

SOCIAL SECURITY — GENERAL

1995

JUNE — JULY.

Social welfare aims at better life for all

DIANE FINE

THE headline "Govt concern over costly social welfare" (Business Day, May 23), relating to state pensions, highlights a misconception many South Africans have about social welfare. Social welfare is not only pensions and grants; it is more than children in foster care and beds in old age homes. Social welfare is about developing and enhancing the quality of life and well-being of all. It is about developing skills for living constructive lives in families, communities and individuals.

President Nelson Mandela speaks of a people-centred nation. He speaks of nation-building and of people as a vital resource. The social work profession is the sector concerned with the emotional components of these people's lives.

This year's national welfare budget is about R13bn, but after payment of pensions and grants only 14% remains to finance this work. And because of provincial reallocations, Gauteng's welfare budget has been drastically cut.

Gauteng is the economic centre of SA, but it has more unemployed people than any other province. Most juvenile offenders are in the Gauteng region. The crime rates are among the highest in the world. There are more street children too.

In its wisdom the state has decided to release hundreds of children from police and prison custody. The Correctional Services Department has not made provision for

places to which they will be released, nor have the Housing or Health departments. It is left to the Department of Welfare and private welfare organisations to ensure they have accommodation, food and clothing.

No amount of policing and cracking down on crime will seriously reduce crime levels. The only effective long-term solution is to present people with constructive alternatives which provide incentives for living non-criminal lives. It is about developing new value systems which motivate the individual to direct their energies in socially acceptable ways. It is about developing a work ethic, about a sense of responsibility and commitment to one's fellow human beings.

It is the function of the family to impart these values, but the family, as a unit in society, is disintegrating. We need to invest considerable energy and resources to strengthen the family if we wish to develop a stable society.

Job creation, housing, health care and formal education are only a part of the equation. Decades of research have proved a most basic human need is to belong. It is the welfare sector that is attempting to

straighten family relationships (in their broadest sense) and to empower families to give this sense of belonging.

It is the social work profession which is offering life skills, education, incorporating skills for relationships, sex education, education about AIDS and sexually transmitted diseases to the youth in schools. It is offering leadership training, mobilising self-help schemes and a sense of self worth in communities.

But welfare resources are so limited that services are desperately inadequate.

The state can and does provide feeding schemes for children at schools, and free health care for those under six years old. But it is the welfare organisations which attempt to improve the quality of the parenting they receive, and to support and develop their families to provide secure and stable homes.

Most elderly people in SA do not live in old age homes. Figures suggest that well above 75% live with their extended families or care givers. Only the welfare profession offers services to enable them to continue feeling valued members of society, and offers support to their natural care givers — the family.

SA has one of the highest divorce rates in the world. Figures suggest that close to two of every three marriages end in divorce. The highest percentage of divorces in SA occur in Gauteng.

The damage to children experiencing extended periods of conflict between their parents is well documented. These children are the future of our nation. Welfare groups offer them counselling and support, enabling them to adjust to the trauma. But the welfare budget has been cut.

The list is endless, but government has failed to acknowledge the most basic unit of society, the component without which no reconstruction and development programme (RDP) and no great nation-building plans can achieve anything.

SA's people are the RDP. Without them there can be no reconstruction and development. Housing projects will degenerate into slums, ruled by gangs, drugs and violence. Health services will offer wonderful immunisation programmes, but children will die from neglect or abuse. Jobs will be created but without an incentive and the will to work, they will not be filled. Criminals will be arrested and on release return to their lives of crime.

Government needs to re-examine its Budget priorities. Instead of taking away from one province to fund another, more funding is urgently needed for welfare across SA.

☐ The author is a Family Life Centre counsellor and co-author of a Welfare Green Paper to be published soon.

Shooting of surveyor sets RDP back

By PETA KROST

The return to Soweto of civil engineering firms involved in reconstruction and development projects received a setback recently when a surveyor was shot and wounded, apparently during a hijack attempt.

The surveyor was shot two days after the first company began road construction in Mofolo Central on May 19. He is still in a coma in Baragwanath Hospital.

The incident has sent shock waves through the five construction companies working on the Greater Johannesburg Transitional Metropolitan Council's emergency service delivery initiative.

This involves the construction of roads and clinics, the electrification of the township and the installation of street lights.

All five companies — WJL-son Bayley Holmes, Stocks & Stocks, Grinaker, Labor and Basil Reed — have taken additional precautions to protect

their workers.

One of the companies has gone as far as buying bulletproof vests and old vehicles that will not attract hijackers.

In some cases, private detectives have been hired to escort employees to and from sites, while plainclothes security guards watch over them while they work.

Managers said they had voiced concern about the issue of safety before the project started. They had been told to speak to the Soweto Civic Association.

Said an engineer from one of the companies, who asked not to be identified: "We spent so much time negotiating and paid a fair amount for our security, which turned out to be useless the first time it was tested."

"This whole safety issue may frighten big contractors away."

"If it happens again we won't be able to force our employees to go back there."

All the employees who were interviewed agreed that they

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would not turn down RDP work, as this was their bread and butter.

A spokesman for the TMC said: "The council is funding these projects to the tune of R92-million — money saved on capital budgets of the various old administrations."

"There were lengthy negotiations with civic authorities over this project because we believe that with community support we can best safeguard ourselves against any violence."

Food scam trucks of greed

From Page 1

left Bloemfontein with a load of bags of maize last November.

Instead of being taken to distribution points, the maize was delivered to Hattingh's warehouses and a bottle store.

The employee then contacted Operation Hunger headquarters in Johannesburg and pre-

liminary investigations found a large quantity of food had been diverted in this way. Police were called in to investigate.

The discovery of the fraud led to the suspension of the Operation Hunger national executive director Mpho Mashinini and Free State regional manager Anthony Mfola last month.

According to a report

prepared for Operation Hunger the syndicate netted about R300 000 a month from November 1992 for about two years.

The Rev Selby Madwe, who was listed as having received regular large quantities of food to distribute to the needy in Botshabelo, said that he had only received one consignment of soya beans in February 1994.

They used my trucks in food scam - farmer

By ELIAS MALULEKE

A FARMER in the Free State town of Excelsior revealed this week that his trucks were used by a crime syndicate to steal food worth millions of rands from Operation Hunger.

Fanti Bekker Hattingh (39), a director of Thaba Nchu Mills, also said that warehouses at the mills were used to store the stolen food meant for the poor but now alleged to have been sold to commercial companies.

City Press inquiries revealed that the scam, which is under police investigation, began as early as 1992.

A Thaba Nchu firm of attorneys was briefed by Operation Hunger last November to investigate the loss of millions of rands worth of foodstuff which had not reached the hungry.

They found that two members of the suspected syndicate had registered front companies through which members of the syndicate acting on behalf of Operation Hunger apparently placed orders for the purchase and delivery of maize.

As they were merely front companies, no deliveries were ever made, but Operation Hunger cheques were made out to them.

Hattingh told City

Press he was connected through business to the person who duped him into providing trucks and storage for the scam.

He said he first lent the trucks to the businessman in 1993.

"I was not party to any wrongdoing because I acted in good faith, and told police everything I know," Hattingh said.

According to information gathered by City Press this week, the scam was uncovered when one of Hattingh's trucks and a trailer was followed by a suspicious Operation Hunger employee after it

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UK protests at rugby service

OWN CORRESPONDENT

LONDON: There are increasing protests about the quality of the SABC Rugby World Cup service being broadcast in Britain by Independent Television (ITV) and the scheduling of some programmes.

British rugby fans, used to the experienced and expensive quality of BBC rugby coverage, have contacted newspapers to protest particularly against the use of slow-motion replays which disrupt the run of play and the "strange" camera angles used by the SABC.

A spokesman for the main TV broadcast sponsors, the brewers Heineken, said the company was "disappointed" about some aspects of the coverage and was having urgent talks with ITV.

Law will invalidate appointments

BARRY STREEK
POLITICAL STAFF

PRESIDENT Nelson Mandela will sign a law this week invalidating the appointment of two additional members of the Western Cape Provincial Committee, Deputy Provincial Affairs and Constitutional Development Minister Mr Valli Moosa said yesterday.

The cabinet had approved the amendment adopted by the Portfolio Committee on Constitutional Affairs, but the National Party members of the cabinet had voted against the amendment last week.

The new law would also invalidate all decisions taken by the Provincial Committee since the appointment of the two additional members, Mr Moosa said.

50 000 jobs a year needed

BARRY STREEK
POLITICAL STAFF

ABOUT 50 000 new jobs would have to be created in the Western Cape every year to reduce unemployment and keep up with an estimated annual population increase of 100 000, according to the provincial Reconstruction and Development policy paper.

The document, released on Friday by Minister for Economic Affairs Mr Chris Nissen and Premier Mr Hernus Kriel, said the officially accepted population estimate for the province was 3,633 million. The most recent estimate, however, was 4,2m and the truth was somewhere between.

Projections indicated that this would grow to five million by the year 2000 and six million by 2010.

"It is clear that the province's infrastructure and natural resources cannot cope with this increase."

"Unless the growth in gross

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geographic product reaches an estimated four to seven percent over the next five years, the province will not be able to sustain its job-creation ability.

"Maximising the growth potential of the province over the next five years should be a key priority of the RDP."

The document identified RDP-linked high growth sectors as low-income housing and infrastructure development, agriculture, electricity and water distribution, basic education, health services and transport.

Summit

It warned, however, that "acute problems of poverty, unemployment and a lack of basic facilities" characterised many communities in the province.

Mr Nissen said the document had been released for public comment before an RDP summit in the Western Cape on July 22.

Crucial op for Reeve

LONDON: Superman star Christopher Reeve will have a crucial operation today which doctors hope will set the paralysed actor on the road to recovery.

He was injured in a fall from a horse.

Two damaged vertebrae will be fused to prevent further damage to his spinal cord.

The operation, in which surgeons will use metal plates, screws or wires to anchor the bones, could take up to five hours.

But experts warn it may at best keep Reeve alive. It will not guarantee that the once athletic star will ever recover the use of his limbs. — Own Correspondent

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7 WOLFE ST WYNBERG

Glenys Kinnock fights SA's ba square deal from the Europea

(297) CT.(BR) 5/6/95

By BRUCE CAMERON

POLITICAL EDITOR

Out battling for South Africa in the on-going saga of its future relationship with the European Union is feisty Glenys Kinnock, member of the European parliament, and head of its development and co-operation committee.

Married to Neil Kinnock, former British Labour Party leader, now the European Union transport commissioner, she is also the senior vice president of the joint assembly of the European parliament and representatives of the parliaments of the 70 African, Caribbean, and Pacific (ACP) countries, who are signatories to the Lomé preferential agreements for the poorer countries of the world.

In South Africa at the moment, Kinnock is determined to ensure South Africa gets a square deal from the EU.

In an interview with Business Report, Kinnock said she was concerned about delays in the start of negotiations between South Africa and the European Union on the plan proposed by Joao de Deus Pinheiro, EU commissioner.

The plan is intended to give South Africa limited Lomé status, with a separate trade agreement aimed at an eventual free trade agreement.

Last week, after a second delay in putting the Pinheiro plan to the EU council of ministers for approval, EU parliamentary members gave EU commission officials "a bit of a roasting".

Kinnock said the Pinheiro plan was now scheduled to be put before the council of ministers next month.

"The delays are very wrong. South Africa cannot afford delays."

"The commission keeps moving the goal posts. First it said the ACP countries would object to South Africa being a Lomé signatory. The ACP countries approved South Africa. Then issues of the General Agreement of Tariffs and Trade were raised. Ron Brown, the American trade secretary, said there was no problem. Then it was Latin America."

Kinnock conceded there were difficulties that had to be resolved but "they are not insurmountable". She also pointed out that no one had

ever suggested that South Africa should have all the benefits of Lomé.

She said although an EU parliamentary delegation to South Africa had initially supported South African opposition to the Pinheiro plan, the plan was pragmatic.

It was clear that Pinheiro wished to do his best for South Africa.

In moving towards a free trade zone, every effort had to be made to ensure infant and uncompetitive industries in South Africa were protected, she said. They had to be able to compete with goods from the EU.

Kinnock said the Pinheiro plan was also receiving opposition from some of the southern EU members who were concerned that a free trade zone would damage trade in their products.

'Europeans do not realise that South Africa has many of the problems of other African countries'

The opinions of the Mediterranean countries had to be taken into account.

She said a step had been taken in resolving the problem by the EU commission's agreement to her request that a full impact study be undertaken into the effect of South African products on southern EU members.

Recent research done at Sussex University in Britain had shown that the impact would not be as severe as was made out.

A proper impact study would make negotiations easier.

However negotiations would still have to be on a product-by-product basis.

She said part of the reason she was in South Africa was to assess views on the Pinheiro plans since the meetings between Pinheiro and the South African government.

It was important to remember that the European parliament, as the budgetary authority, played an important role as it had to agree to the final outcome of the negotia-

tions, Kinnock said. The EU parliament could take other initiatives before the commission reported to the parliament if there were difficulties.

"There is a huge responsibility on the EU parliament to continue to fight for the highest level of aid to South Africa and to get the best trade deal."

"This is crucial to help build an economy that will provide for a better future for all South Africans."

Kinnock believes many people in Europe are ignorant of the problems of South Africa.

"They do not realise that South Africa has many of the problems of other African countries — there is the same low level of life expectancy, education, and health care. The social indicators are as bad as any other country in Africa."

"There are enormous gaps that must be filled in housing, water provision and education of children."

The other reason Kinnock is in South Africa is to assess the EU aid that is going to non-governmental organisations.

Kinnock said bottlenecks at both ends were slowing down the aid coming to NGOs.

Although she was in agreement with the South African government controlling macro aid, it was essential that direct funding of NGOs continued.

There may no longer be a need for some of the smaller NGOs but it was important that the wealth of experience in education, human rights and building civil society, built up by the NGOs in apartheid years, be retained, she said.

It was also important for the EU to maintain levels of aid for South Africa.

The fight was not only for aid for South Africa but also for other poor countries because the attention of Europe had turned to providing increased aid for eastern and southern Europe.

She said it was absolutely critical that aid from the north to the south be maintained, whatever the future of assistance programmes like Lomé.

Help for South Africa was essential if the region's problems and those of the rest of Africa were to be resolved.



FEISTY Glenys Kinnock says it is important for the

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Kinnock fights SA's battle for aid from the European Union

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First provincial RDP draft policy released by the Cape

Edward West

CAPE TOWN — The Western Cape government's release of a provincial reconstruction and development programme draft policy on Friday would be followed by a summit to improve the document further, premier Hernus Kriel said.

Kriel said although the aims of the final policy document could not be achieved overnight, it could be used by all in the implementation of the RDP in the province, including the private sector, local government, central government and the people.

Provincial economics MEC Chris Nissen said the document, a first by any provincial government, represented RDP policy guidelines for the province, the implementation of which was under way.

Examples of RDP projects aside from the presidential lead projects included plans to upgrade 80 schools in the province, the Clean Green campaign which had already resulted in the cleaning of the N1 and N2 highways and the allocation of R15m to municipalities earlier this year for the provision of drinking water, said Nissen.

The document said that unless gross geographic product reached about 4%-7% during the next five years, the province would not be able to sustain its job-creation ability.

Some 50 000 jobs would have to be created every year in the province with a view to reducing unemployment progressively and keeping up with an estimated annual population increase of 100 000, the policy document said.

'RDP chaos won't hurt ANC this year'

BY CLAIRE GEBHARDT

ECONOMICS EDITOR

There was little chance that the ANC would suffer for its inability to get reconstruction and development programme delivery off the ground in this year's local government elections. However in 1999, the next general election, the story could be completely different, according to the latest issue of the RDP Monitor.

Gavin Lewis and Mel Brooks, the editors, said the programme's bureaucracy was emerging as inaccessible.

"If local authorities take as long as central government in getting (the programme's) delivery off the ground the country could be facing difficult times."

Assessment

The monitor said nobody in the government was sure how much had been spent from the programme's fund. However a tally had been kept of the money spent on free health care and primary school nutrition.

"An assessment by the (programme's) office of its progress over the past year says it has spent R972,8 million on free health care for pregnant women and young children, approved 197 000 housing subsidies and set a target of 172 new clinics by 1996. Some

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378 000 houses have been electrified, school nutrition at primary level reaches some 6 million children at a cost of R475 million for 1994 alone.

"Urban renewal projects worth R830 million have been allocated, and rural water supply received R390 million.

About 2 406 families have gained access to land appropriated in the apartheid era and R250 million has been set aside for public works," the monitor said.

Budget

"The figures continue with R437 million rolled over from the programme's funds last year, R5 billion allocated from the Budget, R600 million derived from the sale of reserve oil stocks and anticipated foreign aid of up to R1 billion."

The monitor said about R2,5 billion of this had been allocated to existing projects, R2,5 billion to new projects, R700 million for housing subsidies and R700 million for local authorities.

"But despite this, (non-governmental organisations) which... have on-the-ground knowledge stand paralysed with not a week going by without one closing."

The local government elections in November would be crucial to the implementation of the programme, said the monitor.

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Sweden gives R3-m for RDP

(297)
Diplomatic Correspondent

SWEDEN has increased aid to South Africa with a grant to help the implementation of the reconstruction and development programme.

It has given R3 million to the Kagiso Trust to help community-based organisations, non-governmental organisations, as well as provincial and local governments in the implementation of the RDP — especially in the Northern Cape, Eastern Cape and Northern Transvaal.

The scheme will help disadvantaged and poor communities get access to development, planning resources, by providing information, knowledge and skills.

Edesa offers expertise: Edesa (Economic Development for Equatorial and Southern Africa) — a Zurich-based finance house created by Anton Rupert to advance commercial projects in Africa — today launches its first programme for South Africa. Edesa Project Access will provide financing and management expertise, and possible equity participation, to projects that will "create jobs, are environmentally friendly, and fall within the ambit of the RDP".

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JOB MARKET

SAB helps the disabled improve skills

By Isaac Molele

THE East Rand branch of South African Breweries has contributed R360 000 to help unemployed physically disabled people from the Zicabengeleni Self-Help Association in Katlehong to improve their skills to enable them to earn

a living.

The money will help build a new multi-purpose hall. It will have two workshops, an office, storeroom, kitchen and sanitation facilities.

The Self-Help Association, at present accommodated at the Ezibeleni school for physically disabled children, was

established ten years ago to assist physically disabled people in the Katonks area.

Sixty people are to be given training in sewing, candlemaking, welding, shoe repair and woodwork at the centre.

Most of the disabled adults in the area sustained their injuries as a result of

political violence.

There is at present little likelihood of their being able to secure employment on the open labour market.

The new facility will be located near the Natalspuit Hospital.

SAB District East manager Mr Ian Mountain says he is confident that the

grant will contribute to the improvement of the lives of the physically handicapped.

"SAB's commitment to community and environmental upliftment calls for us to be involved in improving the quality of life in the communities in which we operate," he adds.

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Welfare budget needs corrections

Kathryn Strachan

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THE current welfare budget was insufficient to allow the welfare sector to contribute to the reconstruction and development of the country, Welfare Deputy Minister Geraldine Fraser Moleketi said.

The department had a budget of R11bn for pensions to elderly and grant payments to help people survive the turbulence of today's realities, Fraser Moleketi said. Out of this budget services were provided to about 2,8-million people.

This year's budget had changed little from 1991/92. The real growth in the welfare budget did not yet reflect new priorities, and it was hoped this would be corrected before the welfare white paper was presented later this month.

On the other hand, the department had only R1,5bn to provide all other social welfare services. With this amount it would create a safety net for abused women and children in need of adoption, and create new community developments through building social service centres.

The welfare budget also had to bear the cost of limitations in work done by other departments, such as labour and justice.

In the field of justice, courts were often unable to extract maintenance from fathers, so mothers had to rely on welfare. SA had an unacceptably high rate of par-

ents, particularly fathers, not taking financial responsibility for their children.

In the field of labour there were gaps between work-related disability benefits and state disability grants. There had also been no labour market policy to help disabled people re-enter the labour market as independent workers.

Although the new legislation covering disablement and diseases related to the workplace was a great improvement, it still fell short of the need.

Fraser Moleketi said the department was embarking on an extensive overhaul of the way it dealt with poverty, disablement, old age, children and disaster.

While it appeared as if millions were being spent on helping children with behavioural and emotional problems, the money was being wasted on transferring them from one institution to the next, ensuring they were "seen but not heard".

The white paper, which would soon be released, would ensure the RDP's proposed social security net became a basis for sustainable development and not simply a handout to appease constituencies.

The paper would also provide guidelines for budget priorities and would ensure abuse of funds was avoided. State subsidy could become an opportunity for human resource development and not the end of the road for many youths, she said.

Police ask for RDP funds for community officials

Political Correspondent

THE police have asked the reconstruction and development programme office for funds for community police officials.

The officials, similar to reservists, are part of the community safety plan.

Police generals told the national assembly committee on safety and security yesterday that changes to priorities in the budget would be evident soon.

The community safety plan envisages redeployment of resources to designated high-priority areas.

RG 7/6/95 (297) In a kick-start phase of the plan in the Western Cape, these areas have included Mitchell's Plain, Khayelitsha and Elsies River, which have seen dramatic drops in murder and burglary rates.

This year's police budget includes R45 million for new police stations.

General Hennie Bezuidenhout told the committee that while such buildings normally were put up by the public works department, the waiting list was long and the police had set aside the money to ensure the stations were built.

NEWS IN BRIEF

IEC may be dissolved

CABINET had in principle approved the dissolution of the Independent Electoral Commission, Home Affairs Minister Mangosuthu Buthelezi said in the National Assembly yesterday.

The commission would then be replaced by a transitional electoral administration.

R2,2m still unclaimed

MORE than R2,2m in benefits remained unclaimed for the 1993/94 financial year, according to the Compensation Commissioner for Occupational Diseases' annual report released yesterday.

The amount represented one-sum benefit payments to beneficiaries of which the cheques were either returned as stale or because the beneficiaries were no longer employed and their present addresses were unknown.

Cape bid 'ridiculous'

CAPE TOWN's bid for the 2004 Olympics was dismissed yesterday as "ridiculous" by Britain's most acclaimed sports journalist.

Daily Mail columnist Ian Woolridge said there had been much sincere comment on the racial unifying power of the Rugby World Cup, but the harsh facts showed that SA still had "a long way to go".

Woolridge said SA had coped "superbly" with the World Cup so far but the housing needs alone made the Olympics bid absurd.

Industry as a whole

BUSINESS Day yesterday reported that Edey Rogers economist Edward Osborn said most of the recent surge in manufacturing output came from expansion of Sasol's synthetic fuel business. Osborn points out the Central Statistical Service category of synthetic fuel industry refers to the whole petroleum industry.

REPORTS: Business Day Reporter. Saso. Own Correspondent.

