Foreign Aid Minister Mr. Pierre Schori, provides for Swedish aid to South Africa until 1998.

Mr Schori said his government would propose to the Swedish parliament that foreign aid to South Africa should remain at its current level.

Detailed agreements on the aid package are expected to be completed early in 1995. — Sapa



# RDP — 'don't blame civil service inertia'

JOHANNESBURG. — The slow pace of implementing the reconstruction and development programme must not be blamed on the "inertia" of the civil servants of the previous government, according to the economic adviser to Deputy President F W de Klerk, Japie Jacobs.

In an address at the Federated Hospitality Association of South Africa's annual congress here yesterday, Jacobs said those who were critical about the pace of implementation were underestimating the magnitude of the task of "redirecting state machinery".

"In fact more rapid progress could have been recorded had the management and implementation of the programme been entrusted to them (civil servants)," he said.

He said the RDP White Paper raised concern about the implementation process.

"The RDP White Paper gives the

impression that the structures designed for the evaluation and implementation of programmes tend to be over-elaborated and that the whole process is overmanaged," Jacobs said.

Allowances had to be made for the fact that second and third tier government was not fully in place.

"A vast network of delivery mechanisms is involved and it will demand a Herculean task of policing, which in itself is costly, to ensure that funds are not misappropriated," he said.

A further problem relating to the RDP White Paper was the fact that organised labour appeared to regard itself as a beneficiary of the RDP rather than as part of the process of generating resources and opportunities to support the programme.

"Higher productivity hardly gets a mention and there is no indication that labour will make a positive contribution to improve the growth performance of the economy," he said.

# Funders in pledge for local govt

By ANTHONY JOHNSON  
Political Correspondent

A PROGRAMME aimed at boosting efficient government in South Africa at second- and third-tier level was launched yesterday.

Kagiso Trust, the European Union and the Canadian International Development Research Centre (IDRC) announced details of the one-year initiative titled the Local and Provincial Government Support Programme. (297) ET 29/11/94

The parties said in a joint statement that the programme had been established to provide assistance in response to some of the problems that have arisen during the transition process.

The European Union has pledged R6 million in financial and technical support and R2 million has been committed by the IDRC.

The programme will support short-term and "result-orientated" projects addressing concerns in areas such as implementing local government transitional legislation, the drafting of local government budgets and the role of traditional authorities.

Further information can be obtained from Mr Eric Molobi (011) 403-6319; Mr Seamus Jefferson (012) 43-6590, and Mr March van Ameringen (011) 403-3952.



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# Royal grant for youth fund

From LINDA ENSOR

LONDON. — A royal trust is to make £100 000 (about R550 000) available as an initial grant for youth development programmes in South Africa.

The private sector will be invited to make contributions to the fund and it is hoped that a total of £1m (about R5,5m) would have been raised by the time the Queen visits in March.

Buckingham Palace announced yesterday that the Queen and her husband the Duke of Edinburgh would be visiting South Africa from March 19 to 25 at the personal invitation of President Nelson Mandela.

She hopes to meet those involved with the new youth initiative which is funded by the Commonwealth Fund of the Royal Jubilee Trusts, of which she is the patron.

The donated funds will be administered by the National Youth Development Forum (NYDF).

Trusts director Mr Tom Shebbeare pointed out that there was a "reverse twist" to the grant.

In a sense, he said, Britain was repaying the generosity extended by South Africa towards its youth in the 1940s "with interest". In 1947 the South African government donated £172 000 (about R946 000) towards the establishment of camps for youth after World War II.

NYDF communications officer Mr Siphiwe Dlamini said yesterday that there was an urgent need for the government to address youth issues.

## R1 b in RDP spending approved

JOHANNESBURG. — The steering committee of the reconstruction and development programme said it had approved the spending of R1,06 billion on projects ranging from land restitution to the rebuilding of Katorus.

A statement yesterday said the committee, during a meeting in

Pretoria on Thursday, approved nine national business plans and two project business plans.

It said other projects which would benefit included primary school feeding schemes — allocated R72,8 million — and health care, which was allocated R500 million. — Reuter. (297)



# Boesak row: Foundation faces closure

ARLT 3/12/94  
■ It is likely Allan Boesak's Foundation for Peace and Justice will be closed down after a huge row over how Swedish aid money has been spent. (297)

**IAIN MACDONALD**  
Weekend Argus Reporter

THE Swedish government has this week been discussing the probable closure of Allan Boesak's Foundation for Peace and Justice in Cape Town — and, with it, the demise of Elna Boesak's video studio.

A spokesman for the Swedish embassy said there was "a process going on and we are working to find a solution".

"The foundation may be dissolved, and, if that is the case, it is then necessary to discuss what will happen to its assets, which includes Elna Boesak's studio.

"We had a meeting in Cape Town on Thursday and Dr Boesak was present.

"However, he and his wife are going away soon and we anticipate discussions will be concluded before Christmas," he said.

A huge public furore erupted recently after reports suggested that R840 000 of Swedish aid money was spent on a video company run by Elna Boesak without the authorisation of the Swedish government.

Sweden suspended aid to the Foundation for Peace and Justice last month, pending its investigation into whether the funds had been used for Elna Boesak's video company, Camelot Communications, as well as to buy curtains for the couple's Constantia home and a VW Kombi.

The Swedish embassy apparently had provided the funds to enable 12 videos to be produced on democracy and political education, prior to the April elections and with the final date being March 31 next year.

To date, only one had been produced, and the rest of the funds apparently had been used to buy the latest video equipment.

The Swedes said that when the project had been discussed, "it was indi-



**Allan Boesak**

cated that the video equipment would be hired".

Dr Boesak — who met and wooed Elna, while both of them were married, amid a glare of media publicity — was globe-trotting when the Swedish affair blew up.

On his return, he issued a statement which said allegations about the misuse of Swedish aid funds were "spurious" and "yet another attempt to discredit my person and my work".

The allegations were "completely devoid of all truth and I reject them with utter contempt".

"It is significant that this vicious attack on me was launched immediately before the formal announcement of my appointment to Geneva, and just as the Economic Affairs Department is establishing a solid reputation for itself," he said.

Dr Boesak's Economic Affairs Department — he was former Western Cape Minister of Economic Affairs, but has been appointed ambassador to the United Nations in Geneva — also was plunged into a row after it was claimed he moved the department from the provincial building to a commercial building, at a rental of R750 000, without authority.

## R120m in loans to SA approved

BRUSSELS. — European Union (EU) Finance Ministers yesterday gave broad approval to new loans for South Africa worth R120m.

However, formal procedures for clearing the loans will still have to be gone through.

The SA government had feared the Spanish would hold up the SA loans, as a way of putting pressure on their EU partners to keep up loans for South America.

However, Spain made no formal objection about loans to SA. *(297) ET 6/12/94*

"We merely said that we must think more closely about future foreign lending," said a Spanish official.

British chancellor of the Exchequer Kenneth Clarke said he was happy with the outcome.

"I hope the loans will start flowing soon," he said.

"We have now agreed South Africa should qualify for European Investment Bank (EIB) finance, and 120 m rands will be made available.

"I hope we can soon give the bank the formal authority they need.

"The President of the bank says he is quite confident they can invest 120 m rands in good, sensible projects, to start developing the infrastructure of SA.



# NGOs establish umbrella body

(297)

CT 6/12/94

By ANTHONY JOHNSON  
Political Correspondent

THE Western Cape Non-Governmental Organisation Coalition will be launched at a ceremony in Manenberg this afternoon.

The establishment of an umbrella body for NGOs in the region is the culmination of almost two years of discussions to ensure the financial viability and independence of a wide range of community organisations.