'Unreal' Labour Bill deadline

Renee Grawitzky

THE SA Chamber of Business (Sacob) — a member of Business SA (BSA) — said yesterday the "unrealistic" June 30 deadline for the completion of negotiations over the draft Labour Relations Bill should be reviewed.

This call is not in line with the general position presented by BSA to date which has regularly committed itself to the deadline.

Sacob's Gerrie Bezuidenhout said unless the climate surrounding the negotiations improved, in light of mass action and the possible escalation of strikes, business might have to review its participation in the National Economic Development and Labour Council (Nedlac).

Cosatu spokesman Neil Coleman said it was not constructive for employers to threaten to walk out of the Nedlac negotiations. "These are precisely the bad faith Inkatha negotiating tactics which business has been quick to condemn in the past."

He said if business withdrew, they would have sabotaged the negotiations and leave labour with no option but to "go the parliamentary route of getting a new Act passed without the participation of employers".

Labour Minister Tito Mboweni warned the international community it should not be alarmed by differences of opinion expressed by politi-

cal, social and business sectors in SA as this was part of democratisation.

Addressing the 82nd International Labour Organisation conference in Geneva yesterday, Mboweni said: "Major challenges remain to be tackled in pursuit of reconstruction and development."

He said despite "what may look like a breakdown in negotiations", the process was still on track and indications were that all parties were determined to reach an agreement.

Meetings between labour and business on the Labour Relations Bill continued yesterday.

The National Council of Trade Unions (Nactu) central committee resolved yesterday that labour should direct its fight against business and government to ensure the urgent enactment of the Labour Relations Bill.

Nactu's assistant general secretary Mahlomola Skhosana said government should "stop paying lip service by claiming to support labour" and ensure that the bill in the form presented at Nedlac was enacted.

Skhosana said the government was "responsible for the draft bill in the first place".

If this demand was not met by government by June 18 "without valid reason", mass action would continue beyond June 19.

● Comment: Page 16

Crude oil companies slate Sasol report

Mungo Soggo

CRUDE oil refining companies yesterday lashed out at the investigation into Sasol's tariff protection in their first official reaction to the controversial report by consultants Arthur Andersen.

The SA Petroleum Industry Association said it was reviewing its position, but warned "the report and its

recommendations as they stand will be an entirely inappropriate basis on which to formulate future policy on a number of issues affecting the oil industry, including Sasol's subsidies".

Acrimony has delayed presentation of the report to the National Economic, Development and Labour Council's liquid fuels task force. However, sources said debate by the full task force would happen next week.

CSS boss 'to help monitor quality of life'

Greta Steyn

MINISTER without Portfolio Jay Naidoo yesterday explained his decision to replace the Chief Statistical Service (CSS) with sociologist Mark Orkin as necessary for proper monitoring of the reconstruction and development programme.

"The decisive factor had nothing to do with politics. It had everything to do with the role of an independent statistical service in guiding resource allocations and monitoring the impact of government spending on the

quality of life of our people," he said.

A panel including himself, Deputy Finance Minister Alec Erwin and a representative from business, Bokkie Botha, had taken the decision. "Both candidates are qualified to do the job. I decided Orkin has a better perspective," he said. He emphasised that Du Toit's technical and managerial capabilities were not in question.

He said the CSS had a vital role to play, and denied the move would lessen the CSS's independence. The plan was to strengthen the organisation's autonomy. Naidoo dismissed suggestions that he might have appointed

Orkin to ensure CSS figures would serve political ends.

Statistics would drive the strategic planning underpinning the Budget.

Other more radical changes were in the pipeline, he said government's economic policy capacity was being reviewed. The capacity was dispersed between the finance department, trade and industry, central economic advisory services and in the Development Bank of Southern Africa. "Rationalisation will have to take place."

● Comment: Page 16

Structural flaws (297) BD 9/6/95 delay RDP plans

CAPE TOWN — Inadequate infrastructure was foiling the nine provinces' bid to spend millions of rands allocated to them by central government for reconstruction and development programme (RDP) projects, RDP office deputy director-general Bernie Fanaroff said yesterday.

In a bid to accelerate spending, project management teams were being sent to the provinces to identify specific community projects and get them off the ground.

"The money is available. It has been released to the provinces but they do not have the administrative capacity to spend it," he said.

RDP office consultant Danie du Plessis said that as a result, more than R1,7bn in RDP funds which went unspent in 1994/95 had been rolled over to the present financial year.

It was envisaged that at least 20%, or about R1,5bn, of the 1995/96 RDP budget would be rolled over to the 1996/97 financial year.

In spite of this prediction, Fanaroff said, all the signs pointed to "much more rapid delivery" of RDP projects during the year.

With few exceptions, all 33 tasks outlined in the RDP white paper were on track.

More than R1bn in foreign aid to fund RDP projects would become available in the coming financial year.

However, the absence of macro-economic guidelines and the slow pace of reprioritising departmental budgets had prevented the government from doing little more than tinkering with the national budget.

"The reprioritisation process, where old activities are cut to fund new activities, is not biting as deeply as we expected," he said.

According to a progress report released yesterday by Minister without Portfolio Jay Naidoo, government wants to tap into the more than R400bn in mutual society funds to kickstart development programmes.

The metal industries' pension funds had already agreed to invest in RDP programmes, the report said.

The R400bn held by the mutual societies would go a long way towards boosting economic development if it was invested in local government services and infrastructure.

During the 1970s the NP government had secured substantial private sector investment in bonds issued by white local authorities. Government's aim was to mobilise an even larger sum through new democratic local authorities.

Publication of the second RDP White Paper in September would follow a Cabinet meeting on the RDP next month. The White Paper would set out working drafts of national and provincial strategies, and outline a process to finalise them.

Naidoo said more than 65 000 people would be employed to carry out a national population census next year. Fifty-eight offices had already been opened and 240 people employed in preparation for it.

However, RDP select committee chairman Max Sisulu said Naidoo had been told to postpone the 1996 population census to allow more time for preparations. — Sapa.

Two held over nutrition scheme fraud

Farouk Chothia

(297) B08/6/95

ULUNDI — The nutritional scheme in Kwazulu/Natal had allegedly been defrauded of R8m, health MEC Zweli Mkhize said in the legislature yesterday.

Two people had been arrested and released on bail. They allegedly defrauded the provincial health department of R2m. It was also claimed that a supplier might have defrauded the department of R6m.

One of those arrested was an employee of the department, while the other was a project committee member, Mkhize said.

The scheme was initiated by the former NP government and aimed to assist pregnant and breastfeeding women.

He said a second scheme, initiated by President Nelson Mandela to feed primary school children, had also hit problems because the provincial government had tried to achieve community empowerment through the scheme. Local school committees had to be trained to carry out basic book-keeping and submit expenditure reports. Funds were allocated to school committees which had to pay suppliers. There were cases of non-payment to suppliers.

Red tape is strangling the RDP says Sisulu

Cape Town — The reconstruction and development programme was becoming bogged down by bureaucratic red tape, RDP select committee chairman Max Sisulu warned yesterday.

Too much effort was being put into perfecting the process of delivering RDP programmes when a simpler, speedier system was urgently needed, he said in the debate on the RDP budget in the Na-

tional Assembly.

Instead of concentrating on the "purity" of the process, the ministry should look more closely at delivery.

"It is far from a people-driven process."

(297)

stan 9/6/95

Congress divided over aid to SA

(297) CT 9/6/95
JOHANNESBURG: The US Congress is deeply divided over its government's support for SA, US ambassador Mr Princeton Lyman said this week.

Addressing a function here, Mr Lyman said people recently elected to the Congress were largely concerned with the agenda at home. "They are particularly resistant to the argument that assistance plans help build the institutions of democracy and economic policy on which business depends."

Some members of the Congress have urged that funding to government foreign assistance groups such as the US Agency for International Development and the US Information Services be cut or scaled down.

He said business opportunities in Southern Africa were regarded as promising, but the newer Congress members were sceptical over whether US government support would make a difference.

Mr Lyman said although SA's transition to democracy was recognised as a great achievement, Africa was associated with the tragedies of Somalia, Rwanda and Liberia and not the growing association of democracies in Southern Africa.

However, he believed peace in Mozambique and the prospect of peace in Angola would change economic prospects for the region. — Sapa

188 charity groups probed

(297)

BARRY STREEK

POLITICAL STAFF

CT 9/6/95

THE affairs of 188 people and organisations were inspected in terms of the Fundraising Act last year, the Department of Welfare said yesterday.

A total of 3 512 financial statements received from registered fund-raising organisations were "controlled", it said in its 1994 report, which has been tabled in Parliament.

It said 497 inquiries were held to determine whether Fundraising Act authorisations should be withdrawn — this was done in 18 cases.

It added that 25 temporary and 340 permanent authorisations for the collection of funds were issued during the year.

It's simple and cheap to save young lives

RICHARD MEARES of Reuters reports from Bonn.

IN a high-tech age, a hunt of iodine in salt or a dose of vitamin A are still cheap and easy miracle cures to save millions of children's lives, says Unicef.

But it says rich donor countries, especially the United States, are being stingier than ever, meaning some poor states skimp on programmes which could save lives at just a few cents a time.

In "The Progress of Nations", its annual report into the well-being of the young, the United Nations' children's welfare organisation said that among advances and setbacks, the fight against polio through immunisation was a shining success.

"The number of polio victims is down from approximately 400 000 in 1980 to about 100 000 in 1993," Unicef said in a statement issued

with the global report in Germany. "Confidence is therefore running high that the polio virus will be eradicated from the earth by the end of the century."

Pneumonia, diarrhoeal disease and measles, which cause about half the 13 million child deaths in the world each year, were proving harder to combat, the agency said.

Highlighting the easiest ways to save the most lives, Unicef said vitamin A supplements could prevent the deaths of one to three million children a year in the developing world.

More than 200 million under-fives do not get enough of the vitamin, impairing their immune system and making common diseases like diarrhoea and measles fatal more often.

In some countries a third of child deaths could be avoided.

Unicef also said a lack of dietary iodine condemned millions of children to cretinism, tens of millions

to mental retardation and hundreds of millions to milder impairments.

It said countries were making good progress towards eradicating this scourge by iodising salt at a cost of about 20 cents a person a year.

Dr Alfred Sommer of Baltimore's Johns Hopkins University said in the report that Unicef hoped for similar progress in raising vitamin A intake — by improving diets, fortifying foods or distributing vitamin capsules — now that there was scientific consensus after a decade of unnecessary delay.

"With its vision fixed on high-tech, high-cost frontiers of modern medical care," he said, "the medical and research establishment found it difficult to accept that something as simple and cheap as a two-cent capsule of vitamin A could represent such a breakthrough for human health and life."

Industrialised countries which enjoy the benefits of such high-tech health care were also slammed for neglecting aid.

Norwegian Prime Minister Gro Harlem Brundtland said in the report that development aid was in "a shameful condition".

Almost all rich nations cut aid budgets in 1993, the latest year for which figures are available, reducing total aid by eight percent to \$56 billion (about \$190 million).

Only Denmark, Sweden, Norway and the Netherlands gave 0.7 percent of their gross national product (GNP), a target agreed 25 years ago. On average rich countries gave just 0.3 percent.

"The world's second largest donor, the United States, falls to bottom place in percentage terms — with a contribution of just 0.15 percent of GNP," Unicef said.

"The Progress of Nations" also tries to deal with child rights, an area where advances are far hard-

er to measure.

"In all regions of the world children continue to be malnourished, plagued by preventable disease, denied even a basic education," it said.

"They continue to be exploited, prostituted and abused in the home, at work, and in war."

It estimated the number of young teenage prostitutes at two million, including 300 000 in the United States.

● Sapa-Reuters reports from Abidjan that the plight of many children in the expanding towns and cities of West and Central Africa is worsening as they have to work or turn to prostitution or begging to survive.

A statement issued by the West and Central Africa office of Unicef said that putting the children to work was a fact of economic life for many poor families.

But it called for greater efforts to ensure those children who do

work receive proper care and are not exploited.

"In the urban areas the numbers of children in especially difficult circumstances are increasing," regional director Torild Skard said in the statement. "This includes street children, child prostitutes, girls working as domestic servants, young boys forced into begging and physically abused children."

The statement, which also spotlighted the problems faced by children in war zones such as Liberia, estimated that up to 20 percent of African children were working. "These working children, estimated at 40 million, would double in numbers by the year 2000 if no action were taken," it said.

Quoting a 1991 study, it said an estimated 30 000 children lived and worked in the streets of Ivory Coast's commercial capital Abidjan. It said an estimated 90 000 children under 15 begged on the streets of the Senegalese capital, Dakar.

French donor blames SA for RDP hitch

LIZ CLARKE

PARIS. — International funding for RDP projects is being blocked by South Africa's strict financial regulations.

The Development Bank of France has earmarked R250 million for aid projects, but, said a spokesman, limitations by the South African government were making it difficult to channel these investments into the country.

He said that if projects were funded by more than 25 percent from outside the country, the organisers were not allowed to apply for the remaining funds in South Africa.

He said that policies like these would not help

the country get on its feet.

However certain projects had been given the green light, including the upgrading of three blocks of flats in Hillbrow.

Leaders in commerce and industry said that if South Africa did not accept aid now, it could miss the boat.

Strong signals are already coming from the European Union that South Africa is no longer a priority target for aid.

Jean Francois-Poncet, France's former Minister of Finance and now President of the EU Commission for Economic and Planning Affairs, said the focus of funding and aid was toward the east, not North and South Africa.

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'ADMINISTRATIVE CAPACITY LACKING'

Provinces battle to spend RDP money

29/6/95

(297)

PROJECT management teams will be sent to the nine provinces to help them identify and launch specific community projects.

THE country's nine provinces are having difficulty spending the millions of rand in RDP funds allocated to them by central government, because they do not have the necessary administrative infrastructure, a senior RDP official said yesterday.

In a bid to accelerate spending, project management teams were being sent to the provinces to identify specific community projects and get them off the ground, deputy director-general in the RDP office Mr Bernie Fanaroff said.

Consultant to the RDP office Mr Danie du Plessis said as a result, more than R1,7 billion in RDP funds which went unspent in

1994/95 had been rolled over to the present financial year.

It was envisaged that at least 20%, or about R1,5 billion, of the 1995/96 RDP budget would be rolled over to the 1996/97 financial year.

In spite of this prediction, Mr Fanaroff said, all the signs pointed to "much more rapid delivery" of RDP projects during the year.

With few exceptions, such as job creation affected by the slow delivery in housing and public works, all 33 tasks outlined in the RDP White Paper were on track.

More than R1 billion in foreign aid to fund RDP projects would become available in the coming

financial year, following agreements between South Africa and donor nations.

However, the absence of macro-economic guidelines and the slow pace of reprioritising departmental budgets had prevented the government from doing little more than tinker with the national budget.

● Mr Fanaroff said the RDP office was also implementing "a cashflow management programme" to accelerate delivery where possible.

This programme would enable the RDP office to divert unused funds from projects where departments were unable to keep up with their own projected schedules, to projects where departments were spending faster than originally planned, without affecting the overall allocations. — Sapa-Reuter

New bureaucracy hinders RDP

A new 'RDP bureaucracy' has come in for some sharp criticism, reports **Reg Rumney**

NO ONE in government actually knows how much of the money in the Reconstruction and Development Programme (RDP) fund has actually been spent, say two academics who have been monitoring the RDP.

Their criticism of the government's role in the ANC's, and lately the Government of National Unity's (GNU), grand plan to put right the economic wrongs left by apartheid, is part of an assessment of the RDP's progress over the past year.

The editors of the newsletter RDP

Monitor, Gavin Lewis and Mel Brooks, say the problems of actual delivery of the RDP have become glaringly apparent. And they say in a news release that an RDP bureaucracy may itself be an obstacle to implementation of the programme.

The RDP, the plan contained in the widely distributed policy framework book published by the ANC, has to be distinguished from the RDP office and the bodies charged with implementing the RDP at provincial and local level.

Grant Mitchell is one of the editors of another publication devoted to keeping an eye on the RDP, RDP Tracker, which in its June edition noted public perceptions of slow progress in implementing the RDP.

Mitchell notes that it is hard to separate government RDP spending and spending arising from existing pro-

Monitor, Gavin Lewis and Mel Brooks, grammes. The RDP office, he says, sees itself as a catalytic department which will disappear with the ending of the GNU.

He adds: "The philosophy behind the RDP is different to the welfare state model in the United Kingdom. The idea behind the RDP is to reorientate resources already there into the thinking of the new regime."

Stressing that his criticism is not aimed at the RDP as a vision, Lewis blames "endless policy formulation at the central level" for the lack of progress, and the increasing tendency towards attempting to centralise control.

"According to (Minister without Portfolio) Jay Naidoo we all have to become born again before anything can happen."

Lewis and Brooks note in the RDP

Monitor that the RDP office has issued its own assessment of its progress over the last year, and quotes numerous figures on free health care, housing subsidies, primary school nutrition and electrification of housing. "The figures continue: R437-million rolled over from RDP funds last year, R5-billion allocated from the Budget, R600-million derived from the sale of reserve oil stocks, and anticipated foreign aid of up to R1-billion.

"An estimated R2.5-billion of these moneys has been allocated to existing projects (mostly education and training, urban and rural development, health, transport and water supply), R700-million for housing subsidies, R700-million for local authorities to leverage funds for installing and upgrading bulk services.

"But how much has actually been spent other than allocated? Other than for free health care and primary school nutrition, we can attest that

■ To PAGE B2

The new RDP bureaucracy

■ From PAGE B1

nobody in government knows. NGO's, which with all their faults have on-the-ground knowledge, stand paralysed, with not a week going by without one closing. Even semi-state organisations such as the Development Bank of Southern Africa exist in limbo."

Lewis and Brooks note the RDP requirements of detailed business plans, the reorganisation of laws and regulations, rationalisation of all the former provincial and homeland systems, and development of new policies are all rational and in line with the GNU's stress on fiscal discipline.

Just as clearly the local government elections in November are crucial to the implementation of the RDP. "However, if local authorities take as long as central government in getting delivery off the ground the country could be facing difficult times. They conclude an "... RDP bureaucracy is emerging, as inaccessible as the old".

At the time of going to press the RDP office had not responded to faxed questions about the criticism of its progress.

NGOs face funds crisis

(297) ST 11/6/95

By CHIARA CARTER

MORE than 20 non-governmental organisations facing imminent collapse have appealed to the government to end a bottleneck of funds.

Twenty-seven organisations held a crisis meeting this week where they requested the Independent Development Trust and Kagiso Trust to convey their situation to the government and grant-making bodies.

Many development projects and programmes will fold if they do not get funds within the next three months. They said foreign donors were reviewing policies in the light of the Reconstruction and Development Programme.

The meeting coincided with a report released by the IDT this week warning that the closure of non-governmental and community-based organisations — which have contributed to development in South Africa — would leave a vacuum of experience and expertise.

SA's clean image attracts dirty deeds

Susan Russell

34 BD 12/6/95

SA's acceptance back into the African and global fold has opened up numerous cultural, social and commercial benefits but it has also made it a more attractive target for latter-day remittance men, carpetbaggers, drug cartels and international crime syndicates.

It was perhaps inevitable that, close on the heels of the diplomats and aid officials, have come sophisticated criminals from elsewhere in Africa, the Far East and South America, alert to new and lucrative markets, and who are now causing a major headache to law enforcement agencies both here and abroad.

With SA's changing position in the global community in mind, former Justice Minister Kobie Coetsee asked the SA Law Commission early last year to investigate existing legislation dealing with international co-operation in criminal prosecutions, identify problems and submit recommendations on possible improvements and amendments to the current law.

The commission last month released a working paper containing details of its investigation. Among its recommendations are proposals for tightening up current extradition mechanisms to bring them in line with international trends as well as new legislation to combat attempts to launder money from abroad in SA.

Also included in the working paper were recommendations for getting evidence from and supplying evidence to foreign

states and the execution of foreign penal orders and sentences inside SA.

Also recommended is legislation which would empower the courts to confiscate the proceeds from crime. Current law does not include a general procedure for the confiscation of such proceeds. As a result SA cannot comply with requests from foreign states for the confiscation locally of proceeds of a crime committed abroad.

The commission said a survey conducted among the attorneys-general, certain chief magistrates, regional court presidents and branches of the police indicated that most believed there was a definite need for such a procedure.

It said empowering the courts to confiscate crime proceeds would make money laundering in SA less attractive to a potential offender.

Money laundering schemes normally used financial institutions, shell corporations and other avenues of investment to transfer illegally obtained proceeds and convert them into assets of an apparently legitimate origin.

These illegally obtained funds entered the normal commercial sphere under a pretence of legitimate investments, where they competed with legitimate money earned at lower profit margins and which had been taxed, the commission said.

"This leads to an undermining of legitimate business and political systems as the laundered funds are used to corrupt banking, government and law enforcement officials on an international scale."

RDP is 'not sufficiently green'

Bonile Ngqiyaza

297 36 BD 12/6/95

ENVIRONMENTAL issues were not given enough emphasis in government's reconstruction and development programme (RDP), Gauteng development planning, environment and works MEC Sicelo Shiceka told a seminar organised by the Midrand Town Council.

Shiceka said the perception would have to change if the environmental movement was to be taken seriously. "Disadvantaged communities are beginning to realise that they have environmental rights," he said.

"It is also my belief that environmental issues will never be taken seriously until we have a mass movement of people who are pushing for changes in the way development takes place."

Shiceka said the urban poor were most vulnerable to the collapse of urban services and the environmental agenda should maintain healthy living standards regard-

less of circumstances.

He said he was struck by the contrast between the informal settlement of Ivory Park and the rest of Midrand. "The challenge is to integrate the townships with the more affluent areas," he said.

People often knew more about the problems of their environment than outside experts did.

Seventy percent of the population would be urbanised by the end of the century, and Gauteng would be most affected.

"The appropriate link appropriate high-density, sustainable and efficient transport systems and work locations. The unfortunate reality is that development often results in pollution."

Shiceka said his department would in June be holding a conference to look at waste management. He said Gauteng produced 70% of SA's "hazardous waste" and yet had inadequate controls for management of such waste.

RDP sponsors hit by fraud

Theo Rawana

(297) DD 12/6/95

FOREIGN and local reconstruction and development programme donors have been warned against "professional beggars" who cash in on the RDP by defrauding sponsors through multiple billing.

Entrepreneurial development company Rutec MD John Dommett told a seminar on practical community development programmes in Johannesburg that closer co-operation was needed among donors to counter duplication and deliberate fraud through double-billing for projects.

"There are professional beggars who are using a lack of co-operation between donors to exploit the system.

"We have cases of multiple billing by up to 16 times. It is in the interests of all to institute a system similar to that used in the short term insurance industry to overcome multiple claims. Insurance companies swop relevant information to track down people exploiting the industry.

The RDP office said the warning referred to private sector funding, which was not handled by government. "All government-to-government funding is channelled through the International Donor Community Committee for an integrated approach to ensure that there is no duplication," a spokesman said.

Mines urged to promote RDP

(297)

ORKNEY: Mining companies needed to transform themselves from "agents of destruction" to contributors towards the RDP, North-West premier Mr Popo Molefe told mineworkers and management at the Vaal Reefs funeral service here yesterday.

Addressing a crowd of about 15 000, Mr Molefe said the 104 miners killed in the tragic accident on May 10 were victims of unjust mining practices.

"Mines must no longer be seen only as providers of jobs where someone is likely to die, but as active contributors to the RDP."

In his address, Anglo American executive director Mr Bobby Godsell said the corporation was committed to learning from the findings of the official inquiry being conducted into the cause of the accident. — Sapa

CF 12/6/95

Red tape blocks RDP funding

(297)
BY LIZ CLARKE

ET(ER) 12/6/95

ARGUS FOREIGN SERVICE

Paris — International funding for reconstruction and development programme projects is being blocked because of South Africa's strict financial regulations.

According to the Development Bank of France, R250 million had been earmarked for aid projects, but limitations by the South African government were making it difficult to channel these investments into the country.

A bank spokesman said if projects were funded by more than 25 percent from outside the country, the organisers were not allowed to apply for the remaining funds in South Africa. He said policies like these would not help the country get on its feet.

Some projects have been given the green light, including the upgrading of three blocks of flats in Hillbrow.

Leaders in commerce and industry said if South Africa did not accept aid now, it could miss the boat.

Strong signals are already coming from the European Union that South Africa is no longer a priority target for aid. Jean Francois-Poncet, president of the EU Commission for Economic and Planning Affairs, said the focus of funding was toward the east.

NEWS IN BRIEF

Mines pollute water

FARMERS at Fochville in the Northwest province have claimed the Anglo American-owned gold mines Elandsrand and Western Deep Levels have polluted their water sources.

High levels of cyanide and metal salts from two slime dams had leached into their water sources while high radioactivity levels were measured at one farm.

Farmers and representatives from Elandsrand mine management and government met yesterday to discuss the claims.

Clothing costs dispute

THE Post and Telecommunications Workers' Association (Potwa) has threatened to embark on industrial action in response to a claim that the Post Office had changed its policy on subsidising corporate clothing.

Potwa media officer. Shakes Gonyane said during negotiations the company had proposed the introduction of a corporate wardrobe without raising the issue of costs. Later, workers were told they would have to pay.

The Post Office was not available for comment.

Rand Refinery protest

NATIONAL Union of Mineworkers members at Rand Refinery in Germiston held a demonstration in support of a demand to force the company to agree to the extension of the current bargaining unit. A spokesman said workers would not respond to management's wage offer until there was agreement on the issue. Negotiations continued last night.

Policing agreement

SA AND Namibia yesterday reached their most comprehensive agreement yet on cross-border policing aimed at combating syndicates smuggling drugs, arms and stolen vehicles. The agreement included joint border patrols and sharing specialised training and technology.

REPORTS: Business Day Reporters, Sept.

Diverse sources invest R2bn in SA

John Dladla

THERE was a rising tide of direct foreign investment to SA, with an estimated R2bn worth of new multi-sectoral investments since early last year, trade and industry's chief director for industry and technology, Alan Hirsch, said yesterday.

"This is a very significant inflow (of investment) compared with records in the last 10 years. What is most encouraging about it is the diverse sources of the investment and the diversity of the sectors into which the new investment is going. This bodes well for the future," he told a one-day seminar — jointly organised by the UN Industrial Development Organisation (Unido) and the National Economic, Development and Labour Council.

The first obligation of government was to create a favourable sociopolitical and economic environment to accelerate direct investments.

At present government was pushing for the creation of a more effective national investment bureau, involving both government and business in a greater capacity than the under-resourced industrial development and investment centre — a directorate in the trade and industry department falling under Hirsch.

The role of the proposed bureau would be to process information for prospective investors, identify investment leads and pass them onto the nine provinces. The bureau, which

is being discussed within Nedlac, would also advise government on investment policy adjustments.

In a speech delivered on his behalf by technology promotion director Johannes Potgieter, trade and industry director-general Zavareh Rustonjee said the department hoped to achieve a 6% growth rate and create 300 000 to 500 000 non-agricultural jobs a year by 1999. "Technology will play an important role in the above mentioned goals."

The challenge for industry was to create internationally competitive products by applying appropriate technologies, developed locally or through joint ventures or licensing with foreign partners.

New initiatives would include programmes aimed at promoting the use of best practice, inter-firm linkages and technology incubators.

Unido director S Ndam told the conference his organisation's assistance would be more effective if SA joined it. It was up to the country to determine areas in which it would like to be assisted.

Reuter reports that SA Chamber of Business economist Keith Lockwood warned at the seminar that policymakers should avoid introducing incentives for foreign investors which left SA a "net loser".

"In the competitive international investment environment we keep having to offer bigger and bigger incentives and the chances are we could be a net loser," he said.

RDP recognised for efforts to deliver

Sello Mothabakwe

MOST black people who were informed about the reconstruction and development programme (RDP) claimed to have benefited from its projects, Market Research Africa said in its last survey.

The survey, which monitored the RDP's progress, said there was a high awareness of the RDP among urban

dwellers (73%). Awareness was strongest among blacks at 78% followed by whites at 73%, Indians at 64% and coloureds at 55%.

One in every 10 respondents, the majority of them black, said they had personally benefited from the RDP by way of electrification of their townships, education facilities, access to water, housing a better environment and health facilities.



Education Minister Sibusiso Bhebe. Education Awards. Education

Govt 'needs groups' help

Ingrid Salgado

THE land affairs ministry could not meet the challenges of SA's new democracy without the help of non-governmental organisations, Minister Derek Hanekom said last night.

He told the launch of Interfund's 1995 Development Update such organisations were in the strategic position of being able to liaise closely with communities.

If his ministry had achieved any success, it was largely from "good collaboration" with non-governmental organisations on a policy and implementation level, he said.

Donors who invested money in such groups would help government's land reform projects more than by directly supporting land affairs.

Meanwhile, Development Update has warned that loss of non-governmental organisation staff to government and industry, and reduced donor funding threatened the future of the organisations.

This, coupled with bureaucratic restrictions on their activities and shortfalls in organisational and management capacity, placed them under enormous pressure.

Brick prices 'could shoot up within 5 years'

Robyn Chalmers

SA BRICKS will be seriously overpriced within five years if the industry does not address low productivity and rising labour costs, says Clay Brick Association president Harry Voorma.

Addressing the association's AGM in Swaziland he said there were three main challenges facing the clay brick industry as it geared up to meet the demands of the reconstruction and development programme. These were a need to increase productivity, update technology and keep brick

prices down.

He said SA's clay brick manufacturers were at the bottom of the ladder in terms of output per man.

"If drastic action is not taken, within five years the labour cost in producing bricks will amount to 50% of the total production cost and SA bricks are likely to be seriously overpriced."

Voorma said the long years of political isolation meant certain brick manufacturers had fallen behind the rest of the world in their application of technology.

The danger now existed that over-

seas companies would move in and make big inroads into the market.

This had happened in Germany and Holland where the largest Australian producer had, by means of advanced technology, been able to secure a large slice of the market.

Voorma said inefficiencies in the industry should not be recovered through increasing prices but more effort should be put into efficiency.

He said that over the past year, the clay brick industry had seen a growth of between 20% and 30% and sales continued to improve on a month to month basis.

NEWS FOCUS

Mining rights distribution could boost living standards

Sello Motlhabakwe

THE issue of mineral mining rights is likely to come into the spotlight following an economic development policy summit hosted by the Northern Province government with prominent mining companies operating in that region, at which ANC mineral and energy policy co-ordinator Nchakha Molefe floated the idea of re-examining mineral rights ownership as a means to boosting economic development in the region.

Northern Province representatives including premier Popo Molefe and finance MEC Martin Kuseu sat in on a day-long meeting with mining executives from 11 of the region's mines and listened to input regarding strategies to uplift the standard of living of the region's 3-million inhabitants — 27% of whom are unemployed.

Molefe's government, as much as those of the other eight provincial authorities, is hard pressed for an economic development blueprint which would deliver to the mass of the region's people.

The matter is made urgent by statistics which indicate that population growth levels were 3,5% a year, outstripping economic growth which was around 2,3% a year.

A staggering 53% of households in the area are subject to poverty and

with a relatively low human development index of 0,59%, the province is placed sixth among eight others.

The point that this set of circumstances placed undue stress on resources and the continuing capacity of the civil and private sectors to sustain development was not missed by Molefe, who mentioned it in his keynote address.

The companies, whose activities range from mining and refining to exporting platinum, chrome, vanadium and other minerals, contributes 59,1% towards total economic output, significantly boosting the region's 6,9% contribution to national GDP.

The point that the mines would be a crucial ally in any development strategy is buttressed by the fact that they employ about 1,5-million people, and had in the past year alone spent more than R280m on sourcing raw materials from within the region while a further R225m was spent on supplies from other regions.

Most of the mines which responded to a Potchefstroom University research questionnaire on sourcing and social investment activity, revealed that more than half of the area's mines contributed to reticulated water to informal and rural settlements around them. Almost all provided education and health facilities to nearby communities while more than 80% contributed to housing projects.

2013/6/95 (297) ~~247~~
The fact that the mines dominate economic life in the region is not lost on Molefe and Nafcoc North president and member of the region's economic advisory council, Gab Mokgoko, both of whom sat in on the commission which raised the issue of mineral rights at the summit.

Both stressed that while there was an urgent need to look at the issue with the view to ultimately diversifying mineral rights ownership in the province, the approach adopted should be "non-confrontational".

However, Molefe pointed out that not only was there an almost complete absence of small holding rights in provinces with mineral deposits, but that the rights were almost exclusively held by private companies.

Although the delegates, who included an enthusiastic group of mining executives, had by no means agreed on the very issue of diversifying mineral rights ownership, all were agreed that an economic development blueprint which would equitably serve the interests of all sectors ought to be found.

A task team chaired by Potchefstroom University economist and chairman of the Northern economic advisory council was brought to life and mandated with collating ideas on development and presenting them in two months time.

Township boy to bureaucrat

Star 12/6/95

(297)

As little more than a teenage clerk working in the Maritzburg offices of the Department of Public Works in 1981, anyone other than Sipho Shezi would not have dreamt of ever running the show.

But not this 34-year-old township boy born in Clermont, outside Durban. A drive to occupy a key position in developing his country saw his appointment a week ago as national Director-General of Public Works.

A first encounter with the high profile bureaucrat leaves one thinking he is a touch pedantic. A string of letters abbreviating qualifications follows his name.

Watching him commanding a conversation from behind a lectern, it is tempting to dismiss him as yet another academic preaching the reconstruction and development gospel from the bloated government bandwagon.

But after a scheduled 15-minute interview stretched past an hour it was difficult not to be sold.

Charged with running the engine room of the Reconstruction and Development Programme,

GUTS, determination and talent put Sipho Shezi in charge of the RDP 'engine room' as national Director-General of Public Works

Shezi holds his own. Looks in this case are very deceiving. From this slightly built man bursts a sincerity and conviction seldom witnessed.

Discipline and courage inherited from his preacher father drove him to repeat his matric for an exemption. Later he pushed out of the narrow confines of a four month job with the department he now heads, and spurred himself to get a masters degree.

Each step of the way he describes as a gamble, going from the sure to the uncertain. Only a month before registration closed at Natal University's Maritzburg campus in 1984, he was released from six months' solitary confinement.

Finishing time for a conviction under the old Terrorism Act, he promptly addressed a political rally. He went on to complete a BA majoring in politics and English in the allotted three years.

As his graduation year drew to a close the response from his inquiries to Lancaster University in Britain for a scholarship arrived. But, he had to start the programme there before the South African university year was out, and he did, writing and passing his examinations abroad.

Shezi applied for a masters course at Sussex University to continue his studies in development and politics. But, they demanded a distinction before he could register. He convinced them one was in the offing and registered. He came through.

The roller coaster ride continues, with a vacancy for a lectureship at Rhodes University. It advertised a starting date before Shezi's thesis was due. He says he gambled again, took the job and successfully wrote the paper from home.

The next chapter of his life had important relevance to the job he holds today. It saw him take up a lectureship at Natal

University and threw him back into politics.

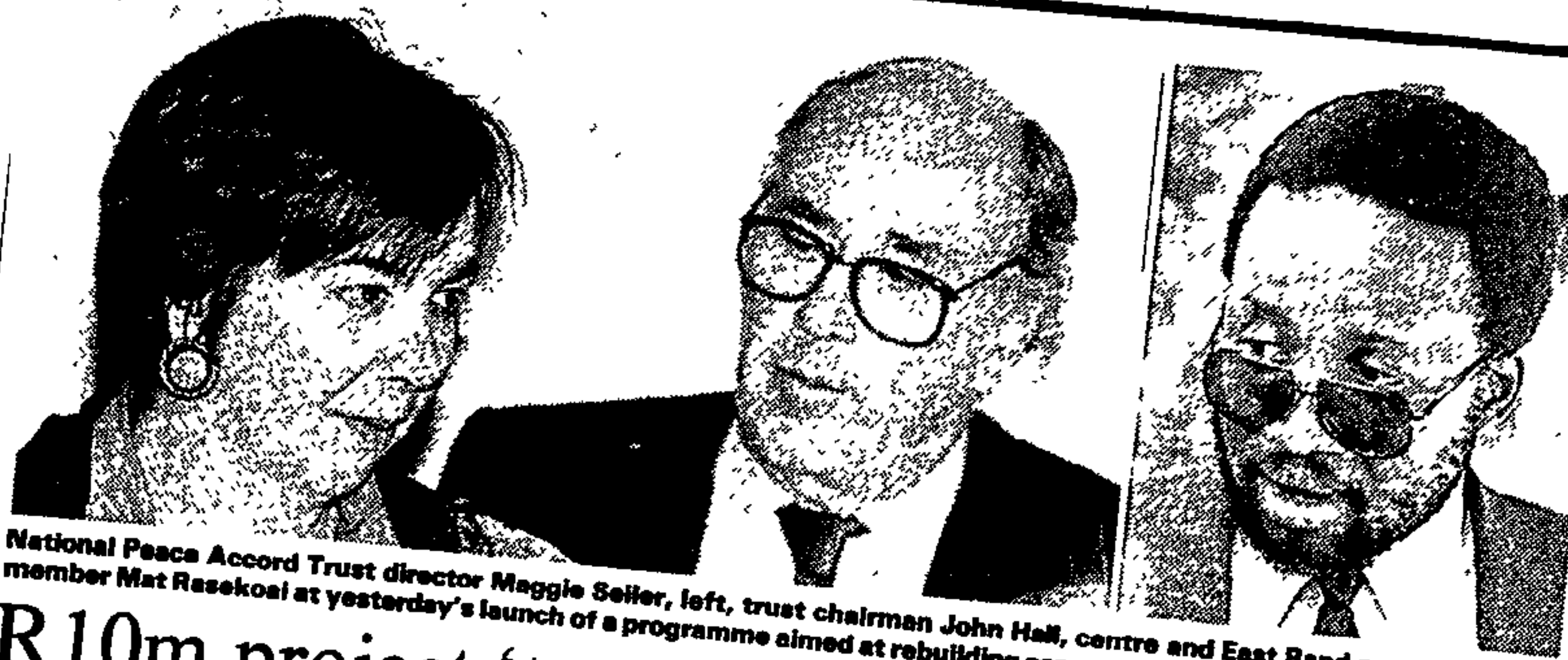
"I was deeply concerned about violence raging here, but I had this vision that development is the only way to intervene in violence," he says, adding that peace efforts he took part in then formed the views he expresses today.

Herein lies his trump card. Describing himself as an intellectual in his own right, he nevertheless maintains that his roots in the community will see him apply workable solutions on the ground.

"But, it's a pressure. I've always fought and it's not easy to strike a balance between iron-clad academia and practical involvement on the ground," he says.

Not only has he benefited from community work and academia, but he co-ordinated the ANC's election campaign in the USA in 1993.

On paper he seems more than suited for the job. Time will tell whether he has what it takes to cut through an entrenched bureaucracy and reach communities in making upliftment an accessible process. — Own Correspondent.



National Peace Accord Trust director Maggie Soller, left, trust chairman John Hall, centre and East Rand peace initiative member Mat Rasekoai at yesterday's launch of a programme aimed at rebuilding community values. Pictures: ROBERT BOTHA

R10m project 'to rebuild community values'

Mduduzi ka Harvey (297)

THE National Peace Accord Trust yesterday unveiled a R10m four-phase plan to rebuild community values in violence-wracked KwaZulu-Natal, East Rand and Alexandra. The first phase, running for the past 18 months, involved the training of community leaders in life skills, including conflict resolution. Research by organisations like the

SA Red Cross, University of Witwatersrand, Lifeline and Johannesburg parent and child counselling centre, had realised the implementation of the reconstruction and development programme in these communities faced serious difficulties from violence's dehumanising effect. The rehabilitation of these areas required the restoration of values and trust and the introduction of counselling before economic uplift-

ment programmes. The programme will provide community members with basic counselling skills and include group and trauma support, marriage, rape and alcoholism counselling and criminal rehabilitation. Professional therapists will also be used. Also planned was an information database project which will provide specific social services and resources to each community.

Satellite C

National lottery approved

Tim Cohen and
Amanda Vermeulen

(297)

20 15/6/95

CAPE TOWN — Cabinet yesterday approved new laws on lotteries and gambling which would result in a national lottery being operational within 18 months but which did not guarantee that existing casinos would retain their licences.

Despite pressure from the sport department, it was envisaged that sports pools would become operational only once the national lottery was up and running.

General Services Minister Chris Fisser said the state would own the lottery, which would be operated by an outside organisation on a contractual basis. Because of complicated tender procedures, it was envisaged that the lottery would be operational only in 12 to 18 months.

"Proceeds generated by the national lottery will be allocated to the reconstruction and development programme, welfare, sports and recreation, arts, culture and heritage, as laid out in the Bill."

Because regulation of gambling was constitutionally defined as a provincial power, the national government would present only framework legislation to set general norms and standards for gambling nationwide, and would reserve the power to determine the total number of casinos. The National Lotteries and Gambling Board had proposed that 40 licences be allocated nationally.

"The lotteries and gambling board and some of the provinces have reports to make to general services, but it is likely to be two to three months before government announces its decision."

Fisser said draft legislation on gambling and lotteries would be made available to provinces for adoption or integration with existing laws. No "grandfather" clauses had been included, which would require existing casino operators to reapply for their licences. It would contain measures to promote competition.

The two Bills would be debated by Parliament before the September recess.

Assistance for the RDP

Kevin O'Grady

15/6/95

(297)

ARMSCOR had offered its sophisticated financial management system for use in controlling reconstruction and development programme funds and had seconded one of its senior officials to Minister without Portfolio Jay Naidoo's department, spokesman Abba Omar said yesterday.

The system, which made it "impossible" for fraudulent transactions to be made, would be ideal for ensuring efficient management of funds, he said.

Football pools

We are bankrupt, soccer boss tells parliamentary committee

(297)

ARG 15/6/95

TYRONE SEALE, Political Staff

SOUTH Africa needs a national soccer pool urgently to bail soccer out of bankruptcy and to stimulate development in other sports, says the National Soccer League.

League vice-chairman Irvine Khoza pleaded with the national assembly portfolio committee on sport and recreation yesterday for a soccer pool to be launched in February 1996, a year ahead of the launch of a national lottery.

His plea also formed part of a document drawn up by the league and the SA Football Association (Safa), and supported by the National Sports Council (NSC) and Stocks and Stocks, the company nominated by the league to manage the soccer pool.

Mr Khoza said soccer, supported by nearly 80 percent of the sport-supporting population, was bankrupt.

Most of the proceeds of television broadcasts of fixtures went to accommodating "away" teams, who also spent R6 million a year to fly around the country.

In addition, soccer spent a substantial part of gate takings on the lease of stadia dedicated to other sports.

Whereas parliament had approved the spending of R43 million of state funds on sport this year, soccer alone needed about R50 million a year to remain on a sound footing.

Mr Khoza said the national soccer pool would provide the springboard and support for the achievement of sporting and reconstruction goals set by the department of sport and recreation.

During the past four years, the league, Safa and the NSC had prepared themselves for the introduction of a soccer pool.

They had the determination, capacity, experience and infrastructure to play the pivotal role of elevating soccer and sport to popularly acceptable levels, and place sport on a sound financial footing.

He said it had been estimated that during the first year of a national soccer pool, R88 million from a total turnover of R350 million would be available for distribution to sports organisations and projects.

After five years, the turnover would be R1 billion, of which R250 million would go to beneficiaries.

The pool would create direct employment for more than 5 000 South Africans and the indirect opportunities could be four times as high.

However, for this to succeed, the soccer pool would have to be launched well ahead of the national lottery.

A soccer pool could be launched within 120 days of a licence being issued, and this should be done to coincide with the beginning of the 1996 soccer season, Mr Khoza said.

The soccer pool would need the head-start on the national lottery as the pool would be more challenging to consumers who would have to study league fixtures and team performances closely, whereas the national lottery entailed a much simpler system.

National (297) lottery in 18 months

Political Correspondent

A NATIONAL lottery is less than 18 months away.

To be owned by the state, the lottery will be run on a contractual basis, with the operator chosen by a complicated tender process.

The government intends to step up action against illegal casinos. *ARL 15/6/95*

This was announced yesterday by the Minister for General Services, Chris Fismar, after the cabinet approved two gambling bills.

The National Gambling Bill and the Lotteries Bill will be published for comment before debate begins in parliament.

Proceeds from the national lottery will be shared among the Reconstruction and Development Programme, welfare, sports and recreation and arts, culture and heritage projects.

The national government will decide how many gambling licences there will be countrywide and how many will be given to each province.

Defence fund closes down

297

CT 15/6/95

JOHANNESBURG: The South African Legal Defence Fund has closed down after three years of serving victims of apartheid.

Board of trustees chairman Ms Jude Pieterse said the organisation had disbursed R29 million.

Cabinet approves legislation to create national lottery

(297)

29

CT 15/6/96

THE cabinet yesterday approved lotteries and gambling legislation expected to be passed by Parliament in September.

The Lotteries Bill proposes that the ownership of the national lottery rest with the state, but that the lottery be operated by an outside organisation on a contract basis.

Proceeds generated by the national lottery will be allocated to the RDP, welfare, sports and recreation, arts, culture and heritage.

General Affairs Minister Mr Chris Fisser told a press conference after the cabinet meeting that the lottery

would probably only become fully operational in 12 to 18 months.