A member of the steering committee, Ms Michelle Booth, said the coalition would seek "to bring together a very diverse range of organisations to speak with a common voice on issues of common concern" to NGOs.

"It comes at a time when there is an urgent need for NGOs to unite, to negotiate new relationships with the

state and to ensure the continuation of independent funds for NGOs."

The founding agreement of the coalition states it will aim "to promote, protect and assert the right of NGOs as equal partners in the Reconstruction and Development Programme."

The agreement notes that the coalition will be open to all organisations that are "independent, self-governing, voluntary, non-profit distributing organisations that are operating not for commercial purposes but in the public interests for the promotion of social well-being and development, religion, charity, education, research, human and environmental rights."

The launch — which will include an address by the chairperson of the Namibian NGO Forum, Mr Naftali Uirab, will take place at the Manenberg People's Centre from 3-5pm.

*Controversial R100-m housing package to assist farmworkers, labourers*

# Germany to approve RDP aid

■ BY JOVIAL RANTAO  
and JUSTICE MALALA

Bonn — The German parliament is expected to approve a controversial R100 million housing aid package for South African farmworkers and labourers in its first sitting next year.

The aid, to be used in Government-initiated housing projects under the Reconstruction and Development Programme

(RDP), sparked controversy when it was alleged Deputy President F W de Klerk had negotiated the grant on behalf of a rural housing organisation biased in favour of his National Party.

Rolf Baldus, head of the South African division in the German Ministry of Economic Co-operation, said the South African Government would decide how the grant would be applied,

although there was agreement that farmworkers were the most needy. (297)

"We have discussed the priorities of the RDP. Besides housing, another priority is vocational training, provision of basic knowledge in handicrafts and job creation opportunities in the informal sector," said Baldus. South Africa's financial needs to meet the crucial housing shortage were

immense, he said, and no government would be able to provide the required sum, or even half.

"There's a possibility that foreign governments might assist, but most of the money has to come from inside the country — the private sector. Without the involvement of the private sector, it will be difficult to implement the RDP with all its ambitious projects," said Baldus.

Commenting on the controversy over De Klerk and the rural foundation, Baldus said the foundation had approached the German government for help but his government could not deal directly with a non-government organisation. "Regulations say that this kind of agreement has to be between the two governments."

Bernd Morast, deputy head of the southern African division in the German government's foreign office, said South Africa needed a kickstart in its battle for economic development. "The real battle," he warned, "will be decided in the field of trade and investment."

Morast said there was a need to start a political dialogue to allow European countries, better access to South Africa, and vice-versa. "The German government will try to convince some European Union partners to allow South Africa more access to the large Euro-market. We will try our best to convince businessmen to show interest in your country."

"We will talk to South African authorities to give them an idea of important framework conditions for foreign investments," said Morast.



## Launch of new coalition

A COALITION of about 160 non-governmental and community-based organisations was launched in Manenberg People's Centre yesterday as an independent driving force behind reconstruction and development. ~~ET~~ 297

The Western Cape NGO Coalition was based on a widely-perceived need that NGOs had to network and lobby for their rights as members of civil society, the organisers said. ~~ET~~ 7/12/94

The coalition set out to unite NGOs for optimal performance and to protect and assert their rights as equal partners in reconstruction and development. — Sapa

# Aid bodies battle to make it merry

Staff Reporter

WELFARE organisations in the city are at pains to secure survival on shrinking budgets at a time children are simply dreaming about the surprises lurking in Christmas stockings.

The Community Chest, benefactor of 320 welfare organisations in the Western Cape, is more than R3 million short of this year's target of R10,5 million — with little over three weeks left in the year.

While institutions like the Kensington Crèche, run by the Union of Jewish Women, are holding Christmas parties for the children in their care, they must also face the fact that funds are dwindling in real terms. ARG 7/12/94

Crèche chairman Ann Susman said a substantial amount of their daily operating costs came from the coffers of the Community Chest.

"Without the annual sum we receive from them we would not be able to pay our salaries, to provide the meals or buy the equipment for the crèche."

Community Chest chairman Ted Parlabeau said: "This year has been the first year in our 66-year existence we had to reduce our allocation and we are very conscious that this decrease has caused hardship in welfare organisations who depend on our financial assistance."

"We are determined 1995 will not see a further drop in allocations, but we have to rely on the public to make a contribution, no matter how small."

Picture: PIETER MALAN, The Argus

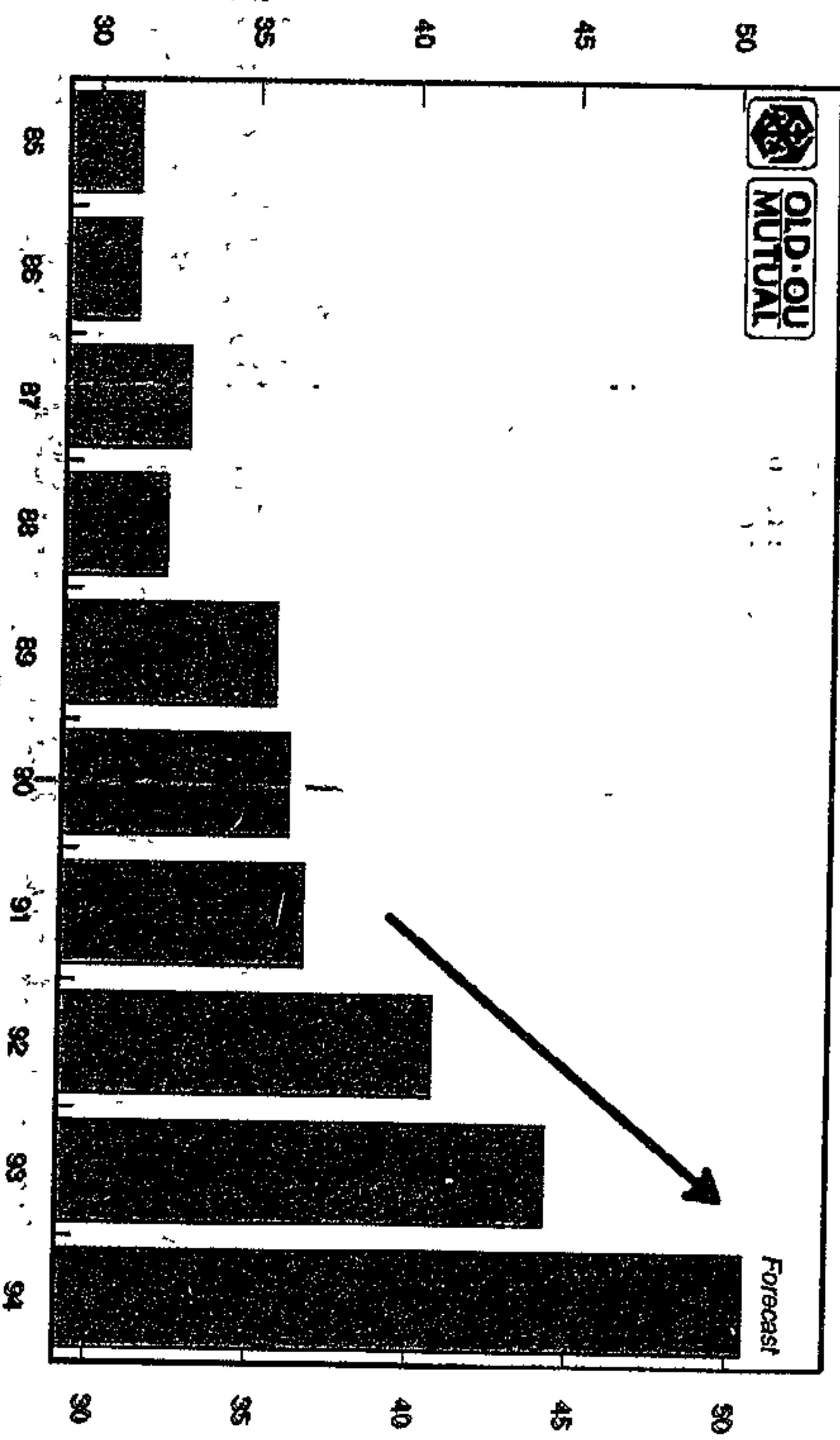


# Privatisation of state assets could raise R177bn for RDP

CT 8/12/94

## Government debt edging out of control?

Debt as percent of GDP



state subsidies. Many critics believe a large public sector can help implement the RDP. But some inefficient state enterprises are simply incapable of assisting the RDP, while many government assets, can contribute little towards it anyway."