It was likely that a national soccer pool would be launched once the lottery had been firmly established.

The National Gambling Bill aims to ensure strict norms and standards for the regulation of the industry and includes measures aimed at preventing "monopolistic tendencies".

However, proposals on the number of gambling and casino licences to be awarded nationally, as well as the number of licences to be allocated to each province, are still under consideration. Provinces will be

given the right to award licences from the quota allocated to them.

Mr Fisser said that the National Gaming Board had proposed that South Africa have 40 casinos. He added that the government was concerned about the "unacceptably high levels of illegal gambling activities".

He said the Minister of Safety and Security, Mr Sydney Mufamadi, the Minister of Justice, Mr Dullah Omar, and himself were looking at ways to intensify efforts to curb illegal operations. — Political Correspondent

Money raised will fund RDP and other projects

Go-ahead for state lottery

Star 15/6/95

(297)

BY PATRICK BULGER
POLITICAL CORRESPONDENT

Cape Town — The Cabinet has given the go-ahead for a national state lottery to raise money for the Reconstruction and Development Programme.

The national lottery will be given preference over other lotteries which will either have to bid to run the national lottery or confine themselves to non-profit society or charity lotteries.

Estimates are that the national lottery could generate a R2-billion annual turnover and yield about R700-million a year as clear profit.

General Services Minister Chris Flisner told a Cabinet briefing that a National Lottery Bill and a National Gambling Bill to set norms and standards for the gambling industry would be considered by Parliament this year. The minister will also provide provincial legislatures with draft legislation to regulate gambling.

The legislation follows the July 1994 report of the Gam-

ESTIMATES show gambling could generate a R2-billion annual turnover and R700-million profit

bling and Lotteries Board which completed its report in March and handed it to Deputy President Thabo Mbeki.

The lottery is expected to become fully operational within a year to 18 months.

It is proposed that ownership of the national lottery will rest with the State, although it will be operated by an outside organisation on a contractual basis. Tenders will be invited in this respect, Flisner said. Proceeds would go to the RDP, welfare, sport and recreation, arts, culture and heritage.

The National Gambling Bill was intended to ensure strict norms and standards for regulating the gambling industry. Proposals on the number of casino licences to be issued to

each province were under consideration.

Flisner noted, however, that the Lotteries and Gambling Board report had called for 40 casino licences to be issued.

The proposed legislation will contain measures to promote competition and prevent monopolistic practices and would give preference to South African companies or consortiums.

Flisner said the Government remained concerned about the "unacceptably high levels of illegal gambling activities currently taking place". The Government was considering new steps against such operations.

He noted that the JFP and the KwaZulu-Natal government were against certain aspects of the national lottery. He said he would be meeting KwaZulu-Natal Premier Frank Mdladse to discuss his opposition to the lottery.

Flisner was also due to hold talks with Sport and Recreation Minister Steve Tshwete on soccer pools, and they would then decide when to introduce the different schemes.



Life for disabled is grim

SPAR 15/6/95

(297)

No one can blame Max Brito for refusing press interviews. He came here a star rugby player and left a quadriplegic, and, in the first week after his accident, his pain was too raw to plumb.

But there are four to five million disabled people in South Africa ready to speak out.

They will tell anyone who cares to ask that their quality of life has not improved significantly in the last 10 years.

There have been advances, in technology, medical treatment for injuries, and government responsiveness to disability issues, says Dr William Rowland, chairman of the National Co-ordinating Committee on Disability (NCDD).

But little has changed regarding access to buildings, employment, education and transport. Unemployment among disabled people remains at least 80% in urban areas, and 100% in rural, Rowland says.

In some ways, Brito is

DISABLED South Africans exist on small allowances, Janine Simon, Medical Correspondent, writes

fortunate. Insurance payments and the generosity of the world's rugby fraternity — who will be collecting donations for Brito until at least the final RWC match — will almost certainly give him and his family financial security.

Most disabled people in South Africa live on monthly disability grants of about R390, says Rowland, or struggle to make a living in the informal sector.

They are often refused entry to taxis, and few if any buildings have ramps for wheelchairs, despite the disability lobby pushing through legislation on wheelchair access to new

buildings more than ten years ago.

It simply hasn't been enforced, judging from a recent editorial by Dawie Botha, director of the South African Institute of Civil Engineers in the profession's magazine, which had to remind members of their duty.

The NCCD is leading an environmental access project to improve the provisions and enforcement of that legislation, Rowland says.

But for the newly-disabled, life is still grim.

"When you leave the hospital there is nothing: no support networks, no provision for wheelchairs," says Bernard Kwaaiman, Eastern Cape regional development worker for Disabled People South Africa (DPSA). "The South African public is totally unprepared for disability," he says.

"You worry about how you are going to be able to support your family, to travel. You drift away and sit alone with that feeling, that pain, that you will never be the same again."

Govt gives go-ahead for SA state lottery

(297)

Sowetan 15/6/95

THE Cabinet has given the go-ahead for a national State lottery to raise money for the Reconstruction and Development Programme.

The lottery will be given preference over other lotteries which will either have to bid to run the national lottery or confine themselves to non-profit society or charity lotteries.

General Services Minister Chris Fisser told a Cabinet briefing a National Lottery Bill and a National Gambling Bill to set norms and standards for the gambling industry would be considered by Parliament this year.

Fisser will also provide provincial legislatures with draft provincial legislation to regulate gam-

bling in the provinces.

The legislation follows the July 1994 report of the Gambling and Lotteries Board which completed its report in March and handed it to Deputy President Thabo Mbeki.

The lottery is expected to become fully operational within a year or 18 months.

"It is proposed that ownership of the national lottery will rest with the State, although it will be operated by an outside organisation on a contractual basis. Tenders will be invited in this respect," Fisser said.

"Proceeds generated by the national lottery will be allocated to the RDP, welfare, sports and recreation, arts, culture and heritage in

accordance with the provisions of the Bill."

The National Gambling Bill is intended to ensure "strict norms and standards" for regulating the gambling industry. Proposals on the number of casino licences to be issued to each province were under consideration.

Fisser noted, however, that the Lotteries and Gambling Board report had called for 40 casino licences to be issued.

The proposed legislation will contain measures to promote competition and to prevent monopolistic practices and would give preference to South African companies or consortiums. — *Sowetan Correspondent.*

Welfare system 'a Band Aid'

(297) SNA 16/6/95

Cape Town — The welfare budget had failed to transform the existing system from a narrow focus "Band Aid" to a broader developmental and holistic system, the National Assembly's welfare committee said in a report yesterday.

The absence of a holistic, developmental approach had been compounded by the department's failure to plan with other departments.

An example of the "fragmented and isolationist approach" was the absence of a nutrition scheme for infants from birth to six years despite school feeding schemes hav-

ing been instituted.

Strategies also had to be developed to address the specific needs of the disabled to ensure their integration into the community, rather than into institutions.

Welfare schemes continued to aim at how best people could live in poverty rather than seeking to eliminate it.

The department and the auditor-general had confirmed that "vast amounts" of money had gone missing due to the pension payout system, and a proper audit, needed to be undertaken. — Sapa.

'Band aid' welfare slated

(297)
POLITICAL STAFF

THE present welfare system was a "band aid" system rather than a developmental system, the Portfolio Committee on Welfare said yesterday. CT 16/6/95

A total transformation of the system was necessary, it said in reports to the National Assembly.

"A major concern is that the department does not actively address the elimination of poverty, although poverty is most often at the root of the problem."

The committee said the welfare system would need to change its priorities so as to move from a narrow focus on remedial work to a more holistic focus.

There was also an urgent need to separate social services allocations from social security allocations. "At present the two are joined, and the services component is marginalised."

Lottery 'no big benefit to taxpayers'

By LLEWELLYN JONES

CT (BR) 16/6/95 STAFF WRITER

There is little relief for the taxpayer from recently approved state lotteries, tax consultants said yesterday.

"The experience of other countries seems to be that lotteries are a mere top-up, reducing pressure on the fiscus," Wits University's Prof Dennis Davis said.

"The point to remember is that state lotteries are the only form of voluntary taxation known," he said.

While he did not know what the lottery would bring in, he said it was dependent on the designated activities to which the funds would be directed. "Crime, health care and education are the areas of greatest concern at the moment."

"In South Africa it is not a case of reducing the taxation burden, but sourcing funds for desperately needed areas."

"For example, the rising level of crime is at the forefront of the South African consciousness. If the public knew that the lottery would provide an extra R2 billion for policing, they may buy, say, five tickets instead of three. The government would be well advised to seriously consider extending the funds available for policing."

By RAY HARTLEY
Parliamentary Correspondent

"SUFUNIMALI" — we want money! came the hoarse cry from the back of the Richmond town hall as Deputy President Thabo Mbeki finished his presentation.

The man in the ragged brown jacket was responding to a request for feedback on the government's performance — the purpose of a nationwide tour of the provinces by Mr Mbeki.

Last week it was the turn of the Northern Cape, and the small rural backwater of Richmond was the first of four stops the deputy president would make in the province's impoverished southern belt.

Although the cry for money was greeted by disapproving whispers, it somehow captured the desperation of the 300 or so people crammed into the town hall.

With the ice broken, grievances poured out. Together, they painted a picture of frustration at the lack of change since last year's elections. One woman complained that she and 13 others were still living in the same two-roomed shack occupied by her family since 1942.

Another said there was no work, while yet another complained about the failure of the province's premier, Manne Dipico, to visit the town since the elections.

But the question which had the crowd nodding their approval was: "Why won't the RDP get off the ground in the Northern Cape? Come to our township and you will see the RDP is not working."

Through all of this Mr Mbeki took notes, nodded understandingly and occa-

sionally conferred with representatives of the provincial executive.

Then, as the crowd gave him a standing ovation, he took to the podium to give the government's reply. "I'm going to tell the premier you want him to come and see you," he said amid loud applause.

He then went on to address the issues raised one by one, pausing between each to consult his notepad.

He told the crowd that the Trade and Industry Minister, Trevor Manuel, had been studying the Northern Cape's economy and shared concerns about why wool produced in the province had to be sent elsewhere for processing.

Mr Dipico was talking to De Beers, Eskom and Spoornet about job creation in the area.

And, responding to the cry for money: "The government does not have much money. There's no money that Nelson Mandela has hidden in his pocket."

"If you look at the Budget this year, you will see that the money for housing has been increased, the money for water has been increased, the money for education

had gathered was restless. The town's railway junction was once a major employer, but the station has been closed and the hospital faces a bleak future.

During a spontaneous question-and-answer session, Mr Mbeki was presented with a 13-point petition citing the "desperate need for factories" and calling on him to re-open the station and prevent the closure of the hospital.

The point that caused the loudest cheering was eighth on the list: "The people's feeling of wanting to be re-incorporated in the Eastern Cape due to a lack of servicing by the Northern Cape."

Uneducated, unemployed and staring a bleak future in the face, the residents of Noupport had identified the shifting of their town to a new province as the prime cause of their social ills. "We are subjects of Manne Dipico, whom we have never seen," one shouted.

"The life we led during the apartheid era is the same life we are now leading," said another as a drunken man who was demanding to speak to Mr Mbeki was removed by marshals.

By the time the cavalcade reached Colesberg the winter darkness had set in and 1 000 or so people had gathered. Again Mr Mbeki told them: "The government does not have a lot of money."

But people's concerns were more mundane. They were fed up, they said, with a feud between leaders of the local civic organisation and the ANC, who were literally shooting each other.

Later that evening, at a fundraising dinner at Colesberg's Merino Inn, Mr Mbeki reflected on his day: "There's a very clear message that's coming out that has to do with the quality of life. One of the things that struck me was the confidence people have in the future. I didn't pick up a feeling of despair."

ANC leaders would return to the Northern Cape, he promised. "When we come back, we want to come back to say here are some actual, practical plans to deal with the problems."

But Mr Mbeki might as well have thrown up his hands and replied to the tormented cry for money with: "Asina-mali — we don't have money!"

You promised us a better life, but what about a better RDP?

ST 18/6/95 (297)

A few minutes later a member of the audience exclaimed: "The living Jesus is here. Mandela is the living Jesus" — until he too was removed by marshals.

Mr Mbeki again promised to persuade the premier to visit the town.

Again he had a tough message for those expecting rapid delivery. "This year, the government is going to put more into housing, but those who work, who get housing loans, they must pay for their services."

ON THE ROAD . . .
Mbeki preached patience to the poor people in rural Northern Cape

Picture:
HERBERT MABUZA

Delivery capacity of RDP to be evaluated

Sello Motlhabakwe (297)

A PARLIAMENTARY select committee will visit provincial reconstruction and development offices over the next few months to evaluate delivery capacity and help formulate enabling legislation for the RDP, select committee chairman Max Sisulu said at the weekend.

The visits were part of the committee's workplan and was designed to inform committee members of line function and capacity situations at first hand.

Sisulu said his committee's visits were not intended to correct delivery problems at ground level as that was the RDP ministry's job. BD 19/6/95

The committee would hold discussions with various public forums and organise public hearings on issues affecting local communities.

Northwest RDP office spokesman Jerry Majatladi confirmed that his department was compiling an inventory in preparation for the visit.

Sisulu's personal secretary Priscilla Moshebi said no definite dates for the visits had been picked, but the assessment rounds would most likely take place between July and September.

Asmal pleads cash case for non-govt causes (297)

Linda Enser

BO 19/6/95

LONDON — Non-governmental organisations in SA were facing a funding crisis as traditional funders had either pulled back or channelled their resources. Water Affairs and Forestry Minister Kader Asmal said in London at the weekend.

Asmal told the Canso Collins Education Trust for Southern Africa it would be a tragedy if the activities of these organisations were curtailed or suspended at a time when SA needed their greater involvement.

Asmal, who was in London to take part in a two-day international human rights convention, urged those who had influence and resources to give the organisations their fullest support.

"The rightful new role of NGOs, so long the mighty opponents of the apartheid government, is to be the partner of government in the vast task of reconstruction and development," he said. But so far nothing much had been done to involve them actively in implementation of the RDP because of an impasse between the SA government and the European Commission.

Diplomats and European MPs expressed disappointment that nothing had been done to resolve the funding crisis despite repeated requests and complaints to the commission by non-governmental organisations. The European Union has been by far their biggest supporter.

Last year, as for the past 10 years, the entire 100-million-ecu aid programme for SA was channelled through these organisations, of which there are about 45 000. This year they had received nothing from the 125-million-ecu allocation.

Member of the European Parliament Terry Wynn, who has kept in close touch with the non-governmental organisations in SA, said at the weekend that the Kagiso Trust and the Southern African Catholic Bishops' Conference had had to cut back on their activities because of budgetary uncertainties.

He described the situation as "pathetic". Asmal, in his speech, said that as chairman of the Council of the University of the North he was familiar with the sudden crisis that hit universities when programmes run by NGOs ran into financial trouble.

Transfer of state homes under way.

Asmal pleads cash case for non-govt causes ⁽²⁹⁷⁾

Linda Ensor

BD 19/6/95

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"The rightful new role of NGOs, so long the mighty opponents of the apartheid government, is to be the partner of government in the vast task of reconstruction and development," he said. But so far nothing much had been done to involve them actively in implementation of the RDP because of an impasse between the SA government and the European Commission.

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Transfer of
of banks into the new

TUESDAY
JUNE 20, 1995

'Services (297) still violate dignity'

CHRIS BATEMAN
POLITICAL STAFF

CT 20/6/95

THE fragmentation of social services in the Western Cape had rendered them incapable of addressing basic needs, Health and Social Welfare Minister Mr Ebrahim Rasool said yesterday.

He was opening a two-day provincial welfare summit at the Goudini Spa in Worcester.

Mr Rasool said the manner in which social services were provided had violated the human dignity of the vulnerable communities they were supposed to serve while meeting political ends "by cultivating dependence".

In spite of rapid political and democratic changes, social services countrywide had yet to succeed in gearing themselves towards the changed mindset of the post-apartheid era.

White Paper

The summit is aimed at forming a framework for a provincial White Paper on Social Services and is the culmination of a year of consultation, research and workshops among registered welfare NGOs and community organisations.

Mr Rasool said there was a "critical lack" of sound management systems — including computerisation and properly trained staff — to enable more efficient, effective and transparent financial accountability in the province.

Funds would be provided to improve this situation.

He wanted an integrated system of services and benefits which would act as a "redistribution mechanism".

Existing social assistance legislation would be amended to remove clauses which violated the interim constitution.

WEDNESDAY
JUNE 21, 1995 ★

Council will give R30m to RDP projects

PETER DENNEHY

21/6/95

THE Cape Metropolitan Council would allocate R30 million to RDP projects in the next year, RDP committee chairman Mr Lionel October said yesterday.

He said each "substructure", or new municipality in Greater Cape Town, would get a provisional allocation of R5m.

Each municipality could submit applications for three capital projects on which it wanted to spend its R5m.

"We have to work through the substructures, to avoid any conflict between the metropolitan council and them," he said. "We felt we would divide the money on an equitable basis."

Applications will be open to the members of the public, who will have to apply through their own municipality. The closing date for applications will be December 31, Mr October said.

He was talking of short-term projects that could get off the ground in about six months' time.

Executive committee chairman Mr David Dlali said the R5m sums would be taken as guidelines, as flexibility was needed.

Williams tells of move to transform welfare system

TYRONE SEALE

Political Staff

ARG 21/6/95

WELFARE services over-emphasise institutional care — particularly homes for the elderly — and top priority is being given to the development of new, cost-effective, community-based support and care programmes.

This was disclosed in the national assembly yesterday by Abe Williams, Minister for Welfare and Population Development, and his deputy, Geraldine Fraser-Moleketi.

Speaking in the debate on the welfare budget vote, they said the ministry had embarked on a process to build consensus that could fundamentally transform the welfare system in this country.

Children and the aged were the focus of the department's major initiatives, which were aimed at cultivating community-based rather than institu-

tionalised care.

It was generally accepted that homes for the aged should in future accommodate only those who were in need of 24-hour care.

Existing facilities, which were not economically viable as frail care centres, should be converted into accommodation or units where the elderly would be helped.

The government was committed to achieving equity, efficiency and effectiveness in the delivery of welfare programmes.

But grassroots expectations could not be fully realised in the short term as welfare expenditure would be able to increase only gradually as higher economic growth rates were achieved, Mr Williams said.

Ms Fraser-Moleketi said welfare programmes had to be rearranged to make services responsive to needs and to demographic trends.

Oxfam wants Paris Club debts to be written off

(297) BD 22/6/95

Ingrid Salgado

BETWEEN 80% and 100% of the entire stock of debt owed to creditor countries represented in the Paris Club should be written off, an Oxfam poverty report said this week.

The report, which coincided with the launch on Monday of Oxfam's campaign against poverty, attacked the Bretton Woods institutions for being "increasingly impotent and inappropriate" in poverty's eradication.

The IMF needed to finance an integrated debt reduction strategy through selling off the Fund's gold stocks or by setting aside part of a new issue of special drawing rights. The same debt relief terms applied to severely indebted low-income countries should apply to middle-income countries, on a case-by-case basis.

The campaign was launched in London, Dublin, Washington, Harare, Ottawa and Johannesburg, among other places. The SA campaign would prioritise land rights and women's rights. Sub-Saharan Africa continues to transfer more than \$10bn to northern creditors annually — exceeding these governments' combined spending on health and education.

World Bank economic reforms needed to prioritise community participation, greater transparency and an open flow of information, while governments should redirect resources such that at least 20% of expenditure was allocated to providing services of "maximum benefit to the poor", including education, clean water and primary health care.

This had to be accompanied by significant reductions in military expenditure and parastatals.

International trade regulation, as embodied in the World Trade Organisation, were "inadequate". Developing countries faced a "bewildering array" of arbitrary and protectionist measures which skewed trade benefits to the industrialised world.

Industrial countries were delaying implementation of agreements reached at the Uruguay Round of GATT and were restricting their application in ways which would minimise benefits to developing countries. The agreements reached on agriculture would leave the US and the European Union free to continue subsidising food production. There should be a ban on such subsidisation.

It accused the IMF and World Bank of insufficiently altering structural adjustment programmes to reduce poverty. "These programmes continue to stress the importance of market deregulation and trade liberalisation, within the context of stringent monetary discipline — enforced as part of IMF stabilisation strategies — to combat inflation."

Adjustment policies were flawed in four respects:

- ☐ The emphasis on reducing inflation, primarily by imposing higher interest rates, undermined investment and job creation;
- ☐ Labour-intensive industries were undermined by import competition from over-rapid trade reform;
- ☐ Cuts in government expenditure were prioritised over revenue-raising options for reducing budget deficits; and
- ☐ Structural adjustment programmes operated within an unrealistically short time frame.

Adjustment loans from international financial institutions should be conditional on government action to improve basic services, the report said.

BY JESSICA BEZUIDENHOUT

Huge pension fraud

STC(m) 25/6/95

THE Western Cape Health and Social Services Department is to launch a probe into widescale corruption, which they say has resulted in the department losing hundreds of millions of rand.

The department this week called for tenders for "forensic auditors" to assist in the investigation, for which they have budgeted R2 million.

The auditors will be part of a group of independent experts, including an economist and a lawyer, who will help track down pension fund fraudsters.

The team has been briefed to identify the sources of the alleged fraud and also to develop a computerised system to address the situation, which has been described as "chaotic".

Provincial Health Minister Ebrahim Rasool said: "We have decided to appoint independent members to the team as we do not want a situation where we investigate ourselves.

"Although it will be expensive, we know that the investigation will reveal undetected levels of fraud," he said.

Previous investigations into the provincial pension fund found that "hundreds of millions of rands have fraudulently ended up in the wrong hands."

Mr Rasool said the department had suffered major losses over the year. He warned that people identified as being involved in fraudulent activities could face criminal charges.

Research conducted by the Southern African Development Education Research Programme, Sadep, has revealed a "significant absence of audit trails of expenditure," according to the ANC head of Social Welfare in the Western Cape, Ms Vivienne Taylor.

She said there were no reliable statements for the departments' activities and there was an overall lack of adequate control procedures, which exacerbated the problem.

The Western Cape's Welfare expenditure patterns also indicated "definite political abuse" of the system.

Ms Taylor added that there were different levels of fraud and a major problem was the exploitation of the system by the public, particularly people drawing money on behalf of deceased relatives or fictitious beneficiaries.

(297) (28)
probed

Cash boost for RDP hackers

By CHARL DE VILLIERS
(297)
ST(CM) 25/6/95

THE RDP's attack on invasive plants on Devil's Peak has been given a new lease of life with a R150 000 financial commitment co-sponsored by the provincial government.

Two dozen previously jobless hackers have cleared 50 ha of alien vegetation since March and should now be able to keep going for the next six months, says Botanical Society (BotSoc) conservation officer Philip Ivey.