Certain state welfare functions might be run more efficiently by the private sector. Given the appropriate incentives, taxes and subsidies, a privatised Telkom might connect more telephones to more poor households more quickly than at present.

Moll said considerable thought would have to be given to the methods of privatisation. Should state assets be sold to private firms, local or foreign? Or should they be given out to the population - perhaps in the form of unit trusts - as in the Czech Republic.

"These are important questions. Fortunately, lots of studies from other countries reveal how privatisation functioned and who benefited from it. We can learn from them and government needs to begin privatising as soon as possible."

- Sapa

PRIVATISATION of state assets could provide a R177bn boost for the RDP over the next five to 10 years, Old Mutual Unit Trust economist, Terence Moll, said yesterday.

In the latest Old Mutual Unit Trust Economic Commentary Moll said while the Department of Finance had indicated that about R27bn of state assets could be sold, another R150bn or more could follow.

It was estimated that each R1bn raised from privatisation would cut government interest payments by R125m a year and part of this could flow directly into the RDP.

Moll warned that high Budget deficits could lead to interest payments soaring and eventually force government to cut its spending drastically.

"Some observers believe we are already in a fiscal crisis. Indeed the figures look ominous. And only one escape route is available - privatisation."

Privatisation offered three major benefits - government would have the money to retire debt

and slash interest payments with more finance becoming available to the RDP, health, education, housing and other social needs.

"Secondly, the economy would benefit. Studies from other countries show that efficiency usu-

ally improves after state firms are privatised. Though some public enterprises in South Africa seem reasonably well run (such as Eskom), others could do far better. And thirdly, privatisation would send an incredibly positive sig-

nal to local and foreign investors. It would demonstrate that the government is committed to implementing its market friendly policies."

Privatisation would not be easy with many institutions with vested interest likely to fight it tooth and nail. Trade Unions would fear the loss of public sector jobs.

# NGOs to (297) work with local govt

Municipal Reporter

OPERATION self-reliance is to be launched countrywide during the first week of February next year, according to a circular from the government to all local authorities.

The project, which will be led by the deputy director-general in the Department of Constitutional Development, Mr Thozamile Botha, will promote and support "the creation of legitimate, democratic, economically-viable and sustainable local government"

Groups will be formed in every metropole and local authority area. Local officials will serve on these with representatives of business, trade unions, churches and other NGOs.

● The CPA has sent a circular to local authorities urging them to follow their usual procedures for collecting debt, but stop short of having debtors jailed.

CT 9/12/94



## Outsiders appointed to transform Development Bank

# New era for DBSA

THE Finance Ministry has appointed a "transformation committee" to take over the responsibility of the Development Bank of Southern Africa's board.

Announcing the new committee to DBSA staff yesterday, Deputy Finance Minister Alec Erwin said the Government had decided "to call on outsiders to transform the Development Bank".

"It would have been difficult for the bank to transform itself," said Erwin.

### Three-fold mandate

The 12-member transformation team will be led by present DBSA chairman Professor Wiseman Nkuhlu as convenor.

Other members of the committee include John Maree, JB Magwaza,

Sizwe Masena, Wendy Luhabe, Bax Nomvete and Dufi Gearing.

The committee was given a three-fold mandate: to define the future functions and focus of the DBSA more precisely, to recommend the system of governance for the institution and to propose an approach for recruiting and appointing a new chief executive following the resignation of the present CEO, Andre la Grange.

The committee has to report back to the Government by March 31.

"The day-to-day running of the bank will be conducted by the present management. Interfering with the management will be the worst option for us," said Erwin.

The present board's term ends this month and the Government will not renew it. The new board will be appointed after the submission of recommendations by the committee.

NOT everybody is happy with a special interim committee set up to take the place of the DBSA board, reports NEWTON KANHEMA

The bank was founded in 1983 to finance the governments of the former homelands.

The Government has come under fire about the appointment of the committee. The move has been criticised by DBSA staff members and the National Black Business Caucus (NBBC).

In a letter to Finance Minister Chris Liebenberg, NBCC chairman Zamani Jali protested against the appointment of Nkuhlu as convenor of the committee because he is chairman of the DBSA board.

"The DBSA, or any other public institution, must not be allowed to restructure itself. Nkuhlu's appointment... is inappropriate for as long as he is also chairman of the DBSA board.

"If he (Nkuhlu) became an ex-officio member of the committee, its output would be viewed with more credibility," said Jali.

He said the NBBC would stand against the appointment of unqualified persons to the transformation committee.

"This includes the appointment of persons whose value to the committee is only limited to high media profiles and no track record of commitment to public issues.

"The NBBC will oppose disguised tokenism. Our best brains are over-stretched to the point of ineffectiveness by making them serve in a multitude of committees and boards,"

said Jali.

In his address, Erwin said the Government was not in a position to please everyone.

"We have no illusions that we have solved everyone's problem," he said.

### Structures

The DBSA staff association complained to him of being left out of the transformation committee.

"Staff have not been in a position to participate in the evolution of strategic options available. A core team of broadly representative bank staff should be permitted to draw up alternative scenarios for the future functions and focus of a development bank," a staff association spokesman told Erwin.

In reply Erwin said staff should organise themselves into structures that could make representations to the transformation committee.

# 'RDP aims will fail without technology'

CT 13/12/94 (297)

By ANTHONY JOHNSON  
Political Correspondent

SOUTH AFRICA would not attain the objectives of the Reconstruction and Development Programme unless the country made better use of technology, Science and Technology Minister Dr Ben Ngubane said yesterday.

Speaking at a Cape Technikon diploma ceremony, he said success would also depend on South Africans strengthening the values of diligence, integrity and thrift, as well as encouraging entrepreneurship.

"Our country needs entrepreneurs. The phenomenal economic success story of the Republic of China (Taiwan) can be described in one word: entrepreneurship," he said.

Dr Ngubane said that technikons should play a leading role in the drive

to strengthen technology development and transfer.

"It is my intention to work closely with the educational authorities, science and technology institutions, and the relevant corporations to try to foster better understanding of the relationship between the promotion of technology for development and the contribution of education and training."

Dr Ngubane said he had decided "as a start" to invite representatives of the committee of technikon principals, university principals and the heads of science councils for regular discussions to promote these issues.

"It is past debate that South Africa should increase its numbers of natural scientists, engineers, technologists and technicians. We are lagging far behind the industrial world in this regard."



# Privatisation a threat to RDP — Cosatu

ET 14/12/94 (297)

Own Correspondent

JOHANNESBURG. — Proposals advocating privatisation, tariff reduction, a wage freeze and cuts in social spending would effectively spell the failure of the Reconstruction and Development Programme, Cosatu general secretary Mr Sam Shilowa warned yesterday.