They have concentrated on clearing aliens around the eastern end of the Tafelberg Road where dense stands of plant invaders posed an extreme fire and erosion risk.

The BotSoc-initiated campaign has proved that ecology can work for the people, and will continue doing so, thanks to the Western Cape Premier's "Clean and Green" project, a provincial government spokesman said on Friday.

Transport and Public Works deputy director Roy Petersen confirmed the R150 000 grant to the Devil's Peak project, saying the provincial government had agreed to foot half the bill, provided local authorities raised the rest.

"This is a magnificent example of how we can protect the Cape's single biggest resource, the environment, while creating jobs," Mr Ivey said this week.

Trained as ecological restoration workers, the 24 hackers now have prospects of moving on to other environmental jobs.

Mr Ivey says: The city council is spending R42 per staff hour on the mountain. In contrast, the invasive alien plant clearing project spent only R10 per staff hour.

"This indicates that the project has been more cost-effective in that more work has been carried out per rand spent by the Cape Town City Council's R533 920 annual alien clearing operation."

The hackers, initially sponsored by the Total Corporate Foundation and the World-Wide Fund for Nature (SA), are paid R30 a day plus a day's wage for each full week worked.

The Botanical Society recently launched an appeal for public donations to help fund the project.

R16bn bank recommended

Call to merge development institutions

Robyn Chalmers

A GOVERNMENT task team has recommended the financial muscle of the Industrial Development Corporation and the Development Bank of Southern Africa be combined to create a R16bn institution able to mobilise private capital.

In a confidential report, the team also recommended sweeping changes to the bank which would narrow its focus to the financing of infrastructure and take away its macroeconomic policy functions.

The recommendations, drawn up by the transformation team chaired by bank chairman Wiseman Nkuhlu, were presented last week to bank staff at a meeting where Deputy Finance Minister Alec Erwin was present.

The report, due to be presented to Cabinet within days, proposes that the bank changes its name to the Infrastructure Development Bank to reflect its new focus. A new board of directors only, and no governors, should be appointed and the bank must aim to become a catalyst for private sector investment.

The mobilising of development finance would be undertaken by a powerful new holding company for the restructured bank and the IDC. The IDC and transformed bank would retain institutional identities and operational independence. Borrowing functions would, however, be transferred to the holding company which would be responsible for approaching the capital market for funds.

"It is essential to note that this arrangement minimises the need for the future

capitalisation of the bank by the fiscus," said the report.

It said studies suggested the infrastructure finance required for SA was between R35bn and R60bn over the next five to seven years. If the holding company proposal for the bank and IDC was not accepted, the bank would have to diversify beyond infrastructure or accept the need for constant support from the fiscus.

The restructured bank's most important source of funding should be the capital market, the report said. Other sources included government grants, concessionary loans and foreign grants.

"In the light of the Development Bank's experience in the provision of wholesale financing for infrastructure ... the new bank will be well placed to support core long-term infrastructure projects and the provision of reticulated bulk services at subregional, national, provincial and local government levels.

"In focusing on infrastructure, the new bank should involve the private sector whenever possible in the funding and co-funding of projects and programmes," it said. "In principle, the bank's financing policy should ensure long-term sustainability of the institution and, to this end, it should ensure regular operating surpluses and compliance with sound leverage and capital adequacy ratios."

During the period of restructuring and transformation, the new bank should continue to support certain development activities through a transitional business de-

Continued on Page 2

Merger (297) BD 26/7/95

Continued from Page 1

velopment fund until more appropriate institutions could take over.

The report recommended that policy functions to support the bank's projects and programmes be maintained, but that the macropolicy capacity be located in an independent service institute.

It said the bank's transformation needed to be seen as part of the restructuring of the development finance system in SA. This meant the new bank would focus on infrastructure finance and the IDC on in-

dustrial finance while the Small Business Development Corporation and Small Business Development Agency would finance small, micro and medium enterprises.

Land and agriculture would be addressed by the Land and Agriculture Bank while the still to be established national housing finance corporation would tackle housing finance.

Also in the pipeline is a national development agency, which would receive grant funding from government to fund non-government organisations.

Durban launches new RDP plans

Nicola Jenyey

(297) ~~(297)~~
DURBAN — Reconstruction and development projects provide local authorities with "golden opportunities" to encourage voter participation in the forthcoming municipal elections, Mount Edgecombe Town Clerk Archie Parkhouse said at the weekend.

Launching a plan aimed at kick-starting Durban's northern economy, Parkhouse said it was essential for local government to demonstrate its ability to create growth and development opportunities.

Mount Edgecombe, at 1 000 hectares, is one of the smallest local authorities incorporated into the new Durban metropolitan area. Most of the area is under sugar cane, but residential and industrial developments have been accelerating in recent months.

10 26/6/95
The Mount Edgecombe town board launched a job-creation campaign aimed at attracting commercial and industrial investment, while highlighting its residential opportunities.

The campaign would be geared towards industrialists and financiers.

Parkhouse said the plan, designed for maximum flexibility within town planning controls, recognised that employment was fundamental to social upliftment and empowerment.

RDP could fail warns Mandela

Erica Jankowitz (297)

A DECISIVE ANC victory in local government elections on November 1 would secure the future of government's reconstruction and development programme (RDP) which could fail if local communities did not work with provincial and national structures to rebuild SA, President Nelson Mandela said yesterday.

Speaking at the launch of the Gauteng ANC's community charter in Johannesburg, Mandela praised this initiative saying communities had to be involved in transformation as residents were best placed to identify their needs and how to achieve them.

He urged South Africans to take responsibility for making the RDP succeed. He criticised them for not being prepared to contribute the hard work required to transform society, but being willing to reap its rewards.

SA's crime rate had to be tackled to encourage economic development.

The draft community charter states that people and civil society had to take responsibility for making "our communities safe for our children and ourselves by building community policing forums and breaking the conspiracy of silence that was necessary to survive before our founding democracy".

It includes business with other organs of civil society as an essential partner in rebuilding society despite the "suspicion" with which communities had viewed the business sector in the past. **BD 26/6/95**

ANC members had to look beyond their narrow sectarian views to find talented individuals to drive the process at community level, even if these candidates were not members of the party, Mandela said.

Mobilising support for local government elections was now a priority for all ANC members as the nature of local authorities meant it was impossible to balance strengths and weaknesses in election results. The ANC needed to counter the NP three-prong strategy to undermine the ruling party which included attempts to destroy the ANC's leadership profile, punting the RDP as a socialist policy and highlighting high crime rates.

White support was required to boost the ANC's showing in the local poll, Mandela said. In the past week, he conducted a house-to-house campaign in Johannesburg's northern suburbs which netted 67 new members for the party.

Govt red tape puts Bara posts at risk

Kathryn Strachan

BARAGWANATH Hospital was at risk of losing many doctors who had applied for posts starting this week because of red tape at provincial level.

Superintendent Grant Rex said the posts had all been budgeted for, but despite support from the superintendent-general's office and other authorities, bureaucracy was delaying them from being filled.

In the meantime, many foreign doctors — who had first to apply for work permits and registration with the SA Medical and Dental Council before they could start — had given up and found work elsewhere.

Baragwanath was heavily dependent on foreign doctors because local doctors were reluctant to work in townships, he said.

The hospital was still waiting for the go-ahead from the provincial health authority to appoint 34 doctors to begin work on July 1. There were still 81 administrative, 100 cleaning and "several hundred" assistant nursing posts standing vacant.

The hospital was still battling under its constricting budget, and the allocation for the entire financial year was already almost spent. Baragwanath was allocated a budget of R307m this year, while it spent R420m last year.

This R307m was taken up by salaries and contractual obligations to the SA Insti-

tute of Medical Research for laboratory tests, and there was no money left in the budget for food, drugs, transport, equipment and maintenance.

However, it was essential for the administration to overspend in the patients' interests, said Rex. The hospital operated in a cost-effective way, so where it was ethical to overspend, the administration did overstep its budget.

At the same time, savings should be effected, he said, but this would best be done by closing certain hospitals rather than trimming services at all hospitals. Baragwanath (which was operating at 68% capacity), Johannesburg and JG Strijdom hospitals had enough empty beds to cope with the needs of the region, and Coronation and Hillbrow hospitals should be closed to generate a saving.

A major obstacle to achieving savings at the hospital was the lack of computers and an information system.

There were also problems in the way the provincial budget was distributed between the various hospitals.

Baragwanath was allocated R307m against Johannesburg Hospital's budget of R354m. However, Baragwanath had three times the workload — it had 117 000 patient days and did 43 000 operations, while Johannesburg hospital had 40 000 patient days and did 17 000 operations.

MPs to vote on truth legislation

Adrian Hadland

CAPE TOWN — Two of the most controversial pieces of legislation yet to be considered by the current government are due to be passed by Parliament this week.

In its last week before the mid-year recess, the Promotion of National Unity and Reconciliation Bill — which details SA's truth commission process — and the Remuneration of Traditional Leaders Bill will be voted on by parliamentarians.

This week was initially scheduled for constitutional work. MPs and Senators, who come together to form the Constitutional Assembly, are under pressure to complete a draft of the new Constitution by the end of the year.

But, with urgent and important legislation requiring immediate consideration and passage, constitutional work has been postponed to the first two weeks of the new parliamentary term in August.

The new term, which will focus more closely on committee work and legislation now that each ministry's budget debate is

complete, is likely to be extended to late September.

The truth commission legislation, which was amended more than 300 times by the national assembly's justice committee, is currently with the senate committee.

The Bill is due to be debated in the Senate on Wednesday whereafter it will go back to the National Assembly for concurrence before being passed on to President Nelson Mandela for enactment.

In its criteria for awarding amnesty, it has been hugely controversial.

The Remuneration of Traditional Leaders Bill will also be debated in the week. The Bill has stirred up much animosity from the IFP and from traditional leaders in KwaZulu/Natal.

ANC MPs have been instructed to undertake constituency work during the month recess, in preparation for local government elections scheduled for November 1.

Other parties are likely to take to the hustings in preparation for the first testing of voter opinion since the 1994 general election.

Myth may become real in Atlantis

ATLANTIS was a dream which turned into a nightmare.

Born out of the grandest of apartheid designs, it became one of its most glaring and costly failures.

But today Atlantis has come to represent a yardstick against which hopes for South Africa's future can be measured.

President Nelson Mandela has praised the city's achievements, Trade and Industry Minister Trevor Manuel believes its future is "exciting", and Danny Oliphant, MP, who lives in Atlantis, says it will prove the viability of the reconstruction and development programme.

At first sight, Atlantis seems an improbable repository for such hopes.

Carved out of scrub and sand dunes 45km northwest of Cape Town, Atlantis appeared likely to follow the example of the lost city of Greek mythology.

In 1975 the plan was that it would grow over three decades into a metropolis of six linked conurbations, with a CBD at the hub and a population of 500 000.

Described as part of a strategy of decentralisation, the political imperative behind it was that it would gather a substantial part of the Cape's coloured population which was seen to be encroaching on the white preserve of Cape Town.

Companies were offered generous and mostly unmonitored subsidies, which came to be the prime reason for locating there. By 1990, just one of the six towns had

been partially built. The population of 65 000 was squeezed into 8 000 single-storey dwellings, there was no central business district, and factories closed as subsidies were phased out.

Unemployment rose relentlessly to affect nearly half the town's labour force, while the distance from other places of work and the lack of affordable transport largely frustrated the search for alternative jobs. With SA in political turmoil the outlook for Atlantis was ever more bleak. What then happened in Atlantis mirrors ANC ambitions on the national stage.

For the first time, all sections of Atlantis society came together in the Atlantis Development Forum which now embraces 33 groups, ranging from the transitional local authority, political parties, employers, trade unions and civic organisations to smaller players such as the flea market association, sports groups and representatives of neighbourhood creches.

A key aim was to provide a setting where different groups could learn to deal with each other as equals, and where it was agreed that no decision would be taken without consultation: much the same as the process which has since evolved on a national level.

Andrew Meston, a consultant who was called in to help write a strategy document for Atlantis, said the forum initially faced stark choices.

"We had to establish a perspective:

would Atlantis have to be abandoned as an industrial centre, to degenerate into a dormitory town, or was there the infrastructure and the local determination to reconstruct apartheid's last city.

"What we found was that the people, despite everything, regarded it as home and wanted it to succeed."

Atlantis has some advantages, as Noel Williams, mayor of the transitional council and chairman of the forum, pointed out. Less than 2 000ha of the 12 000ha set aside for the city has been developed, and some of the available land already has power, water and drainage.

"We can sell serviced land here for R15 a square metre, compared with R120 just 45km away in Cape Town," he said.

Despite its tiny annual budget of R42m, there are numerous business promotions. There is an information centre in a dis-used factory. Companies varying from Atlantis Diesel Engines, the town's biggest employer, to a wedding dress seamstress display their products there.

Modest funds have been made available to self-help schemes such as those aimed at cleaning up neighbourhoods, and a local radio station is about to start broadcasting.

The immediate impact on Atlantis's 46% unemployment rate is insignificant, but Williams and members of the forum believe the morale in the city is lifting and lobbying power with regional and national government is stronger.

The pressure exercised by the forum has already won debt forgiveness of more than R200m, leaving just R20m to be serviced.

The first hints of an international re-ward for four years of effort are also being seen. Malaysian entrepreneur Dato Samudin abu Hassan has expressed interest in building a leisure complex.

Although officials are cautious, they believe an investment of between R50m and R20m could be on the cards, together with the creation of thousands of jobs.

Other companies which might be close to making investment decisions are a Hong Kong-based textiles group and a British kitchenware company.

All potential investors are made aware that their commitment has to be based on more than profit. It has to be seen by the community as of benefit to their long-term future.

"Sometimes we are a little worried about frightening people away," said Oliphant. "But we want them to understand that we need more than just investment. We must have long-term jobs and real benefits to the people of the area."

Atlantis has meanwhile been given a solid reason to believe it might have turned the economic corner. Atlantis Diesel last week broke into the US market for the first time, with a R63m order which will create 200 jobs, in addition to the 200 already added this year. — Financial Times.

OBITUARY

Fighter for the disabled

Friday Mavuso, one of South Africa's leading disability rights activists and the founder of Self-Help for Paraplegics (Shap) in Soweto, was killed in a motor accident near Greylingstad in the Eastern Transvaal on Sunday.

His death has devastated friends and colleagues, and has been described as a irreparable loss to the disability rights movement.

Mavuso was elected chairman of Disabled People South Africa (DPSA) in April, an event which DPSA secretary-general Mike du Toit said was like "Mandela taking office".

"He did so much and still had so much to do," a shocked Du Toit said this morning.

"His death comes at a time when we are so close to achieving so much — disability is now accepted as a major programme of the RDP."

Shap's administrative manager Paul Chonco said Mavuso was a man who was never discouraged, and his followers felt lost without him.

Mavuso, who was paralysed by a police bullet in 1974, is credited with changing the debate on disability from charity to the rights of disabled people.

His formal education ended in Standard 2, but he has received numerous awards, including an honorary degree from the University of Cape Town, and sat on the board of Transnet.

Dr William Rowland, former chairman of DPSA, said Mavuso's death was an terrible loss to the disability rights movement. "It's tragic that he won't be with us at this critical time."

Mavuso is survived by his wife Paulina and three children. Funeral arrangements have yet to be announced. — Staff Reporter.

IDC seeks clarity about its 'merger'

(297) 31 27/6/95
Robyn Chalmers

THE Industrial Development Corporation was not consulted on proposals put forward by a government task team to effectively merge it with the Development Bank of SA, and has approached the team for clarity on the issue.

IDC GM Jan de Bruyn said yesterday he could not comment on proposals to set up a holding company which would control the IDC and the bank, as the corporation had not yet seen the confidential report.

De Bruyn said IDC management had approached the task team, headed by bank chairman Wiseman Nkuhlu, and expected to receive a copy of the report within days.

The report proposed that a powerful new holding company be set up, housing the IDC and the bank, to create a R16bn institution capable of mobilising private capital.

It recommended that the bank undergo significant changes to narrow its focus to the financing of infrastructure, shed its macroeconomic policy functions and change its name to the Infrastructure Development Bank to reflect its new focus.

In terms of the proposed holding company, the IDC and the new bank would continue to focus on their areas of expertise and concentrate on delivery, thereby retaining their institutional identities and operational independence. The report said guidance for the company could be provided by a joint policy committee within government.

"The two operating entities would

maintain their working relationship with their respective ministries and disburse funds according to their respective mandates through specified funding channels.

"Such realignment would create a powerful vehicle for placing the IDC's historically white-dominated wealth at the service of needy communities," said the report.

However, their borrowing functions would be transferred to the holding company, which would be responsible for approaching the capital market for funds on the strength of the new combined, diversified and stronger balance sheet.

The report shows that most of the financial muscle would come from the IDC, whose total net assets consist of R10bn compared with the bank's R5,98bn.

The IDC's long-term assets amounted to R8,87bn against the bank's R4,68bn, current assets were R1,77bn against R1,38bn for the bank and current liabilities R639m and R81m respectively.

In addition, the bank's borrowing base in terms of shareholders' funds would be boosted from R4,5bn to a combined figure of R12,1bn.

One of the main aims of the proposed tie-up was to minimise the need for future capitalisation of the bank by the fiscus.

"If the holding company proposal is not accepted, then the consequences for the bank are either to diversify beyond infrastructure, in which case it loses focus, or to accept the need for constant support from the fiscus," said the report.

20 new laws this week

Tim Cohen

CAPE TOWN — About 20 new laws would be added to the statute book this week, as parliament rushes to finish its schedule before the winter recess.

The constitution would be amended to allow for the renaming of three provinces. The Constitution of the Republic of South Africa Amendment Bill proposes to alter the name of PWV province to Gauteng, the Orange Free State to Free State and that of Northern Transvaal to Northern Province.

The bill also proposes to extend the life of the labour appeal court by a year and the Browde Commission by nine months. The Browde Commission was empowered to review appointments, promotions and other public servants' benefits.

Other legislation that will be considered includes the various changes to the Income Tax Act, the Remuneration of Traditional Leaders Bill and The Promotion of National Unity and Reconciliation Bill, which will establish the Truth Commission.

The Bophuthatswana National Provident Fund Amendment Bill, which seeks to convert the fund from a compulsory one to a voluntary scheme, would also be debated this week.

The Bill, tabled in Parliament yesterday, adds continued unemployment as a further condition for the realisation of accumulated benefits. It also regulates the possible transfer of members' accumulated benefits in trust form to other retirement schemes.

Social benefits paid to 7% of SA citizens

BLOEMFONTEIN — About seven in every 100 people in SA received state social benefits in May, according to a document tabled at a national conference in the city yesterday to consider the government's White Paper on welfare.

Pensions accounted for about 60% of the social aid budget. The document said there were great racial inequities in child and family-care benefits. Black women were particularly hard hit.

Social security issues were sensitive, affecting the material interests of organised employees, the poor, the insurance industry and employer organisations.

The government hoped to develop a social security system accessible to everyone, funded by private savings, contributory social insurance and non-contributory social aid.

Social security strategies had to balance needs with affordability. The impact on the system of HIV and AIDS had to be assessed.

For AIDS sufferers without family support, hospices had to be funded.

According to the document, a humane and stable society could be built only by addressing the alienation and marginalisation of large sectors of the population, including the poor, the vulnerable and those with special needs.

The document said there was a need for special support for families with children under the age of five years, for single parents and for families supporting physically-disabled or chronically-ill people.

Family-support programmes should address the fundamental causes of family disintegration.

Families and children should get priority in resource allocation.

The state would provide for the needs of the disadvantaged, destitute and frail elderly. It was vital to provide appropriate and affordable housing for the elderly.

The document said substance abuse was one of the biggest health and social problems in SA.

There had to be special emphasis on

services for women affected by violence, including rape and sexual abuse.

Between 36% and 46% of welfare aid recipients were white and priorities for welfare spending had to be reviewed, Minister of Welfare and Population Development Abe Williams told the conference.

Williams said rural and predominantly black areas were beset by a lack of domestic services, incomes below the breadline, unemployment, violence, a breakdown in social structures, drugs and children who were vagrants.

Although racial disparities in social grants and pensions had been eliminated, racial disparities were still evident in social welfare spending, amounting to 8% of the welfare budget.

The inequity was mainly apparent in the voluntary welfare sector, which was state-subsidised.

Many state-subsidised old-age homes, service centres for the aged, housing centres for the underprivileged, homes for the disabled and children's homes served mostly whites.

Many of these facilities were not accessible to disadvantaged communities and special consideration should be given to their future use.

Williams said the government would not ignore its duty to elderly people, but the public and their families should accept more responsibility for their welfare.

Old-age homes should be for the frail aged only. Too much money was being spent on old-age homes and not enough on services for the aged.

Williams said social welfare was a critical part of the government's reconstruction and development programme to meet people's basic needs.

Williams said it was vital that welfare agencies be co-ordinated, including government and non-government bodies, private welfare practitioners and agencies in the corporate sector. The challenge was to tap the nation's collective wisdom to achieve welfare objectives. — Sapa.

Convicted Wits unionist helped talks

Susan Russell

A TRADE unionist representing workers at Wits University, dismissed for his role in holding an official hostage last year, had been re-employed and had had an important role in negotiations with administration, the Johannesburg Regional Court heard yesterday.

Wits deputy vice-chancellor Prof Malegapuru Makgoba was giving evidence in mitigation of sentence on behalf of National Education, Health and Allied Workers Union (Nehawu) Wits chairman Dan Motaung.

Motaung was convicted after pleading guilty to abducting Wits personnel director Bruce Dickson and holding him against his will in October last year.

Dickson was held by workers in a campus office for about eight-and-a-half hours without refreshment or access to a toilet.

Makgoba told the court he had been deputy vice-chancellor for only 20 days when the incident occurred and had not been involved in the events leading up to it.

He said, however, that since then he had been involved in negotiations between workers, students and the university administration in which Motaung had played a constructive role.

There was now a much more stable environment at Wits, Makgoba said.

Motaung had been reinstated as from June 1 on six months' probation and on a lower grade than when he was fired.

Arguing for a suspended sentence, Motaung's counsel, G Rautenbach, said Dickson himself had testified that he had not been harmed or threatened during the incident.

Motaung and the workers had a legitimate grievance, he said.

Rautenbach submitted that during the incident Motaung had also tried to moderate the situation rather than fuel it.

Prosecutor H Schomper called for a prison sentence, partially suspended. He described the kidnapping as an act of intimidation and submitted that a clear signal should be sent out to employers, that they would be protected, and to workers, that hostage-taking would be dealt with severely.

Magistrate I Strydom said she would pass sentence tomorrow.

Social security system must be accessible to all citizens

BLOEMFONTEIN. — About seven in every 100 South Africans were given state social benefits in May, according to a document tabled at a national conference here to consider the government's White Paper on welfare. (297)

Pensions accounted for about 60 percent of the social aid budget. ARD 27/6/95

The document said there were great racial inequities in child and family-care benefits. Black women were particularly hard hit.