Although Cosatu was prepared to debate any policy proposal aimed at resolving South Africa's economic problems, the federation believed this "unsolicited advice" was tied to conditions set by international trade and finance institutions dominated by advanced countries.

In response, Cosatu called for the establishment of a new democratic platform for world trade and financial relations which

recognised the social priorities of member states rather than financial and trade interests of developed countries.

Mr Shilowa said Cosatu would lobby international trade union movements and the government to submit this proposal to the UN social summit scheduled for March 1995.

He said Cosatu would also vigorously oppose privatisation which would have a negative impact on the RDP. Subjecting parastatals to the laws of profit would adversely affect uplifting the poor of SA, as would unplanned trade liberalisation.

Cosatu would also pursue its objective of a more progressive and fair tax system which shifted the burden from the poor and encouraged productive investment, he said.

# Bank to get a new focus

*Sowetan*

THE Development Bank of Southern Africa, established to lend support to the structures of grand apartheid, is to be restructured. 14/12/94

The DBSA is one of a number of development and assistance structures established by former apartheid governments. They have come under fire in recent months because of perceptions that they are not fully committed to the new Government's policies, including the Reconstruction and Development Programme.

## Evaluation (297)

In a statement, the Ministry of Finance said with the adoption of the Interim Constitution and the formation of the Government of National Unity it had been necessary to re-evaluate the function of many governmental and parastatal institutions.

A Transformation Team is to be formed by the chairman of the DBSA board, Wiseman Nkhulu, with instructions to report to the Minister of Finance by the March 31 1995.

## Consultations

The appointment of the committee follows consultations between the Ministry of Finance and Minister Without Portfolio Jay Naidoo, the Ministry of Housing, the South African Reserve Bank and the Core Committee of the RDP.

The Ministry of Finance said "it has been decided to transform the DBSA into a new more focused structure. This will revitalise the institution and provide a new sense of mission and purpose".

## Restructuring

The Ministry said reasons for the need to restructure the bank included:

- Substantially different intergovernmental financial relations between national, provincial and local levels of government established by the interim constitution;
- The mobilisation of funds for developmental and infrastructural projects required attention as well as projects that crossed provincial and national boundaries or were large, interdisciplinary and difficult for government to manage. This was associated with South African access to various forms of international assistance.

● Government concern to ensure there is sustained and viable support for community based and non-government organisations, which at the moment are heavily dependent on foreign assistance. The Government believed some DBSA activities could be effectively combined with other state supported NGOs to provide a stable form of support. —

*Own Correspondent*



# 'One agency for each province'

297  
BD 14/12/94

ERICA JANKOWITZ

THE more than 30 development agencies currently in existence in SA would need to be streamlined to offer an effective prop to government's reconstruction and development programme, Development Bank of SA CE Andre le Grange said yesterday.

Reacting to the proposed merger of the Venda, Lebowa and Gazankulu development corporations, he said government should aim to have one agency for each province.

KwaZulu/Natal was the only region with a single development body in the form of the KwaZulu Finance Corporation, which he described as well managed.

In other areas, a plethora of agencies existed which meant much of their funding went into covering overhead expenses rather than development work.

Northern Transvaal economic affairs, trade and industry executive director Joe Masembula said the region's three development corporations would merge early next year, in terms of a recently passed Act.

Masembula was unable to give details of staff rationalisation as a result of the merger as negotiations concerning integration would start only early in the new year.

However, he said the corporations' employees were not public servants and were therefore not protected from retrenchment.

Le Grange said development agencies would probably need to rationalise their administrative functions after merging, but that their actual development personnel — or field workers — would probably retain their jobs in order to offer an effective service.

As each of the three merging corporations had a specific area of operation, this would probably not change after integration.

Field workers would cover the same areas and be involved in the same functions.

The corporations were mainly involved in supporting small business initiatives and local farmers rather than in infrastructural development and service provision.

Le Grange said corporations were funded through government grants and share capital.

These funding methods could be supplemented by raising additional funds if the corporations' balance sheets were good.

Thursday December 15 1994

THE

ARG. 15/12/94

# German MPs set to approve aid to SA

VUYO BAVUMA  
Political Staff

BONN.— The German parliament is set to ratify next year a decision to grant R115 million for low-cost housing for South African rural farmworkers.

Rolf Baldus, of the German Ministry for Economic Co-operation and Development, said the aid would be the first "government-to-government" agreement to help to break down the buffer of poverty in South Africa.

Speaking to South African journalists, Dr Baldus said his ministry had noted that farmworkers lived in poor conditions without secure tenure and without basic facilities such as water and electricity.

During the anti-apartheid struggle the ministry had sup-

ported several developmental programmes of South African non-governmental organisations and churches.

Now it was important to note that the bulk of the funds to implement the reconstruction and development programmes should come from within the country, he said.

Last month, German government representatives discussed the proposed aid with the South African ministries of land affairs and housing.

Another German official, Bernd Morast of the Foreign Office, said should South Africa fail, the whole of Africa would follow.

Many South Africans might be disappointed because there was no flood of investment into their country, but this was not necessarily a death knell.

South Africa had good infra-

structure, such as its banking and transport systems. And if the government continued its present course, it stood a good chance of winning the battle against poverty.

Commenting on the presence of communists in the South African government, Dr Morast said there was no cause for concern.

Once the country's economy developed and provided jobs and houses, the radicals both from the left and right would not have a chance.

The RDP, which was a pragmatic way of fighting apartheid ills, proved the moderates were in charge.

"If the leftists were in control, the RDP would certainly have had a different profile."

But South Africa had to overcome the spiralling problem of crime and contain labour strikes.



rsday, December 15 1994 ★

# R6bn allocated to 95/96 RDP

ETS/12/94 (299) (297)

JOHANNESBURG. — The government has allocated R6 billion for its Reconstruction and Development Programme for the period 1995/96, according to an RDP progress report issued by the government's communication service yesterday.

In a breakdown of fund allocations, the report said R2,4bn would be used for carry-over costs of 22 lead presidential projects, R1bn towards housing and bulk infrastructure, R1bn would contribute towards rural development and R1,5bn had been earmarked for small and medium enterprises, including programmes for women, children and the disabled.

The RDP would also contribute to expenditure aimed at establishing equity and redistribution.

Peace, security and the protec-

## Report on expenditure breakdown

tion of especially women and children against abuse were also areas which would receive attention, while the business and private sectors would be transformed to provide efficient services to all South Africans.

The report said since the formation of the government, its targets regarding the electrification scheme, the primary school nutrition programme and free health care for pregnant women and children under six were all in place.

To ensure the success of the

RDP, a mass communication campaign would be launched in mid-January to "build the partnership between government, civil society, its organisations, institutions and people".

A second White Paper on the RDP will be issued next year which would outline an economic strategy and provide detailed programmes for achieving the programme.

In terms of presidential lead projects the report said R5,1m had been approved for land restitution and R2,1m for land redistribution.

Regarding the government's electrification scheme, 336 913 households had been electrified by November 30.

Focusing on the RDP budget, the report said a total amount of R1,06bn had already been disbursed. — Sapa

# How can the NGOs stick to their knitting?



Ironically, NGOs face their most serious crisis in the new South Africa. **Paul Zille** suggests scenarios for their survival

297

WM 15-22/12/94

If there is one aspect of the development debate in South Africa about which there seems to be complete consensus, it is the importance of non-governmental organisations. Yet, ironically, NGOs today find themselves in the most serious crisis of their existence.

The immediate cause of this crisis arises from the accelerating redirection since the April election of foreign donor funds from a near-exclusive concentration on the extra-parliamentary sector towards government. But what of its consequences? Can anything be done to help NGOs through their crisis? And what implications will this have for development and for the design and delivery of the reconstruction and development programme (RDP) in particular?

Few would dispute the need in the new South Africa for a change in the historical focus and orientation of many of its NGOs. After all, many of the

ment.

The same can be said of most development funders, whose programmes and policies appear to be characterised more and more by a single-minded desire to engage directly with the government around the RDP. As a consequence, NGOs find themselves increasingly stranded in a no man's land of warm public utterances and good intent, but with little practical guidance and direction as to how to work their way out.

What can NGOs do?

First and foremost, NGOs need to reduce their dependence on core funding from abroad. This implies a need to diversify their funding base but, more importantly, to restructure their operations towards the provision of services in exchange for fees. Admittedly, this depends on the existence of a complementary development funding environment which doesn't yet exist. But it also implies fundamental



Without such an explicit framework, the present indiscriminate lurch by many donors towards the RDP will have dire consequences for the health and diversity of South Africa's development sector.

What can donors do?

If donors are to give meaning to their frequent pronouncements on the virtues of a mixed economy, civil society and sustainable policies for change etc, they should ensure that RDP programmes they support take explicit account of, and are accessible to, the services of non-governmental agencies.

**D**onors must be upfront about the conditions for their assistance; and these conditions must reflect adequate incentives for outsourcing, subcontracting and decentralisation of development services by the government.

They might even take a leaf from their own books and translate some of their own important experiences regarding NGO subcontracting at home to the programmes they are asked to fund in South Africa.

Above all, they should resist the



Many development services historically undertaken by NGOs as a result of apartheid neglect must now, necessarily, be taken up by the organs of government. Effecting these changes represents one of the key challenges facing the RDP: ensuring the continuity of these services without causing a collapse in the structures and processes that underpin them.

The solution to this challenge is not a simple matter. But it lies in large part in the definition of a concerted and co-ordinated strategy for the funding and practical implementation of the RDP. The principal responsibility for this lies with the RDP. But it will not succeed in this task without the involvement of donors and NGOs themselves in the formulation of appropriate mechanisms to solve the problem.

So far in South Africa, this understanding remains largely at the level of rhetoric only. There is a serious lack of appreciation of the practical implications and requirements of these arrangements by all the players.

This in turn is reflected in the absence of any clear guidelines or concrete mechanisms within the RDP which might facilitate NGO involve-

internal changes to NGOs' management and costing structures.

To ensure the emergence of a more conducive operating environment which views NGOs as competitive service providers, NGOs need to organise. Not in relation to the tired old agendas crafted around inclusiveness and special pleading, but with a view to achieving strong sectoral and subsectoral alliances which define the development services they offer and the means whereby they may be resourced from projects within the RDP.

**T**he proposed NGO Council floated at the recent NGO-RDP Summit may catalyse this process further, but those on the inside are already cautioning not to hold one's breath.

Organisation goes hand in hand with specialisation. To be effective, NGOs should "stick to their knitting": do what they know and do it well; outsource the rest.

Specialisation in turn implies the definition of clear target groups, working procedures and management systems. Time sheets, fee-rate formulae and bidding procedures, once dismissed as irrelevancies, should be

viewed as important management tools which will assist NGOs to fulfil their potential and prove their relevance in the development process.

What can the government do?

The recently published RDP White Paper is frustratingly vague on practical measures to deal with NGOs. But this does not mean that what is required of the government now is the definition of a range of new support systems, subsidies or handouts for its erstwhile comrades in the ailing NGO sector.

South Africa has had enough experience of this form of ersatz development and political cronyism. Instead, what is needed is some applied thinking and the definition of practical guidelines by the government around the design and implementation of the programmes that make up the RDP.

It may begin, for example, by outlining clear policies and procedures on subcontracting of RDP services, within and beyond the NGO sector. In this regard, there is a large body of successful experience to draw on, both from other developing countries and from the developed North.

The government also needs to

define standard project appraisal, planning and evaluation formats for RDP programmes. Guidance needs to be given as to which aspects of the project cycle will be contracted out and how this will be achieved.

Such measures would encourage the systematic delegation of tasks and processes outside the government; provide a powerful incentive to independent service providers, including NGOs, to specialise and to concentrate on areas in which they have existing or potential advantages

**T**his in turn will encourage the development of professional partnerships between specialist NGOs and private-sector agencies, thereby helping to eliminate the historical antagonisms that artificially divide them.

To realise these goals, the RDP needs to engage the donor community to define an agreed framework for external assistance to South Africa. This must elaborate clear parameters for direct donor support for NGOs, as well as a strategy and working arrangements for the indirect participation of NGOs in the government projects that donors are asked to fund.

temptations of the easy route to development funding, of simply referring all independent funding applications to the RDP office for sanction. This would have serious consequences for the pattern and content of donor funding, and will set in motion a grotesque paper chase around funding, as projects queue up and jostle outside the RDP offices (in descending order of size and political correctness) for that all-important letter of authority from "the minister".

At the moment, there is little evidence that serious attention is being given to these issues in RDP-donor discussions. Consequently, those NGOs which are serious about the need to restructure, sharp-focus and tool-up are in danger of being hit by a double whammy: of diminishing direct donor support, and the lack of any structured framework or procedures by which to access projects emanating from the RDP.

Unless this vacuum is resolved soon, the NGO sector in South Africa will be progressively weakened and undermined.

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Paul Zille is a development consultant specialising in the non-profit sector

## R70m goes to IDT for rural projects

STEPHANE BOTHMA

PRETORIA — The Independent Development Trust has been given R70m for national public works programme projects to uplift the poorest rural communities.

Public Works Minister Jeff Radebe said yesterday the money would be used for 34 community projects in rural areas. The money was part of the R250m allocated to the department from the reconstruction and development programme fund.

Hertold reporters the programme was intended to generate assets and incomes and develop functional, administrative and productive skills. It was not yet possible to estimate accurately the number of jobs to be created by the projects, but labour costs represented about 45% of the overall cost.

The projects included six in KwaZulu-Natal (using R14,9m), six in the Eastern Cape (R14,2m), three in the Western Cape (R14,1m), six in the Northern Transvaal (R9,8m), three in the Free State (R7,5m), three in Northwest (R5,3m), three in the Northern Cape (R5m) and four in the Eastern Transvaal (R3,1m).

Gauteng's absence from the list followed a decision to first establish projects in rural areas. "Gauteng is peculiar in that there are no rural areas in this industrial heartland," he said.

Projects planned included community centres, access roads, boreholes, sewage disposal systems, small industries, water-piping from dams, the building of a bridge and a brickmaking facility.

The public works programme's key objectives were to reduce unemployment and create labour-intensive jobs; create, rehabilitate and maintain physical assets; educate and train those involved in pro-

□ To Page 2

## IDT projects

grammes; and develop the capacity of communities to manage their own affairs.

A task force would implement the programme and experienced, non-government actors had been engaged to ensure proper management and accountability.

Radebe said the programme had to be people-centred.

"This means that the communities them-

selves must be directly involved in the identification, planning, administration and execution of viable projects in their areas," he said.

The 34 initial projects targeted the poorest in the rural areas. They would be a good example of how co-operation between government, non-governmental organisations and communities was being extended to include the private sector.

□ From Page 1



ARG 17-18 121914

# **'Eliminate welfare fraud' — public accounts committee**

WIDESPREAD fraud in the payment of social pensions and welfare grants in a number of government institutions must be eliminated.