The document said social security issues were sensitive, affecting the material interests of organised employees, the poor, the insurance industry and employer organisations.

The government hoped to develop a social security system accessible to everyone, funded by private savings, contributory social insurance and non-contributory social aid.

Social security strategies had to balance needs with affordability. The impact on the system of the human immuno-deficiency virus (HIV) and acquired immune deficiency syndrome (Aids) had to be assessed.

The document said a humane and stable society could be built only by addressing the alienation and marginalisation of large sectors of the population, including the poor, the vulnerable and those with special needs.

The document said there was a need for special support for families with children under the age of five years, for single parents and for families supporting people with physical disabilities or chronic illnesses. — Sapa.

Mavuso leaves a big gap

Sowetan 27/6/85

By Bongani Mavuso

PRESIDENT of the Self-Help Association for Paraplegics Mr Friday Mavuso died after a car accident between Standerton and Balfour in the Eastern Transvaal on Sunday night.

Yesterday his colleagues at Shap expressed shock at his untimely death. He was the founder of Shap which he established in 1981. Mavuso (46) of Pimville in Soweto, died at Heidelberg Hospital. His driver, Mr

Junior Kubheka (24), was killed instantly in the head-on collision at about 8pm. A passenger, Mr Dilinga Dzuwa (46), also of Pimville, is in a critical condition at the hospital.

The Gauteng provincial branch of the African National Congress said in a statement yesterday: "It is with great sadness that we have learned of the death of Mr Friday Mavuso. Mavuso played a prominent role in championing the cause of the disabled in the country."

Miss Popi Buthelezi, who worked with Mavuso since the establishment of Shap, said yesterday she was saddened by his death.

"Disabled people in South Africa and elsewhere in the world will be hardest hit by Friday's death. He was a hero who had the interests of disabled people at heart," Buthelezi said.

Mavuso was paralysed after being shot by a policeman while on his way home from work in 1974.

● See page 11.

Ladies Suits

A true friend of the disabled

By Bongani Mavuso

THE ZULU IDIOM "Isotsha lifela emsebenzini walo", loosely translated, means that a soldier dies in the line of duty.

Versatile, courageous and energetic champion of the disabled Mr Friday Mandla Mavuso also lost his life while on duty.

Mavuso (46) died on Sunday on his way home from a plenary meeting at the Zamazisa Centre for the Disabled in Newcastle, KwaZulu-Natal.

Bra Mandla, as he was fondly called by those close to him, was paralysed after being shot by a drunk policeman in 1974 as he was on his way home from work. He spent four years in hospital.

Protracted civil action

In 1981 Mavuso founded the Self-Help Association for Paraplegics after a protracted civil action against the authorities.

The courts decided in his favour and he used the settlement money to rebuild his own life and turn his dream into reality by giving other disabled people the opportunity to earn a living.

After establishing Shap, he spent most of his time working for the disabled. He dedicated his life to the upliftment and wellbeing of paraplegics.

The Shap centre in Mofolo, Soweto, gives employment to more than 100 workers, whose skills range from camera and slide projector repair to the manufacture of canvas bags for banks. Unskilled work such as packaging is also undertaken at the centre.

Last year, through Mavuso's unceasing efforts, Shap won a huge mining contract to produce underground lighting cables.

Open market

The centre is staffed and managed entirely by the disabled. Shap's products are sold in the open market, competing on an equal footing with business.

Mavuso contributed enormously to the economic and social upliftment of disabled people in South Africa. He did not believe that society owed the disabled a living.

"We can best address the issue ourselves. The attitude is that we need to be looked after. All we are asking is to be given a chance to prove ourselves," he once said.

He believed that the Government was not doing enough to assist the physically handicapped, and was angry about the status quo. He noted

The late Bra Mavuso did not believe society owed the disabled a living.



Friday Mavuso ... will always be remembered for the role he played in improving the plight of paraplegics.

"During the four years I spent in hospital, I watched men cut out chunks of flesh with razor blades from their backs in order to prolong their stay in hospital. They preferred hospital to going home and facing rejection."

there was a lack of Government-sponsored mobility schemes and grants that would enable a quadriplegic, for instance, to employ someone as fulltime help to feed, dress and put him or her into bed.

"There are no resources, no facilities. A lot of paraplegics have committed suicide," Mavuso said.

"During the four years I spent in hospital, I watched men cut out chunks of flesh with razor blades from their backs in order to prolong their stay in hospital. They preferred hospital to going home and facing rejection by their families."

Bra Mandla was sensitive and soft-hearted, his long time colleague Ms Popi Buthelezi remembers.

"When addressing our staff meetings, Friday would weep openly when some of the workers told him about problems they were facing in society and in their homes," Buthelezi said.

"The disabled people in South Africa and elsewhere will be hardest hit by his death. He was like a father to all

of us at the centre."

For his countless efforts in assisting the handicapped, Mavuso received several awards.

These include the Paul Harris Fellowship award which was presented to Mavuso by the Rotary Club of Sandown.

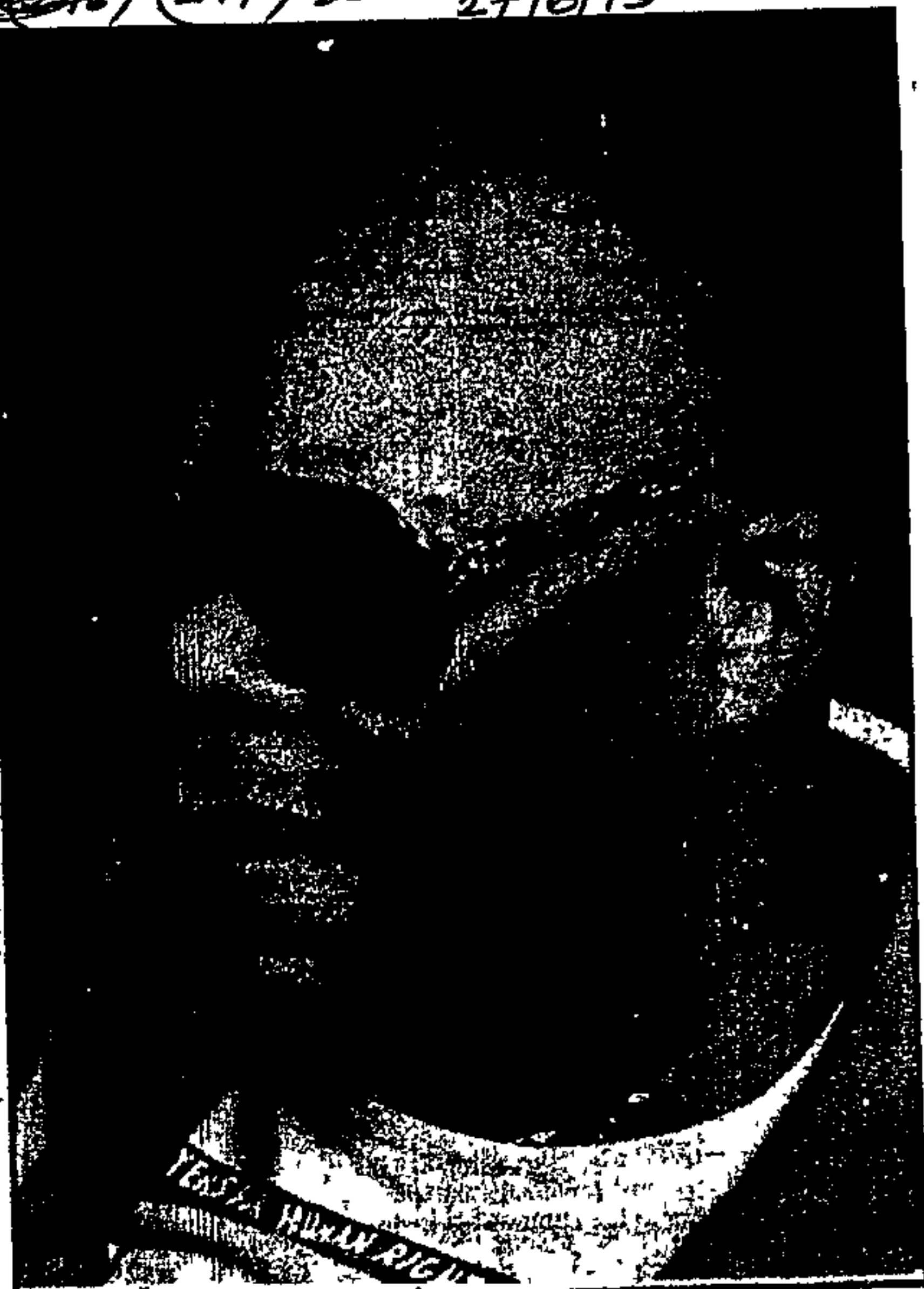
He received the award for his "determination and indomitable" spirit in establishing the Shap centre.

In presenting the award, club president Mr Bevil Dustan said "The club wishes that you be recognised specifically for your concern for others less fortunate than yourself."

"To have acquired, through force of circumstances, the determination, dedication and a continuing desire to assist your fellow disabled indeed makes you a fortunate man."

Mavuso will be sadly remembered by the rich and famous, poor, disabled and able-bodied people of this country for his contribution to the upliftment of the handicapped.

Lala ngoxolo danga lika Mavuso



Big heart: his close friends remember Friday Mavuso as sensitive and determined.

ENTERPRISE INVESTMENT FORUM

We mean business
At last, the details on National Health Insurance are out. Now for the questions you have and, of course, your suggestions. Come to our meeting when Dr Ayanda Ntsaluba, Deputy Director General of Health, and Mr Ray Mabophe, Chief Director of National Health System, talk to us about National Health, and the health vote. This will be at the Carlton Hotel on June 29 at 6.00pm. Confirm your attendance with Judy Maduna or Lungi Zikalala at (011) 483-3863. Non-members pay R30 at the door. Another major black venture hits the road. Read about Khulani Kagiso and new opportunities in the hospitality sector. R4183

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Share prices on the Johannesburg Stock Exchange

These were prices at the close of the market
NB The JSE does not operate on public holidays
Prices courtesy of Frankel, Pollak, Vinderline Inc

Name	Buyer	Seller	Last	H	L
1. Nall	R1,20	R1,30	R1,30	R2,00	R1,30
2. Kilimanjaro	—	—	R2,70	R3,50	R3,00
3. African Life	—	R6,50	R6,50	R7,35	R4,60
4. Metropolitan	R36,00	R36,50	R36,50	R37,00	R25,75
5. Corp Africa	95c	R1,00	R1,00	R1,00	R1,10
6. Corp Africa Pref	—	R1,10	R1,00	R1,25	R1,10
7. Real Africa Investment	—	—	R2,00	R2,70	R2,10

Glossary: Buyer: Price at which the share was bought. Seller: Price at which the share was sold. Last: Last traded price on the share. H: Highest level share reached this year. L: Lowest level the share reached this year.



Friday Mavuso formed the Self-Help Association for Paraplegics in 1981 to assist the disabled.

RDP seen as carrot to bring foreign investment to SA

ALIDE DASNOIS
Business Editor

THE best way to attract foreign direct investment into South Africa is to implement the Reconstruction and Development Programme (RDP), says a University of the Western Cape researcher.

Writing in the latest issue of *Trade Monitor*, Xavier Carim, research fellow at UWC's Centre for Southern African Studies, says a lack of significant flows of foreign direct investment in the short and medium-term is not a reason for despair.

"Once South Africa begins to redress its economic structural problems through the RDP, foreign investment will be more likely to contribute to socio-economic growth and development."

Policies directly affecting investment, such as rules for the financial operations of companies, tax and the repatriation of profits, are of secondary importance in attracting investors, he says.

Far more important to investing companies are questions of trade and tariffs, monetary and fiscal management, the exchange rate and investment in infrastructure — physical and human.

An investor code spelling out policy on nationalisation, expropriation, access to foreign exchange, guidelines on profit repatriation and royalty fees, and giving information on concessions, prohibitions and market conditions, could help attract investment.

But in the end, foreigners will base their investment decisions on factors such as stability and inflation — irrespective of whether a code is in place.

Any policy package aimed at foreign investment should remove disincentives rather than provide new incentives for investment, Mr Carim says.

"In South Africa this means reducing administrative and regulatory barriers in a manner that does not undermine other objectives such as labour or environmental standards.

"South Africa's trade and tax regime is complex, opaque, has vast intersectoral differences, is difficult to measure and imposes severe burdens on the system of regulation.

"The government needs to simplify the existing tax structure and produce a consistent tariff policy."

Fiscal concessions are not the best way to attract direct investment, he says.

"Fiscal incentives are seen as transitory and foreign firms are looking for permanent rather than temporary advantages."

Incentives should be based on the performance of the investment rather than on the size of it. Criteria could include output growth, exports, employment creation, spending on research and development, training and domestic content of inputs.

A tendency to encourage all foreign direct investment should be resisted, says Mr Carim: State policy should encourage the type of investment that contributes appropriately to domestic priorities.

"If government fosters an environment of broad-based and dynamic economic growth, foreign investors will themselves seek out emerging opportunities."

ARL 27/6/95

TUESDAY
JUNE 27, 1995 ★

WILLIAMS CALLS FOR SPENDING REVIEW

'Whites claim more welfare benefits'

CT 27/6/95

(297)

BLOEMFONTEIN: The Welfare Ministry has revealed that whites receive proportionately more welfare benefits, even though the racial disparities in social grants and pensions have been eliminated.

BETWEEN 36 and 46% of welfare aid recipients are white and priorities for welfare spending must be reviewed, Minister of Welfare and Population Development Mr Abe Williams said yesterday.

He was addressing a conference, attended by 300 provincial delegates and 100 delegates from the government and national organisations, on the government's White Paper on Welfare.

Mr Williams said people in rural and predominantly black areas were faced with a lack of domestic services, incomes below the poverty-line, unemployment, violence,

a breakdown in social structures, drugs and homeless children.

Although racial disparities in social grants and pensions had been eliminated, racial disparities were still evident in social welfare spending, amounting to eight per cent of the welfare budget.

The Department of Welfare estimated between 36 and 46% of welfare aid recipients were white.

Many state-subsidised old-age homes, service centres for the aged and disabled and children's homes served mostly whites.

Mr Williams said the government would not ignore its duty to elderly people, but the public and

their families should accept more responsibility for their welfare.

He said social welfare was a critical part of the Reconstruction and Development Programme.

Half the population, most of them blacks, coloureds and Indians, lived below the poverty datum line. Social welfare, in helping them to meet their basic needs, contributed to social peace and development.

● At a press briefing, Mr Williams said large-scale pension fraud had to be dealt with urgently and was being investigated. Differing provincial systems made controls difficult and it was hoped a national pensions register could be drafted in time.

He said steps were being taken to prevent old people having to travel long distances to pension pay-points. — Sapa

36% - 46% of beneficiaries are white, says Minister

Star 27/6/95

White Paper to review inequities in welfare aid ⁽²⁹⁷⁾

Bloemfontein — Between 36% and 46% of welfare aid recipients were white and priorities for welfare spending had to be reviewed, Minister of Welfare and Population Development Abe Williams said yesterday.

He was addressing a national conference in Bloemfontein considering the Government's White Paper on welfare, attended by 300 delegates from the provinces and 100 delegates from the central Government and national bodies.

Williams said rural and predominantly black

HALF the population lives below poverty line, conference told

areas were beset by a lack of domestic services, incomes below the breadline, unemployment, violence, a breakdown in social structures, drugs and vagrant children.

Although racial disparities in social grants and pensions had been eliminated, they were still evident in social wel-

fare spending.

The inequity was mainly apparent in the voluntary welfare sector, which was state-subsidised.

Many state-subsidised old-age homes, service centres for the aged, housing centres for the underprivileged, homes for the disabled and children's homes served mostly whites.

Many of these facilities were not accessible to disadvantaged communities and special consideration should be given to their future use.

Williams said the Government would not ignore its duty to elderly people, but the public and families should accept more responsibility for their welfare.

He said that old-age homes should be for the frail aged only. Too much money was being spent on old-age homes and not enough on services for the aged.

Williams said social welfare was a critical part of the Government's Reconstruction and Development Programme.

Half the population

lived below the poverty line, most of them blacks, coloureds and Indians.

Social welfare, in helping them to meet their basic needs, contributed to social peace and development.

Williams said it was vital that welfare agencies be co-ordinated, and include Government and non-governmental bodies, private welfare practitioners and those agencies in the corporate sector. The challenge was to tap the nation's collective wisdom to achieve welfare objectives. — Sapa.

RDP turns tap for 1.7-m

Political Correspondent

RECONSTRUCTION and Development Programme projects to supply water and sanitation services to 1.7 million people will be on-stream within a few months.

Further projects are being planned to bring ready access to water to another 1.8 million people in the next few years.

This was said in the national assembly today by Water Affairs and Forestry Minister Kader Asmal.

Opening the debate on his ministerial budget, Dr Asmal said beneficiaries of the projects were directly in-

involved in planning and managing them.

Some projects had been delayed because communities had insisted on being given training on issues like tariffs and service levels before agreeing to designs and contracts.

The projects for which funding has been approved already are in the North West Province, the Free State, KwaZulu-Natal and the Eastern Cape.

The further projects being planned will be in the North West Province, Eastern Transvaal and Eastern Cape.

Dr Asmal asked the housing and agriculture ministries to consider carefully the implications, for water resources, of their programmes.

(297)

ART 27/6/95

'Timber shortage could hinder the RDP'

Robyn Chalmers

THE implementation of the reconstruction and development programme could be hindered further by a looming shortage of timber, says SA Lumber Millers' Association executive director John Mortimer.

Mortimer said SA would have to import timber in three to five years to meet demand generated by the construction of 200 000 low-cost houses a year. The in-

dustry would require between 30 000ha and 35 000ha of new forest each year to meet this higher demand, he said.

"At present, we are lagging behind by about 300 000ha of forests which means that we will have to look towards South America and Zimbabwe in the next few years for our timber supplies."

Reasons for the shortages included the prolonged drought, which had

devastated certain forests over the past five years, and fires which had wiped out almost 22 000ha over this period.

Figures from the Forest Owners' Association showed the 1991/92 drought had destroyed 30 000ha of timber and badly affected a further 132 000ha out of SA's total 1,2-million hectare timber industry.

The statistics indicated that the sale of logs by growers decreased slightly to R1,01bn in 1992/93 against R1,07bn in 1991/92.

In addition, Mortimer said the industry had been struggling to deal with the

worst five-year recession in its history by selling below cost and exporting. As a result of this, it had lost a lot of capacity.

The controls over the amount of timber that could be cultivated and where it could be grown were also restricting the industry, he said.

Water Affairs and Forestry Minister Kader Asmal has talked frequently of the need to boost the greening of SA, but apart from indicating that a complete review of the forestry permit system was in the pipeline, ways of achieving this are unclear.

Upbeat Asmal slams 'doubters'

POLITICAL STAFF

(297)

CT 28/6/95

THE government's reconstruction and development efforts were on track and were beginning to yield results, Water Affairs and Forestry Minister Professor Kader Asmal said yesterday.

Prof Asmal told the National Assembly during the Water Affairs and Forestry budget debate that he rejected "melancholy pessimists, the prophets of doom, the Jeremiahs, who are so anxious to declare our RDP efforts still-born".

"They say that we will never deliver on our dreams. To the doubters, I say: Have faith! To the obscurantists, the opponents of enlightenment, I say: Go to blazes!"

"Many of these critics have a professional politician's interest in rubbishing our efforts; our every success represents a further nail in the coffin of their aspirations ..."

"The bad news for them and the good news for the majority is that I am already scheduling opening ceremonies for some of the first presidential lead projects which we initiated only 10 short months ago."

Prof Asmal said there had been delays and even conflict in some projects, but these were "signs of reality, of activity, of healthy ferment — only the unborn and the dead don't complain".

The RDP was supplying R288 million to his department for 12 projects to provide 1,7 million people with water. Another 80 projects to benefit 1,8 million people had been identified in the North West, Northern Province, Eastern Transvaal and the Eastern Cape.

Agreement on (297) 28/6/95 RDP investment

Robyn Chalmers

AGREEMENT was reached yesterday to investigate the establishment of a reconstruction and development programme infrastructure investment accord between the private sector, government and labour by the end of the year.

The possibility of such an accord, a long-term government aim, was agreed at a consultative workshop held between government, business and labour.

Minister without Portfolio Jay Naidoo said the workshop had reached a high degree of consensus, and agreed that a top-level meeting between business leaders, labour and government would be convened soon to discuss the accord.

"There is an urgent need for the private sector to participate in capacity building to ensure there is implementation of financed programmes, and this need was recognised and acknowledged at the workshop."

Naidoo said it was agreed that the accord should address a range of key issues, including the provision of services and infrastructure, and related financial and delivery programmes.

It would also address government's expectations of the private sector and their respective roles in the provision of finance and the delivery of infrastructure, including the need and feasibility of an effective

intermediation process.

A regulatory framework to facilitate private sector investment in the RDP would be looked into, as would the need to develop financial instruments to fund programmes and the accompanying development of financial markets.

The accord would explore the range and definition of projects, and appropriate financing instruments, which lend themselves to private sector funding. It would investigate the requirement for an information system on RDP projects and financing requirements to allow the continuous assessment of financing opportunities and risks.

The desirability of increasing the involvement of users and other stakeholders in the planning, financing, provision and monitoring of infrastructure and infrastructural services would also be considered.

Naidoo said workshop members had agreed that an RDP infrastructure investment conference would take place in September where the accord would be considered as well as the approaches such an accord would take.

Office of the President deputy director-general Bernie Fanaroff said agreements reached at the workshop represented an important departure from the way in which government had traditionally dealt with the private sector.

Province urged to rethink retrenching temporary staff

Staff Reporter

THE National Education Health and Allied Workers' Union (Nehawu) has called on the Provincial Administration of the Western Cape to reconsider its decision to retrench nearly 50 office workers employed by the social services department.

The department employed 212 temporary administrative staff in January 1994 and recently gave notice it intended signing new six-month contracts with 167 of them — and retrenching the rest at the end of next

month.

According to Nehawu, the decision to retrench contradicted an agreement brokered at central government level that all temporary workers in the civil service were entitled to permanent positions.

The union meets department representatives today in an effort to negotiate a solution other than retrenchment.

Nehawu spokesman Wilfred Alcock said the union would not stand back and allow the retrenchments to proceed. Industrial action had already taken place at social service depart-

ments in George, Oudtshoorn, Paarl and Bellville.

More would follow if the department was not prepared to enter into "genuine" dialogue with the union.

Mr Alcock said there were a number of vacancies in the provincial administration. If the workers could no longer be employed in the social services department, they should be shifted to other departments, rather than hiring "outsiders".