So says the Joint Standing Committee on Public Accounts, parliament's top watchdog for State spending.

In a report tabled in parliament this week, the committee, comprising MPs and senators of all parties and chaired by Democratic Party finance spokesman Mr Ken Andrew, also called for:

- Special care to ensure the structures, staff and procedures were in place before functions were transferred from the old apartheid authorities to the new ones; and

- Urgent and extraordinary

measures to ensure that asset registers, particularly on property and equipment, were compiled and comprehensively brought up to date as soon as possible.

It had found evidence of widespread fraud in payment of social pensions and welfare grants.

"The committee recommends that the Department of State Expenditure and the disbursing departments conduct an urgent investigation to establish procedures which will eliminate fraud."

It said incomplete asset registers were a "cause for real concern".

Turning to more specific matters, it called for:

- The Unemployment Insur-

ance Fund (UIF) to be placed on a sound financial basis and steps taken to eliminate payments based on fraudulent claims, and other overpayments;

- Steps to ensure the control measures, laid down by the Local Government Bodies Training Fund's board, on donations to training centres were adhered to; and

- The committee to be provided with the projected financial results of individual tollroads to determine whether the financial results conformed with the 30-year redemption concept which provided for the repayment of interest and loans, as well as the accumulated losses. —Sapa.

# 'Impossible' to meet RDP expectations

CT 1/12/94

(297)

By CHRIS BATEMAN

IT would be impossible to break the "sickness of poverty" in five years of a Reconstruction and Development Programme — and his government would not even be able to meet "reasonable expectations", Western Cape Premier Mr Hernus Kriel warned yesterday.

Speaking at the end of a 3½-hour RDP debate in the provincial legislature yesterday, Mr Kriel warned that expectations of voters — built on election promises — were "far too high".

• While his party bound itself to ensuring the RDP succeeded, the time had come to "play open cards with these expectations".

One of the brightest "danger lights" for him was politicians who used the RDP to raise their public images so they could improve performance in next year's local government elections.

Another red light was local authorities buckling under the growing pressure to provide services without any income because of rental and service boycotts.

"If we cannot deliver, people will sit under mountains of rubbish with no water — either we accept this and use RDP funds to provide, or... this is what really scares me," he said.

Another danger light was central government policy that the RDP was not an "add-on" programme, but a shifting of priorities.

Mr Kriel said he was worried not enough was being done to stimulate the Western Cape economy.

"Yes, people need water and services, but this can only go hand-in-hand with job creation," he said.



Thursday December 1 1994

THE CAPE

# Kriel talks tough on high expectations

(297)

ARL 1/12/94

**MICHAEL MORRIS**  
Political Correspondent

WESTERN Cape Premier Her-nus Kriel has delivered a tough warning that the reconstruction and development programme will not succeed unless expectations are lowered and there is more emphasis on creating jobs.

It would be impossible to "cure the sickness of poverty" in five years or even meet people's reasonable expectations within that period, he said at the end of a 3½-hour debate on the RDP in the Western Cape parliament.

Lowering people's expectations of the programme was repeatedly emphasised by speakers from all parties.

Mr Kriel said: "The Western Cape government is committed to the RDP ... we will deliver the goods, but we must be aware of the dangers."

He warned that several "danger signals" were flashing:

- Expectations would have to be reduced.

- Politicians would have to suppress their own self-serving political agendas and work together.

- The boycott culture would have to be reversed or vital RDP funds would have to be spent on paying for services, and if progress was made in providing electricity and water to unserved areas an unrestrained boycott culture would merely mean-increasing debts.

- Job creation and economic development were vital.

- There should be more local decision-making on RDP projects.

Mr Kriel said he was keen to see funds from casinos, lotteries, horse racing and other competitions pooled in a provincial RDP fund so that the Western Cape could initiate its own projects.

African National Congress leader and Economics Minister Chris

Nissen said it was vital "for us to go out into our communities to teach our people a culture of responsibility".

Mr Nissen — who disclosed that the government had allocated R19,3 million of RDP funds to the Western Cape but wanted donors to finance the reconstruction of District Six — said all parties should invest all their energy in the RDP "because, whether we like it or not, all of us will be judged according to its success".

Democratic Party leader Hen-nie Bester warned that the absence of a bedrock of social life coupled with the culture of conformism, collective consciousness and under-achievement were threatening the RDP.

Freedom Front legislator Eleanor Lombard said that while the RDP was a positive initiative, she had reservations about its implementation.

She was particularly concerned about unduly high expectations.



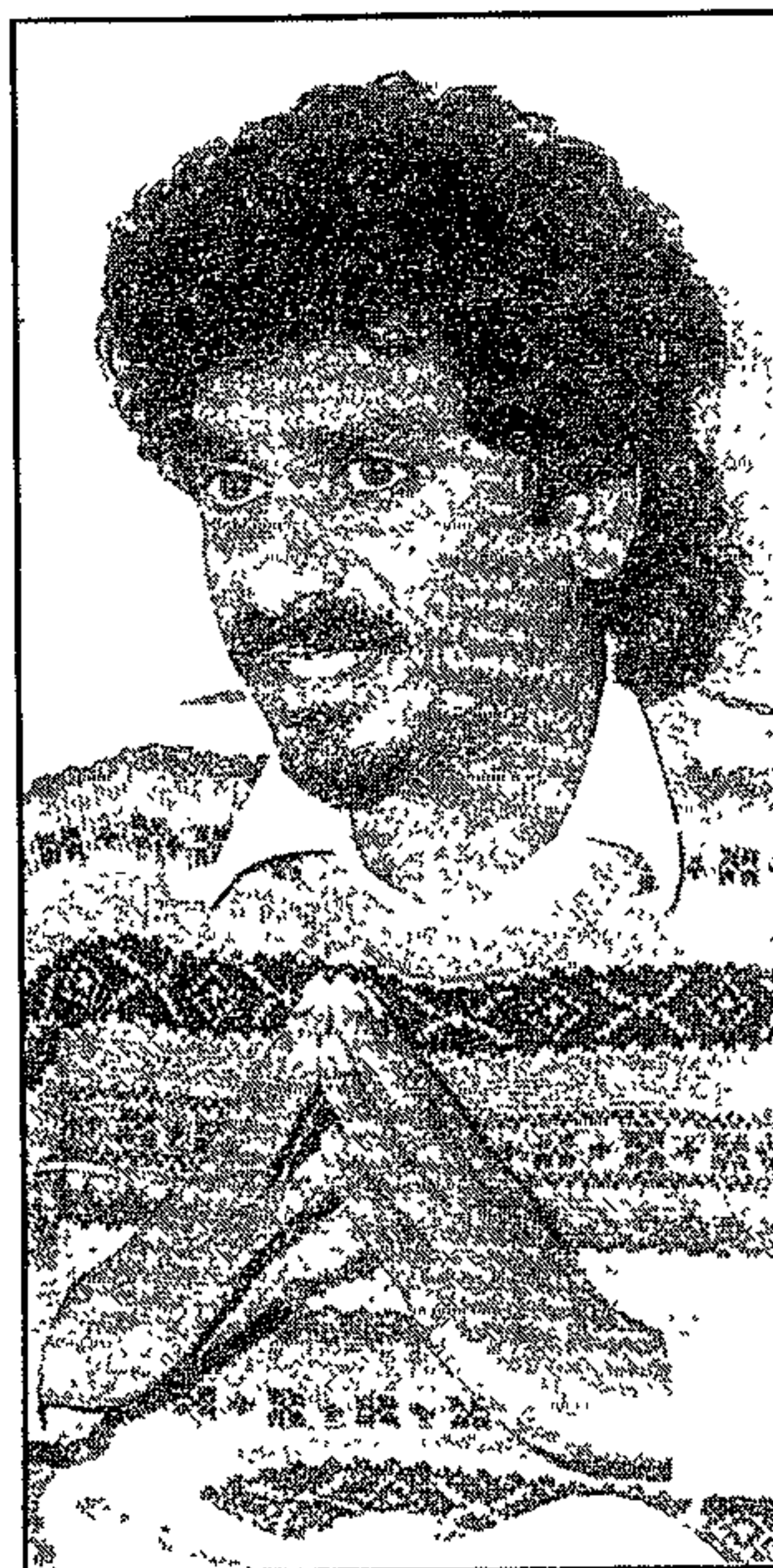
# focus on RDP

Sowetan 20/12/94

Minister Without Portfolio Mr Jay Naidoo admits that communicating all the aspects, strengths and weaknesses of the RDP has been a failure, reports *Sowetan* Political Correspondent **Ismail Lagardien**:



(297)



Minister Without Portfolio ... Jay Naidoo

It took many years, decades even, to create the apartheid state and to weave its inherent inequalities into South Africa's social fabric.

This iniquity permeated the policies of successive governments as it did civil society. Although it may be *passé* to repeat, government spending financed, in a sense, this iniquity.

Unravelling it all may take a while and creating a new society, building a new nation, based on the principles enshrined in the constitution and on those on which democracies around the world are based, could take longer.

This is one of the more serious lessons that the Government of National Unity, especially the ANC element of it, has learnt since its inception.

Yet, if it has been difficult at all, for the GNU, it has been so, too, for the majority of black South Africans who over the decades bore the brunt of apartheid's iniquitous policies.

What has been seriously lacking, many will agree now, is a coherent communications strategy, especially about the RDP — the watermark, as it were, of the GNU.

## Strengths and weaknesses

The Minister Without Portfolio in the President's Office Mr Jay Naidoo readily admits that communicating all the aspects, strengths and weaknesses, of the RDP have been a failure.

Four pertinent areas of failure, Naidoo explains, could adequately inform those who ought to benefit from the RDP of the enormity of the process.

He outlined these issues curtly and succinctly...

Government has failed, he says, to move past the perception that the RDP "was charity"

Government has failed to develop "a partnership" with the people based on responsibility. While the RDP promises to deliver goods, utilities and services, for example, people will have to pay for them.

Government has also failed to explain that good management and accountability ("for every cent spent") has to be accompanied by a coherent business plan. Money cannot be thrown at problems.

Finally, Naidoo says, it has been a major shortcoming on the part of Government, to explain to the people that the RDP was not "a set of *ad hoc* projects".

"The Government is not preparing for delivery for as long as the ANC is in government. We are preparing the foundation for generations to come," he says.

Getting this elaborate plan off the drawing board is taking a lot of time, Naidoo says.

The expressed ideals of the RDP, as explained

by Naidoo, are so wide in their scope and so significant in their depth that the GNU may well be establishing a precedent for other (redeveloping) countries.

"We are trying to do something that has not been achieved anywhere in the world," he says.

Through the RDP, the Government is attempting to change the way in which each cent in the exchequer is spent and "to hold each

ministry responsible and accountable for each cent spent".

Each ministry, he says, has to explain a detailed spending and business plan for any envisaged projects. It is understood that earlier this year a Cabinet Minister asked Naidoo for money and was asked for a detailed business plan before money would be disbursed. The particular minister has not been back.

Thus, explaining to the general public what the RDP is, even to Cabinet Ministers, it would seem, has been a shortcoming.

It may also not be easy — given the highly technical process which Naidoo's office is overseeing

## No easy access

What is certain is there will be no easy access for departments to money and no money will be thrown at problems.

The RDP, as it exists, represents a wedge, Naidoo explains, the sharp edge of which is the Presidential Projects. As it stands four million people are being fed each day as part of this initiative.

A next step will be to divert spending, from within the Health Department, away from (high-spending) in hospitals to primary health.

By the time the thick end of the wedge has entered Government expenditure, the very nature of state spending will have moved significantly away from its present iniquitous pattern.

But it all will take time to come to fruition. The essence of the RDP, Naidoo explains, is to make people take responsibility, too, for the projects created by the programme in a partnership.

People will only appreciate and protect their schools and hospitals if they feel they have had a role in building them, he says.

The Government is, apparently, trying to undo the iniquities of apartheid at the same time as it is building a more equitable society.

Getting that message across can start only next year, Naidoo's office is finally getting a director of communications and a public relations officer.



## Norwegians help Eskom

20/12/94  
The Norwegian Agency for Development Co-operation is to provide Eskom with R16,25 million to be used for the electrification of schools and clinics in projects extending up to July next year.

Norwegian ambassador Jens Otterbech said a memorandum of understanding signed with Minister without Portfolio Jay Naidoo on December 1 had provided the umbrella document under which this and subsequent grants could be made, Otterbech said. (297)

There would also be funds from general and regional schemes aimed at improving the quality of life for women, conservation and protection of the environment, support for cultural projects and events, with a campaign for investments, and combating the spread of AIDS.

An Eskom spokesman said the grant would accelerate work at the 19 000 schools and 2 200 clinics in South Africa still needing to be provided with electricity. — Sapa.

# 'Growth unlikely to match RDP needs'

(297) BD 20/12/94

CAPE TOWN — The economy was unlikely to grow fast enough over the next couple of years to keep pace with reconstruction and development needs, the Stellenbosch-based Bureau of Economic Research (BER) said.

In a research paper on macro-economic stability within the RDP, the BER said the longer-term growth outlook suggested the possibility of populist measures.

The BER said among the reasons for the less than certain long-term outlook was that the economy was unlikely to expand at a satisfactory rate over the next few years.

The Stellenbosch research paper analysed the RDP base document, the RDP White Paper and statements by policy-makers and compared the results with causes leading to the abandonment of macroeconomic discipline in Latin America.

Uncertainty about economic policy was likely to remain and unequal wealth distribution would always offer politicians a quick and easy route to power, the BER said.

Under such circumstances, populist policies were only prevented by

EDWARD WEST

the constraint of the international economy and by political leaders pursuing the common good instead of self-interest.

The large fiscal deficit, sharp increase in government's debt to GDP ratio, low level of foreign exchange reserves and government opposition to excessive borrowing were checks on policies leaning towards macro-economic populism.

Government intended to reduce consumption expenditure, review spending priorities, maintain control over spending of the provinces and local authorities and reverse the culture of non-payment for services.

Should these measures fail, maintaining fiscal discipline could prove to be difficult, the BER said.

The RDP White Paper suggested several ways of reducing government spending, but in 1993, remuneration of employees made up 64% of consumption expenditure and the ability to keep a lid on this largely depended on the ability to keep public sector employment from increasing.

However, the BER said this was unlikely. Affirmative action, integration of the public service as well as the defence force, improvement of health and education all pointed to increased public sector employment.

The meagre growth prospects for the next five years would also make any significant cut in government expenditure and the budget deficit as a percentage of GDP difficult.

The absence of a social pact was linked to the inability of governments in general to maintain or restore macroeconomic stability.

But, said the BER paper, the National Economic Development and Labour Council, which would replace the National Economic Forum and National Manpower Commission, had the potential to function as a social pact for SA.

The BER also said it would be difficult for the ANC to maintain the support of organised labour and to simultaneously support reduced government involvement in the economy if such a policy was associated with constant wages and the same number of employment opportunities.