"In any case, if they are serious about taking services to the people, they are going to have to employ more staff."

FRG 29/6/95

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Germany signing⁽²⁹⁷⁾

R281-m aid deal ARLT 29/6/95

Political Staff

GERMANY is signing a R281 million development aid package for South Africa today — one of a series of moves expected to open the floodgates of new German investment of up to R3 billion during the next 12 months.

Other significant developments include a visit by Chancellor Helmut Kohl and the signing of a financial protection agreement between the two countries, providing guarantees and security for German investors.

Mr Kohl will visit South Africa next month, reflecting a "tidal wave" of new interest by German investors.

According to officials of the South African department of trade and industry, at least R3 billion in new German investment is expected over the next 12 months.

Today's signing of the R281 million development aid package will include technical and financial assistance and is to be discussed by a German delegation which is here for inter-government talks.

Agreement on the development aid package follows negotiations in November last year.

Mr Kohl's visit follows the signing in Bonn last week of a financial protection agreement between the two countries, which provides guarantees and security for German investors.

This agreement, trade and industry officials said, was the long-awaited signal for a "tidal wave" of German investment.

The value of envisaged German trade, industrial and financial projects which were being held up pending the signing of the agreement exceeded R3 billion, trade and industry officials said.

This investment was now expected to flow into the country "within the next year", and more was expected as confidence in the South African economy grew.

Mr Kohl's visit was seen as an essential "confidence-building" event.

'Projects defrauded by multiple billing'

(297) Sawetan 29/6/95

DONORS who fund reconstruction and development projects have been warned to stand together and trade information, if they want to avoid unscrupulous exploitation.

Mr John Dommett, managing director of Rutech, the country's leading providers of community-driven job creation projects, says closer cooperation is needed to overcome duplication of mistakes and frauds such as double billing for projects.

"Simply put, there are professional beggars on the circuit who are using a lack of cooperation between donors to exploit the system," says Dommett.

He adds that Rutech has cases of multiple billing by up to 16 times.

"It is in the interests of all to institute a system similar to that used in the short-term insurance industry to overcome multiple claims. Insurance companies swap relevant information to

track down people exploiting the industry," says Dommett.

He issued this warning recently to a group of foreign and local donor representatives during a seminar on practical community development programmes.

The half-day seminar was called to introduce a five-day course by Rutech, to be held in August, aimed at helping companies or organisations involved in establishing community-driven programmes by providing skills, information, advice, counselling or training and financing to communities.

The course is for corporate bodies, community-based organisations and service providers to micro-entrepreneurs.

Interested parties can contact Fab at Rutech on 402-3245.

BUSINESS NATIONAL

RDP focus takes a nose dive

29/6/95 (297)

ALMOST A YEAR after its launch the RDP-focused section of the Johannesburg Stock Exchange, the financial redevelopment sector, is yet to find listing companies.

Launched in August last year as a way of enticing companies to contribute to the RDP, by getting involved in ventures that will help disadvantaged groups, the financial redevelopment sector has so far resuited in only five inquiries.

Four of the five inquiries received to date have fallen through and only one of them is "still waiting on the wings" says JSE's director of listings

Mzimkulu Malunga reports on JSE's financial redevelopment sector

Mr Mark Durr.

The first two inquiries fell through because the companies involved could not raise enough money, another failed due to banking legislation while the fourth collapsed as a result of regulations restricting capital movement.

In an attempt to make the financial and redevelopment sector attractive to companies, the JSE has reviewed relevant listing requirements.

This came as part of an overall

review of the listings requirements by the JSE, announced early this month. In terms of the new arrangement, there are no laid down requirements that a company which wants to list on this sector will have to meet.

Durr says the JSE's listing committee will review each application as it comes in on an *ad hoc* basis. He says the emphasis will be on flexibility. The only fundamentals, which prospective listers in this sector will have to meet, are that their overall

objectives should be RDP-orientated and the enterprise itself is credible.

"Our aim is to avoid turning the sector into a money making avenue that benefits only a few," says Durr.

The establishment of the financial and redevelopment sector was part of the overall programme of the JSE to make itself accessible to the broader society.

Initially, it was thought major financial institutions would form investment companies which would in turn get involved in business ventures supporting RDP objectives.

One example given at the time was of investment companies buying small stakes in small businesses —

It was thought major financial institutions would form investment companies which would get involved in business ventures supporting RDP objectives

thus injecting fresh cash into smaller entities to assist their development

Business will resist the RDP 'report card'

John Dlodlu

(297) 180 2976195
THE business constituency at the National Economic, Development and Labour Council (Nedlac) has vowed not to back down from its fight against government proposals to link export subsidy benefits to companies' performance on indicators related to reconstruction and development.

Government representatives recently tabled a proposal at Nedlac's trade and industry chamber seeking to link export benefits — available through the controversial general ex-

port incentive scheme (GEIS) — to RDP objectives, including training, research and development, and affirmative action.

The proposal sparked off an outcry from business, which claimed government was reneging on its promise to allow companies enough time to prepare for changes in trade policy. The proposal, business said, would have added another bureaucratic layer to an already cumbersome procedure in claiming GEIS benefits.

In what appears to have been a climbdown from its earlier position,

government recently told business that its proposal amounted to "an extra form" to accompany any GEIS claim application.

Business felt that the "RDP report card" — as the mooted form is pejoratively known among business circles — would be useful to determine use of taxpayer's money, but not to penalise businesses.

Meanwhile, Sapa reports the Labour Relations Bill will go through Parliament this year, despite negotiators giving up on meeting the June 30 deadline.

Asmal plans to help 1,8-million people

(297) 29/6/95
Bonile Ngqiyaza

MORE than 80 reconstruction and development (RDP) projects had been identified in at least four provinces and their implementation, to benefit 1,8-million people, would begin at once, Water Affairs and Forestry Minister Kader Asmal said this week.

The provinces were Northwest, Northern, Eastern Transvaal and the Eastern Cape.

Asmal, in his budget speech, said the Eastern Cape would require an estimated R140m to implement the set programme in the 1995/96 financial year. About 700 000 people would gain access to basic water supplies, he said.

In the Free State, where projects had been decided on jointly by the local government MEC and the water affairs and forestry department, about 20 000 people would receive basic water supplies.

Asmal said the department's 12 presidential RDP projects, initiated last year to provide basic services to 1,7-million people, was nearing completion.

He said tension existed "between policy, process and product", and between participation and delivery. The RDP would be successful only if a balance was maintained between these different forces.

Meanwhile Africa Eye News reports that 14 RDP water supply projects costing R62,8m, will be implemented in the Eastern Transvaal. The projects — some have already been started — are expected to benefit more than 1-million people across the province.

Of the total, R40m will be spent on the water project in the KwaNdebelo region.

Daantjie will receive R5,13m for its water project, which should benefit about 40 600 people.

Mganduzweni will receive R4,87m for a water project benefiting 30 000 of its residents.

Kameelpoortnek will get R2,6m for a water project to benefit more than 14 000 people in the area.

Msogwaba's R2,2m water project will benefit 30 210 residents, and Moutse III's R2,07m project will benefit 14 350 people.

Meeting basic needs is what RDP is all about

JOSEPH ARANES
Municipal Staff
(297)

BACKGROUND TO THE NEWS 12/9/95

MEETING the basic needs of communities and improving the quality of life of all the people in the Western Cape is the main objective of the province's Reconstruction and Development Programme.

But with poverty, unemployment and a lack of basic facilities a characteristic of many communities, a well-managed, integrated and structured RDP plan is essential to provide relief with the limited financial resources available.

It is also important, for the

RDP to succeed, that people's attitudes towards the programme change and shift away from thinking that the RDP is a welfare project aimed at throwing money at the social ills in our communities.

And as part of this education process, the provincial government has formulated a draft policy document which is being discussed by all the role-players and, hopefully, by the end of the month a holistic approach for its implementation will be thrashed out at a RDP

summit.

There are enormous problems in the region and the RDP is the most effective way of attacking poverty, eliminating hunger, providing land and houses, and giving people access to clean drinking water, health care and education.

But a sane, open-minded approach is needed, taking into account the realities on the ground and looking at what can be practically done to improve the situation of the province's

three-and-a-half million people. Although few will argue with the document's emphasis of focusing mainly on the social upliftment of the most marginalised communities, which got very little support from the government during the apartheid years, it is vital that the region's economy is sustained and given a boost which will allow it to grow even further.

Problems similar to those of the national economy — lack of international competitiveness, low productivity and social-economic inequalities. These need to be rectified and the province's economic policy should allow for greater societal participation in, and access to, resources. It should also promote and encourage partnerships between big businesses and other entrepreneurs.

This is the only way to generate capital and create jobs so people's basic needs can be fulfilled.

Our economy has a vibrant export industry and great tourism potential, but suffers from

Different government departments must also work together to ensure that work is not duplicated and that the most cost-effective methods are employed.

Bill proposes compulsory registration

Robyn Chalmers

RD 17/7/95
(299)
COMPULSORY registration for non-profit organisations, a move recommended in the proposed Non-profit Bill, is drawing heated debate, says Development Resource Centre executive director Gavin Andersson. The Bill, recently published after a three-year study, recommends that a statutory body called the Non-profit Organisation commission be set up to facilitate the registration of non-governmental organisations to ensure fundraising accountability. Andersson said at the weekend that the draft Bill was currently being

discussed by the provincial non-governmental organisation coalitions as well as the emerging national community based organisation network.

"The crucial debate revolves around compulsory registration — which will become enforceable three years after the commission has been established. The initial recommendations argued that registration should be voluntary, with tax benefits serving as incentives for registration.

"However, members of the study group, briefed by the drafting team on the suggested changes to the recommendations, finally agreed to compulsory registration," he said.

The result of the Bill would be that the funding environment for development organisations would improve, particularly for small, community-based organisations.

Currently, voluntary organisations, the legal form adopted by many organisations because it was easier and cheaper than trusts and section 21 companies, were not allowed to register.

"This has made it difficult for such organisations to raise funds as donors are reluctant to accept their bonafides. The draft Bill aims to rectify this through facilitating the registration of all legal forms of NGOs."

Lottery and 40 casinos 'in place by 1997'

(297) (222) CT 19/7/95
PRETORIA: South Africa should have a national lottery and 40 casinos at the latest by 1997, in terms of Lotteries and Gambling Board proposals released yesterday.

Professor Nic Wiehahn, speaking after handing the board's final report to Minister of General Services Mr Chris Fisser, said the number of casinos was based on a formula of one for each million people.

The board left it to the cabinet to take the final decision on how the licences should be allocated among the nine provinces. However, it suggested that 13 licences be granted in Gauteng; six each in kwaZulu/Natal and the Western Cape; three each in the Eastern Cape, Eastern Transvaal and Free State; and two each in the Northern Cape, Northern Province and North-West Province.

The board recommended that greyhound racing should not be legalised.

It said the survival of the Sun International casinos would depend on their successful integration into the new system.

"After I have studied the report I will take it to the cabinet as soon as possible so we can determine the number of casino licences to be allocated to each province," Mr Fisser said.

He said the proposals should be in place by early 1997, but they first had to go before Parliament, a national lottery board had to be appointed and tenders had to be invited for the lottery.

Also, a national gambling board had to be appointed to consider licence applications. — Reuter

RDP must be people-driven towards basic needs

Lael Bethlehem and Emilia Potenza

(297)

14/11/95

THE reconstruction and development programme carries the hopes of millions. But for many it seems to have run aground. Rather than being dynamic, visible and exciting, it has been reduced to complex budgetary arrangements clouded in jargon. What can be done to rescue it?

So far, Minister Jay Naidoo's key strategy has been to attempt to use the national budget as both carrot and stick in the struggle to reorient government departments. He has argued that the goals of the RDP can only be met when all departments change their spending and delivery priorities. Ultimately, then, it is up to the various departments to meet basic needs by delivering the necessary services in an ongoing way.

In this view, the RDP should not be seen as added on to government's work — rather, RDP priorities should reshape the core functions of government departments.

This is important in that it introduces long-term changes at the heart of government rather than tinkering at the margins. In this sense, Naidoo's vision should be supported. His willingness to tackle the

core of government spending and administration should be praised.

But Naidoo's approach caters for the long term at the expense of the short. It does the necessary grinding work behind closed doors and leaves the public in the dark. It thus fails to capture the public imagination by missing critical opportunities to harness the energies and meet the immediate needs of ordinary people.

But the answer is not to dismantle the RDP ministry as some suggest. The answer, we believe, is to return to the notion of the RDP as people-driven and oriented towards basic needs — and to add a campaign flavour to the process. This would mean in addition to the important and ongoing process of reorienting government departments, the RDP ministry should consider the following sorts of ideas.

First, it could use RDP goodwill to influence public behaviour.

One example would be to address the plight of domestic workers. Their problems cannot be easily addressed by state policy or even union organisation. There is an opportunity to improve the conditions of domestic workers by appealing to em-

ployers to make a change. In many cases employers could afford a higher wage, or reasonable time off or a modest pension fund — but they might have to be convinced of the value of addressing these issues.

The RDP ministry could run a media campaign: a series of Masakhane-style adverts on TV, radio and in the press. In these ads, individual domestic workers could be interviewed about the problems and struggles that they face. President Nelson Mandela (or Francois Pienaar or Bishop Tutu) could point out how little it would cost the average household to provide reasonable conditions and how much good could be done.

Secondly, the RDP ministry could initiate projects such as a national literacy campaign. A high-profile campaign could be supported by special projects in schools, churches and on TV. This could involve thousands of students, workers and professionals willing to pass on literacy.

Thirdly, a national fund could be made available for small-scale community initiated projects. The Presidential, Lead Projects — free health care for children, school feeding schemes and the like — are

a good idea. They address immediate needs (however imperfectly) and they are in the public eye. But they are limited to a few issues. The project idea could be extended. The ministry could identify a theme (say child care) which could run for a year. In that time, money could be made available for communities to build or upgrade creches, buy educational equipment, start early learning programmes or anything else that relates to the theme.

Fourth, more imaginative use of the media could go a long way towards ensuring that good is seen to be done. Part of the problem is that we don't know when a new school/clinic/sanitation scheme is being built and who is responsible for it. We need ongoing coverage of new projects — a weekly slot on TV, a daily progress report in the papers.

The RDP ministry should continue to put energy into reorienting government departments towards more appropriate delivery. With a bit of imagination, Jay Naidoo can harness that energy and rekindle the fire behind the RDP.

□ Bethlehem works for Cosatu's National Labour and Economic Development Institute. Potenza is an educationist.

NEWS

City counselling centres to fill gap

(297) 8/20/7/95

■ BY PRISCILLA SINGH

Counselling organisations have rallied together to fill the gap which will be left when the 702 Crisis Centre closes at the end of the month.

The Rand Afrikaans University Clinic and Centre for Behavioural Medicine in Brixton has come to the rescue for people who will no longer be able to use the 702 Crisis Centre.

The 2-year-old clinic is attached to RAU's psychology department.

It offers a full range of psychological services and also serves as a walk-in crisis centre.

Intern psychologist Melanie Fraser said people who had used the 702 Crisis Centre should not

feel abandoned because RAU would help wherever it could.

"We have 11 psychologists and all our services are free of charge. If people can afford it, then they can make a R10 donation towards the clinic," said Fraser.

She said the clinic's specialisation areas included post-traumatic stress, chronic fatigue syndrome, coronary prevention and rehabilitation, depression and sexual abuse.

The clinic is open between 8am and 9pm on weekdays and from 9am to noon on Saturdays. People can call the clinic at (011) 837-0543 to make appointments.

"Unfortunately no tele-

phone counselling is done

"Face-to-face counselling has a far greater effect on a person and we can reach out to them effectively," Fraser said.

Life Line Southern Africa has also extended its support to people who will be affected by the closure of the 702 Crisis Centre.

National director Sue Thonell said: "Life Line has made valuable use of the 702 drop-in centre to refer people who need immediate face-to-face counselling."

"Although we acknowledge the financial difficulties of the radio station, we consider the closing of the centre a major loss to the city of Johannesburg."

■ HOUT BAY

Disabled children to get skills training

(297) ~~297~~ APR 17/7/95

Southern Reporter

PRE-SCHOOL children with disabilities in Hout Bay and surrounding areas now have the services of an occupational therapist who has started classes five mornings a week in a school.

Occupational therapist Cathy Atkins, who is also a member of the Hout Bay Christian Fellowship non-denominational church, said the church's pre-school facility in Hout Bay was closing and two classrooms would become available for her to help disabled children who have not yet been placed in suitable facilities.

"I already have a list of mentally disabled people in the Imizamo Yethu squatter camp given to me by Virginia Yapi who is very concerned about the children in that camp. I would like names of others so we can decide how to proceed."

She said she — with the help of some people in her church

and possibly with mothers in the squatter camp — would teach the children to walk if they couldn't, dress themselves if they couldn't, learn the difference between colours and many other things children needed to know.

Ms Atkins says children with mental and physical disabilities from 3 to 15 years old would be welcome at her classes.

"When I get all the names we will get together and I will assess levels of disability and levels of development. When the pre-school children reach school-going age they could then go to the facility at Ocean View."

If you know of any mentally and physically disabled children in the area who could benefit from the classes, call Cathy at the church on ☎ 790 1464 (leave message) ☎ 658 5038 (o/h) or 790-2861 (a/h).

Staff angry at the handling of crisis

It has been a week of fury and frustration for both employees and volunteers at the centre who say they have been threatened about airing their disapproval.

CHRISTINA STUCKY got both sides of the story

The decision to close the 702 Crisis Centre in Johannesburg had been taken because the centre was a drain on the company's resources, 702 managing director Stan Katz said this week.

But emotions ran high at the 11-year-old centre after the announcement that it was to cease operations at the end of July. Staff members and volunteers, angry and disappointed by the

radio station's announcement, are up in arms about the way the situation has been handled.

Katz told the Saturday Star that running costs for this year, including upgrading of the facilities in Berea, would amount to R750 000 and "probably R1-million next year".

Given that the centre served "a relatively narrow base of people" in the community, the radio station's resources could best be utilised for other community-oriented projects the station was undertaking.

While 702 deserves credit for starting the service in 1984 and maintaining it since then, the eight staff members and more than 50 volunteers who are the backbone of the centre question the way the radio station has dealt with the situation.

They are particularly incensed by what they consider a veiled threat linking negative publicity to a withdrawal of the retrenchment packages for the full-time staff members.

Mudslinging

While Katz assured the Saturday Star that retrenchment packages would be paid — though the radio station is not legally obliged to do so — he indicated at a meeting on July 6 at the crisis centre and again in an interview with SAfm aired last Friday that public mudslinging would hold consequences for the full-timers.

At the meeting, secretly recorded by a volunteer, Katz was asked: "Can you say that no matter what publicly, you will still pay retrenchment pack-

ages?" Katz replied: "I cannot give that undertaking."

When asked why, he answered: "Because I don't know what mud is going to be hurled."

He told the Saturday Star almost a week later: "Full-time staff members will be paid full retrenchment packages. It is a normal condition in any retrenchment that the recipient does not take the money and then sling mud."

Staffers who said they had not been given this assurance were reluctant to speak to a reporter, citing the "delicacy" of the situation. Volunteers, who have less to lose financially, were more outspoken.

"I see the professional staff being threatened that if they don't play the game right, there

will be consequences," said Roy Blumenthal, a volunteer at the centre.

He voices the thoughts of a number of the volunteers and employees in saying 702 tried to "gloss over the closing" of the centre, trying to preserve "its community-oriented image".

Future

The word "closing" does not actually appear in the press release. Instead, the radio station says it is "ending its 11-year association" with the centre, adding that Witwatersrand Mental Health, of which the crisis centre is a branch, has been given the task of determining the centre's future.

Glenn de Swardt, director of clinical services at Wits Mental Health, said various options

were being considered, including a "one-stop shop", where a number of needs would be serviced under one roof, day and night. He could not say, however, "who's in and who's out". Whenever possible, the volunteers would be absorbed into any new service, he said.

Crisis centre director Vaughn-an Weber, however, said he had been told by Wits Mental Health "that they are in no position to offer the same kind of sophisticated service".

For Weber, whom 702 hired to set up the crisis centre, the closing of the facility is a personal loss.

"It has been very gratifying to establish something so successful and so widely recognised, not only for the crisis intervention services the centre

provides, but also for the training programmes offered to various organisations and universities.

Not informed

"Now that the centre is closing, all of that will cease," he said. "There is no other place that can speak with the same kind of authority and expertise."

The centre, open daily from 5pm to 11pm, counsels an average of 700 people each month. "Regulars", including the homeless, drug addicts and former psychiatric patients, have come to regard the centre as a "safe haven", where they can speak to a counsellor and drink coffee. The contracts of about 30 clients will be honoured until the end of next month.

"It is not only a loss to the

staff, who have put a lot of hours and energy into their work, but ultimately it is a loss to the community," Weber said.

It is precisely the community that staff feel should have been informed months ago, when it became apparent that the centre was heading towards an early demise.

Cecil Lyons, 702 marketing director, admitted that the radio station had perhaps been "foolishly optimistic" in its hope that a sponsor could be found.

Several possible sponsors were approached "but despite our efforts, nothing was forthcoming", Katz said. He added that the angry tone of the July 6 meeting was understandable. It was a session where they "let off some steam".

Centre Closure
15/7/85
MRS (497)

Anger over 702 Crisis Centre sacking

ARG 15/7/95 (297)

EMOTIONS ran high at Radio 702 in Johannesburg after managing director Stan Katz announced the Crisis Centre would be closed down at the end of July.

Staff members and volunteers, angry and disappointed by the announcement, are up in arms about the way the radio station handled this particular crisis.

In a statement released last week, Radio 702 announced that the centre, which has been serving the community for eleven years, is to close at the end of this month. The reason: Lack of funds to keep the centre running.

Mr Katz told Saturday Argus the centre "is a drain on our resources". Running costs for this year, including upgrading of the facilities in Berea, would amount to R750 000 this year and "probably a million next year".

Given that the centre served "a relatively narrow base of people" in the community, the radio station's resources could best be utilised for other community-oriented projects the station was undertaking, he said.

While 702 deserves credit for starting the service in 1984 and maintaining it since then, the eight staff members and more than 50 volunteers who are the backbone of the centre, question the way the radio station has dealt with the situation.

Staffers and volunteers are particularly incensed by what they considered a veiled threat linking negative publicity to a withdrawal of the retrenchment packages to the full-time staff members.

While Mr Katz assured the Saturday Argus that retrenchment packages would be paid, though the radio station is not legally obliged to do so, at a meeting on July 6 at the Crisis Centre and again in an interview with SAfm aired last Friday he indicated that public mud-slinging would hold consequences for the full-timers.