**VW contributes R10m** (297)

2/11/21/94  
PORT ELIZABETH. — Volkswagen of South Africa yesterday announced a R10-million contribution to community development.

# Boesak denies involvement in 'wrong-doing'

By WILLEM STEENKAMP  
and CHRIS BATEMAN

DR ALLAN BOESAK, who is at the centre of a row over the use of foreign funds, broke his silence last night to deny that he "personally" was involved in any financial irregularities.

He arrived in Cape Town after reportedly cutting short an overseas visit to deal with the row.

And he said that as far he was concerned he would still take up his post as the South African ambassador to the United Nations in Geneva early next month.

## Danish aid

"That can only be jeopardised if there is evidence of wrong-doing. I personally have not been involved in any financial wrong-doing," said the former leader of the ANC in the Western Cape.

Dr Boesak's denial came minutes after it was reported on SATV that the Danish government was to consider asking the police to investigate alleged irregularities in the spending of more than R2 million in foreign aid received by the Foundation for Peace and Justice, headed by Dr Boesak.

Quoting a Danish embassy spokesman, the report said the investigation had been widened to include an additional R700 000 over and above the R2m originally under scrutiny.

It also said a Danish merchant bank had summonsed Dr Boesak for an unpaid debt.

Interviewed at his Cape home, Dr Boesak said: "There is very little I can say."

He said he had spoken to the Danish funders yesterday afternoon, but added: "I can't make a statement until the Danes have officially contacted me."

Dr Boesak said he was unaware of the Danish funders' intention to involve the police in their investigation.

"When I spoke to them this afternoon there was no indication of that whatsoever."

He said he planned to hold a press conference as soon as there was clarity on the matter.

The National Party yesterday added its voice to the calls by local ministers (Mr Patrick McKenzie and Mr Peter Marais) for President Nelson Mandela to withdraw Dr Boesak's diplomatic appointment until a probe was completed into the workings of his Foundation for Peace and Justice.

NP foreign affairs spokesman Dr Boy Geldenhuys said in a statement that no one could properly perform ambassadorial functions under a cloud of suspicion.

On Sunday the trustees and Danish benefactors of the FPJ confirmed they were probing allegations that R2m had been diverted for private use by FPJ employees.

The allegation, the third against the FPJ in recent months, was reported by a Danish news service at the weekend. It said an FPJ official had confessed misuse of funds to the police.

He allegedly received a "loan" of R800 000 to buy a house.

## Swedish probe

The report said the probe was apparently a result of a visit to South Africa by Danish Christian Aid secretary-general Mr Christian Balflev Olsen.

Earlier the Swedish International Development Agency began probing the alleged misuse of R762 000 granted to the FPJ.

Police have confirmed they are not investigating any charges against Dr Boesak.

ET 22/12/94

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## FOREIGN AID

### Counting strings

*Fun 23/12/94*  
Out of a total of R11bn aid promised nearly half — R4,7bn — is grant aid. This portion does not have to be paid back, nor does it have any strings attached in the form of

*Fun 23/12/94*  
The EU will provide R2,7bn worth of assistance of all types, nearly half of it in the form of General System of Preferences which will allow SA products to enter EU countries duty free.

Almost all of Japan's contribution comes in the form of concessional loans worth R1,8bn, which will attract a negotiated interest rate, and trade-related assistance of R1,7bn.

Donors who have been cautious with assistance include the Commonwealth (R5m), Ireland (R6m), and the Netherlands (R20m).

#### RDP projects

The extent of borrowing on loan facilities offered will be carefully monitored.

Grant aid will be used first by government mostly on RDP projects if donors are agreeable.

Donors have specified areas to which they would like their funds committed. The most popular seem to be health and education.

*297* One of the more unusual areas chosen by any donor — Taiwan — is for the retired soldier service brigade. ■

### DEVELOPMENT ASSISTANCE PROMISED

	Total Rm	Grant aid Rm
Japan	4 300	165
European Union	2 700	989
US	1 800	1 742
Taiwan	429	132
Denmark	429	385
UK	330	330
Norway	250	250
Germany	190	190
Canada	156	156
Sweden	110	110
Australia	80	80
Italy	69	69
UN Develop Programme	59	59
Finland	40	40
Netherlands	20	20
Ireland	6	6
Commonwealth	5	5
World Bank	Figures not specified	
France	Figures not yet available	

SOURCE: INTERNATIONAL DEVELOPMENT CO-OPERATION COMMITTEE

trade or contractual agreements.

The most generous donor of these outright gifts is the US which will be giving R1,7bn grant aid over three years. Most of this (R909,4m) will go towards creating jobs, infrastructural and private sector development. The rest is earmarked for "strengthening democratic and political interactions" and education and health.

The European Union will be giving R989m in grant aid over two years: Denmark R385m, the UK R330m and Germany R190m.

Star 29/12/94

## Sanlam unveils fund for RDP

■ BY BRUCE CAMERON

Sanlam has launched a special fund to allow pension funds to invest in the RDP.

It is the second life office, after Southern Life, to offer a special product to channel money into projects in under-developed areas.

Much of it is aimed at the Eskom electrification schemes and at shopping centres.

Southern Life has provided money in the wholesale market to fund housing.

Southern calls its product Futuregrowth. The Sanlam product is called Community Builder.

Sanlam says it will help pension and provident funds to:

- Help bring shopping and entertainment facilities closer to people in developing communities.
- Raise standards of living.
- Facilitate job creation.
- Provide skills training.
- Create opportunities for local entrepreneurs.
- Assist community projects.



WM 23/12/94-5/1/95

with documents full of high-sounding verbiage in a probably futile attempt to curry favour with the new government.

Just use the patented RDP buzzword generator provided below, which features key words taken directly from the RDP — the final version of the RDP itself, that is, rather than the draft RDP green paper, the RDP green paper, the draft RDP white paper or the draft RDP discussion document preceding the RDP white paper.

How to use: Select one word from each of the three columns—two adjectives and a noun—and, voila, you have “appropriate democratic resource allocation”, or an “ongoing integrated strategy”.

Each of these combinations mean just one thing: I have mastered the essential language of the RDP and am therefore fit and able to receive a large contract as a consultant.

The more you use in any single sentence, the greater your expertise and therefore the larger your contract.

**R**DP may spell “rape, destroy and pillage” to some cynical business people, as Minister without Portfolio Jay Naidoo has suggested.

To many businessmen and women it simply spells "money", judging by the number of opportunistic press releases that linked the RDP to all manner of weird and wonderful projects.

It will have escaped those of you who have not paid attention to the fact that the reconstruction and development programme is replete with language borrowed from the jargon of development.

Relax. Whether you understand the ramifications the "people-centred" approach of the RDP or not, you no longer need to be embarrassed by your inability to come up

People-driven	Participatory	Development
Community-oriented	Physical	Transformation
Transparent	Gender-sensitive	Framework
Comprehensive	Capacity-building	Culture
Appropriate	Socio-economic	Empowerment
Ongoing	Integrated	Process
Coherent	Sustainable	Implementation
Effective	Co-operative	Programme
Purposeful	Democratic	Plan
Achievable	Realistic	Restructuring
Grassroots	Institutional	Resource allocation
Viable	Bottom-up	Agenda
Fundamental	Infrastructural	Reconstruction
Accountable	Co-ordinated	Policy
Far-reaching	Decision-making	Support
Consistent	Redistributive	Goal
Responsible	Macro-economic	Change
Dynamic	Environmental	Strategy

我對這件工作感到興趣，因為它不僅能讓我學習到許多新知識，還能讓我與不同的人交流，這對我的成長很有幫助。