At the meeting, secretly recorded by a volunteer, Mr Katz was asked: "Can you say that no matter what publicity, you will

still pay retrenchment packages?" Mr Katz replied: "I cannot give that undertaking." When asked why, he answered: "Because I don't know what mud is going to be hurled."

"Full-time staff members will be paid full retrenchment packages," he said almost a week later. "It is a normal condition in any retrenchment that the recipient does not take the money and then slings mud."

Staff members at the centre, who said they had not been given this assurance, were reluctant to speak to a reporter, citing the "delicacy" of the situation. Volunteers, who have less to lose financially, were not as reluctant.

"I see the professional staff being threatened, if they don't play the game right there will be consequences," said Roy Blumenthal, a volunteer at the centre. He voices the thoughts of a number of the volunteers and employees, that 702 tried to "gloss over the closing" of the centre, trying to preserve "its community-oriented image".

DEVELOPMENT BANK OF SA/INDUSTRIAL DEVELOPMENT CORP

A wrong-headed proposal

The reabsorption of the former TBVC states removed the original purpose of the Development Bank of SA (DBSA) — to channel development money from SA to them. The termination of the TBVC administrations left government as the only member and the bank is now striving to refocus its activities on the provision of infrastructure for deprived communities.

Recommendations on its future role have been submitted by a team which includes Electricity Council chairman John Maree and the defunct Urban Foundation's former director of research, Ann Bernstein. Laborious, and politically correct in tone, it proposes a form of merger with the Industrial Development Corp (IDC) which would create a holding company, leaving the two institutions autonomous at operating level. The evident intention is to channel funds mainly or entirely to social development.

In this way, through increased gearing from private-sector capital attracted by increased creditworthiness, the DBSA's transformation report claims it would be empowered to meet the increased demands for development capital likely to be experienced over the next five to 10 years.

In truth, however, the Development Bank is large enough — to the extent that size is the criterion — to obtain favourable treatment in the capital market. At the end of March 1995, its total assets were R6,25bn, of which capital employed was R4,7bn. Its net surplus for the year was R162m.

The IDC predated the Nationalists (it was established in 1940) but they redirected its activities to favour the notion of national self-sufficiency. This led to the misapplication of large amounts of capital that could have been better invested in the hands of the private sector.

The IDC last received investment funds from government in 1954. New investments are financed by divesting from mature busi-

nesses, borrowing judiciously (mainly on foreign capital markets), from loan repayments and profits. The IDC has unbundled its quoted investment trusts (Industrial Selections and National Selections) and realised a substantial portion of its holdings in Sasol and Sappi, earning R2bn.

The total realised from mature investments over the past three years is R4,1bn. The outcome of all these changes is a balance sheet at June 30 1994 which reflects group capital employed of more than R10bn, of which shareholder interest is R7,6bn. Its income after tax was R397m.

Provided the pool of risk capital accumulated by the IDC remains available for this type of undertaking, it can be argued that it is playing a constructive role in the free enterprise system in providing a pool of risk capital for large-scale heavy industrial undertakings.

The DBSA report suggests the proposed realignment "would create a powerful vehicle for placing the IDC's historically white-dominated wealth at the service of needy communities."

This ill-considered mission ap-

pears to be intended to lay the foundation for the substantial redeployment of the IDC's pool of industrial and mining risk capital at a time when SA's most desperate need is economic growth, preferably export-led.

The role of financing less than profitable domestic infrastructure should be placed back where it belongs — with the three tiers of government in SA. The IDC should forgo its recently assumed function of providing that infrastructure. In recent years, its dividends have been channelled to the Development Bank. It might have been better to hold on to the money and use it for industrial development. This would not only create jobs but also provide more tax to finance infrastructure.

If the Development Bank is not to be

linked to the IDC, one option would be to wind it up as a banking institution and re-employ its team as an advisory task force to help government evaluate RDP financing.

In its anxiety to meet political commitments, the ANC seems to have become hostage to expectations of immediate and sharp improvements in living standards. This appears to have driven government to cast around for all available large-scale sources of capital under public control, regardless of opportunity cost.

In its zeal to throw money at the problem of past inequities in State spending, government has failed to realise the limiting factor is not availability of capital but the limitations of delivery systems.

Or, since the bank says it is self-sustainable without the merger, government could reposition it and introduce other regional states as shareholders. It would thus be confined to financing economically sound multinational infrastructural projects in southern Africa.

UNDER ONE ROOF?

The combined balance sheet of the IDC and the DBSA (Rmbn)

	IDC	DBSA	Combined
Long-term assets	8 877	4 580	13 557
Current assets	1 776	1 383	3 159
Current liabilities	639	81	720
Non-current assets	1 137	1 302	2 439
Total net assets	10 014	5 982	15 996
Shareholders' funds	7 608	4 502	12 110

MAIZE INDUSTRY

Reaping the spoils

Farmers lucky enough to be holding stocks of white maize are now getting between R600/t and R645/t compared with the previous season's R370/t.

This follows the introduction of import parity pricing — the rand price equivalent of landing US maize at inland silos, including shipping, wharfage and railage costs.

Though admittedly based on a small crop of about 2,05 Mt, farmers are reaping the benefit of the newly freed market. The current shortfall in white maize has been put at about 414 000 t. For the first time in more than five decades, producers and processors are experiencing the impact that supply differentials can have on market prices.

As predicted by the *FM* last week, Agriculture Minister Kraai van Niekerk has revoked the Maize Board's unrealistically high R420/t advance export pool price for white maize. The board has, according to Van Niekerk, until the end of next week to take a new decision on the export pool price. He says a lower advance price "will contribute towards a reduction in unnecessary imports of maize, eventually benefiting local producers and processors."

With a yellow maize surplus of more than 1 Mt, prices are reacting as expected in the relatively free domestic maize market.



OFFICE OF THE PRESIDENT

Dear Walter,

I'm just back from the Land of the Rising Sun. Little people rushing around shouting "banzai" and gassing each other in subway stations; it was at least a distraction from troubles back home. But troubles have to be met sooner or later, and I landed back at Wonderboom airport to be met by a gaggle of cabinet ministers babbling on about "dirty tricks" again.

Apparently it all started when some security branch man started getting nightmares about the blows he had struck the cause of freedom by beating up Helen Joseph's car in the middle of the night and stealing pot-plants from editors' homes. Unable to live with his conscience any more, he went running to one of the newspapers and "told all" — giving them, among other things, a copy of a "top secret" Goldstone report which he said the government had covered up.

I find it difficult to understand the fuss which ensued. Frankly, I received so many reports from that man Goldstone that I had difficulty discovering to which one he referred. They are all much the same — going on endlessly about sundry plots to blow up England, blackmail Mosses, rig elections for the sake of democracy and murder a variety of clerics, social workers and little old ladies under suspicion that they were the Anti-Christ and bosom buddies of Joseph Stalin. As it transpired, we had simply forgotten to publish the report in question, which we found being used as a door-stop in Dullah Omar's office.

Nevertheless, the charge of a "cover up" is a dangerous one for us politicians. So, in order to get to the bottom of it all, I sent a message to FW de Klerk, asking him to drop in to my office the next time he passed through South Africa.

The Deputy President (Second Class) duly came knocking on my door and, before I could get in some polite observations about the mildness of our winter, he held two fingers above his head and began mumbling: "Dyb, dyb, dyb ..." It transpired that he was swearing ignorance of everything and was attempting to persuade me as to the truth of it by means of the sacred oath of the Boy Scout movement.

The interview went downhill from there. I started by asking him what he knew about "Stratcom" and he said it was a boerewors and banana sandwich on a peanut-butter base. I then asked him whether he had had any knowledge of police dirty tricks operations in his capacity as chairman of the State Security Council. He said that, immediately on becoming president, he had ordered the SSC to stop discussing things, particularly the high price of boerewors and banana sandwiches.

I inquired about the time when he was a member of the State Security Council under PW Botha. He said he was a member in his capacity as Minister of Education and covered his ears up whenever he thought there was a danger of boerewors and banana sandwiches being discussed. I asked what he had known about the National Joint Management Security System and he replied that it was a franchise operation for the marketing of boerewors and banana sandwiches.

Despairing, I asked him why the Nats murdered, bugged, bribed and blackmailed all those people. At this point he became very excited, pulled off one of his shoes and, banging my desk with it, began shouting that it was the only way to deal with the evil conspiracy of the Satanic communists to overthrow civilisation as we know it, by interdicting the Cape sea route and cornering the world market in boerewors and banana sandwiches.

He eventually calmed down and, his eyes falling on the top secret Goldstone report, which was lying on my desk, asked if he could borrow it. He said he needed it to replace his doorstop, which had been pinched by the Deputy President (First Class). Intrigued, I made the mistake of asking him what he had been using as a doorstop. The answer, of course, was the top secret training manual issued by the Directorate of Military Intelligence's Covert Collections Department on how to make a boerewors and banana sandwich.

They say the truth will out, but I fear one has to swallow a boerewors and banana sandwich first.

Take care,

Nelson

It's time NGOs recognise the need for management, argue **Nina Shand** and **Jimmy Roth**

Give collective management the chop

WM 14-20/7/95 (297)

THE closure of many South African non-governmental organisations over the past five years is frequently attributed to the funding "guillotine", or to the changed political climate. But few NGOs are prepared to confront their weaknesses in what has become their "holy cow" — collective decision-making.

This is partly because "traditional" management has always been seen as a dirty word in organisations aligned with the democratic movement.

This approach evolved for two reasons

Firstly, in response to autocratic political and economic systems, where the dominant practice was the "command-structure", NGOs tended to form "collectives", and practice a participatory, non-hierarchical form of decision-making

Secondly, NGOs are typically established by "founders", highly committed to the social change mission inherent in their work. With a small group of individuals, collective decision making is appropriate — everyone is equally committed to the project and to making it succeed.

This works well in the beginning but, as the organisation begins to expand, the problems begin to surface. Staff are effectively prevented from taking initiative; every decision needs to go through the grinding mill of the collective.

Because every decision needs to be discussed, the NGO often becomes a debating society, bogged down in endless meetings.

In a sector which changes as rapidly as the development sector in South Africa, the NGO soon gets bogged down in inertia and inaction.

The collective is also a fertile breeding ground for destructive office politics. The process can be hijacked by staff members who use the collective as a work-avoidance strategy. If approached to complete a particular task, they can simply say they cannot do the task without a mandate from the collective. Thus they can avoid work until the next meeting of the collective.

In addition, the collective decision-making can be hijacked by an individual for a range of personal reasons. For example, a part-time administrator may resent being disciplined by a director. S/he now has the power to retaliate by obstructing any decision proposed by the director at a meeting of the collective

In addition, collective decision-making does not facilitate participation, since a meeting of the collective is not necessarily an environment conducive to full participation. Ironically, those voices that NGOs

seek to make an equal contribution. Such circumstances are few and far between. There seems little point in involving a receptionist in whether to take funding from a certain funder, or involve a trainer in whether the administrative staff need new word processors. The principle is that consultation must be limited to seeking counsel

Participation and contribution by all members of staff must be facilitated and encouraged, but this cannot happen at a meeting of the collective. Regular one-on-one staff evaluations are an appropriate and efficient forum for such participation

Individuals must be given responsibility to take decisions about their jobs, without consulting the collective, with the proviso that they have a clear job description, explicating the boundaries of their authority.

This makes for better personnel management, where staff members are promoted or fired on the basis of their ability to carry out their jobs. This would also prevent individual staff members being taken advantage of, or self-exploiting and consequently suffering from "burn-out".

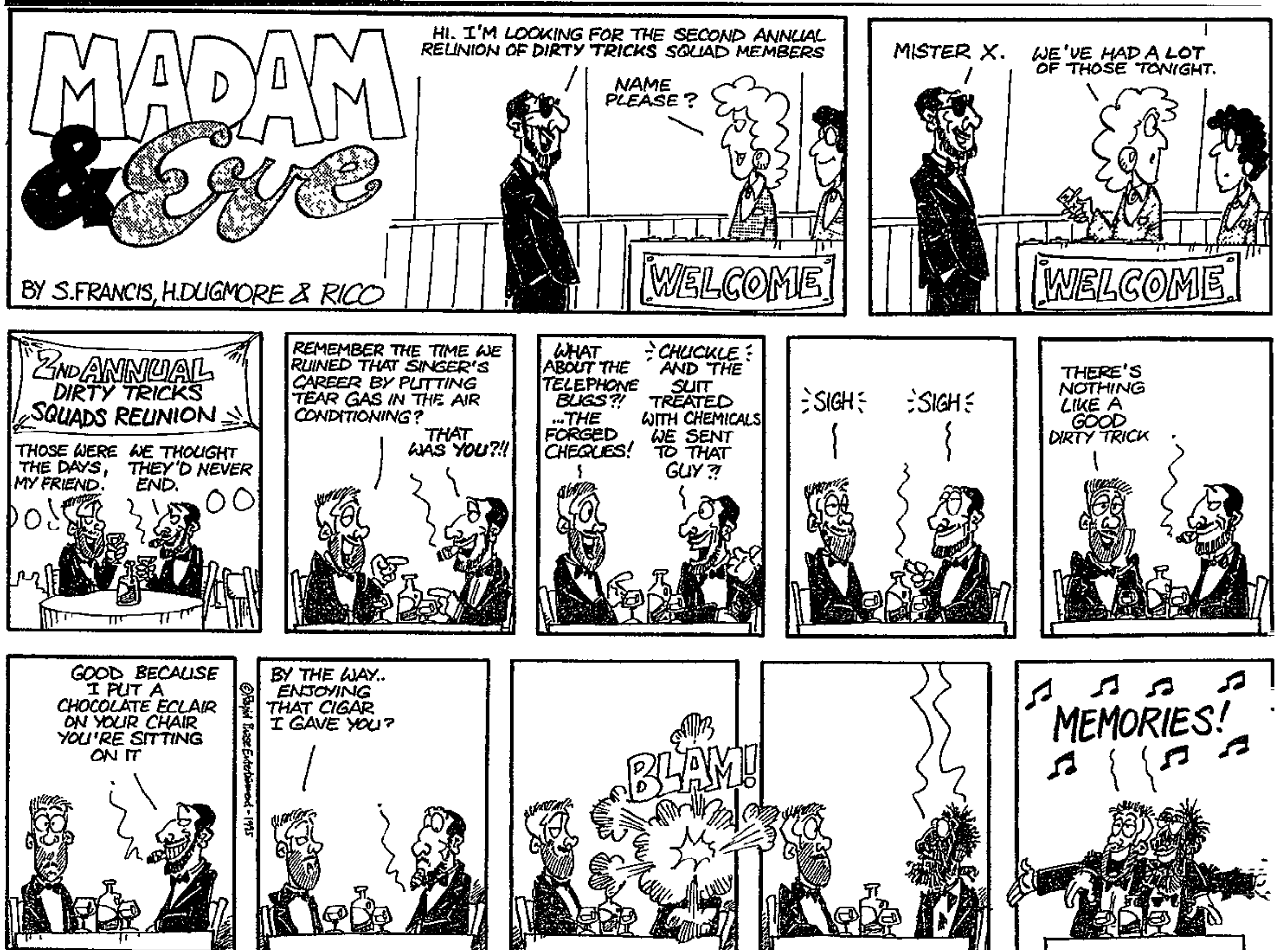
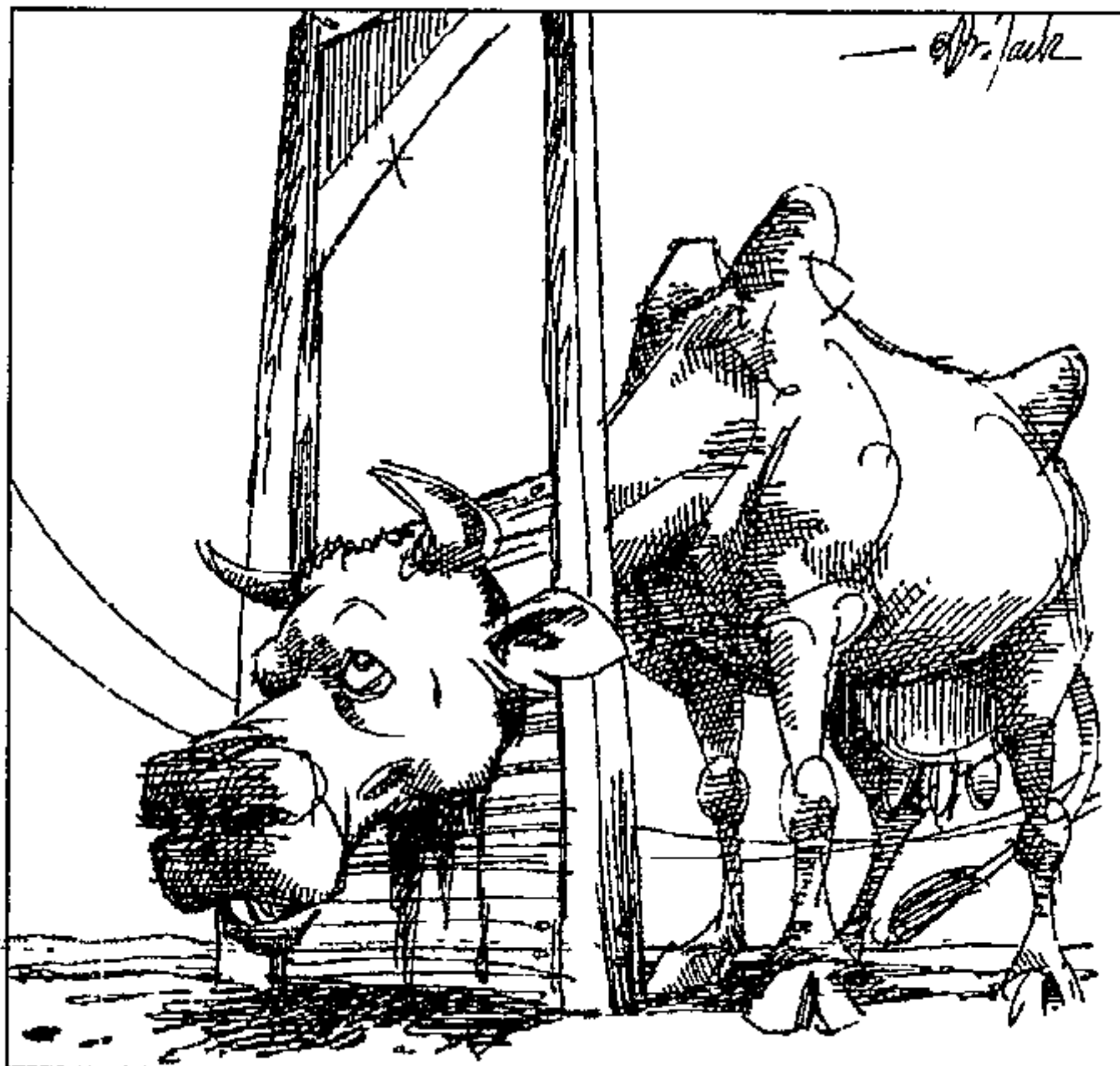
It also allows the director/senior personnel to weed out the dead wood without fear of reprisal from the collective.

Finally, NGOs need directors. Some NGOs, to avoid the idea of

management altogether, call their managers "co-ordinators". They have failed to disentangle the role of management, as a necessary administrative function, from passing down of orders.

As funding dries up and NGOs are forced to sell their services in the market place, unless they abandon their "holy cow", they will collapse and die.

Shand is currently completing her MA in the Sociology department at Wits on NGO management, and Roth is the former director of the East Cape Agricultural Research Project



The source of all evil

Zimbabwean journalists facing trial for reporting about Robert Mugabe's alleged secret marriage think they have been set up by their source, reports **Iden Wetherell in Harare**

ARE there any circumstances in which a newspaper would be justified in disclosing its source when pressed to do so in court? For most editors the answer would unambiguously be in the negative. But Zimbabwe's *Financial Gazette* faces a dilemma. Its source in this case, a senior state security official, may have deliberately set a trap for the newspaper.

In April, the *Financial Gazette* published a report that President Robert Mugabe had wed his secretary, Grace Marufu, at a secret State House ceremony over Easter. It claimed a high court judge presided at the ceremony, intended to formalise a seven-year customary union between the couple, and a Cabinet minister stood as witness.

Following charges of criminal defamation, the newspaper now concedes it may have erred. Last week it published an apology accepting the explanation of the judge and minister that they were not in fact present. But in court, defence lawyers maintained the report did not constitute criminal defamation because the state was unable to demonstrate that it was defamatory to hold a secret marriage. On trial were *Financial Gazette* executive editor, Trevor Ncube, deputy editor Simba Makunike, and publisher Elias Rusike.

Defence advocate Erik Morris pointed out that the newspaper's source, a senior official in the Central Intelligence Organisation, the country's main security agency, had hitherto been a reliable contact and there had there-



Robert Mugabe: Journalists writing about his personal life may have been deliberately misinformed by an official PHOTO DAVID GOLDBLATT/SOUTHLIGHT

fore been no doubts as to the accuracy of the information he passed on to the newspaper about the wedding.

In his submission to the court, Morris suggested the official went out of his way to pass the *Financial Gazette* accurate information in the past, only to plant a false story which was calculated to land the newspaper in court. The newspaper was set up, he said.

If a senior officer of the state acted in bad faith by perpetrating an elaborate hoax to discredit a publication known for its robust criticism of Mugabe's government, at the same time implicating the newspaper in a

breach of the law, the newspaper has no obligation to protect its source's identity, legal advisors and journalists now contend. But as yet no names have been disclosed.

Mugabe made his displeasure with press speculation about his marital status known at a press conference recently when he described reports about his marriage as "lies", although curiously he added: "Some are true". When the time came for the presentation of the new first lady "only then can the public get to know", he said. "Before that, it is not anybody's business."

The trial of the journalists resumes on July 26

Rhinos die while Zim's officials bicker

Iden Wetherell in Harare

ZIMBABWE'S wildlife is once again under threat, this time prey to a power struggle in the country's National Parks department.

Last week, the director of National Parks and Wildlife Management, Dr Willie Nduku, and his deputy, Rowan Martin, were suspended while investigations proceed into alleged irregularities in the translocation of elephants and rhino during Zimbabwe's last drought in 1992.

The two are seen by some as casualties in the latest round of in-fighting which has pitted dedicated conservationists in the Parks' management against senior officials in the Ministry of Environment and Tourism who are resisting World Bank proposals to give National Parks greater autonomy, including the right to make management decisions about the future of wildlife.

The ministry in May suspended all further translocations citing past abuse of the process. The Parks department had been moving wildlife threatened by poachers and the current drought to private conservancies where they stood a better chance of survival. The Zambezi Society claims the suspension has endangered the survival of black rhino in the Matusadona and Sinamatella intensive protection zones which had been due for capture and translocation. Scheduled exercises to find these rhinos and fit them with new radio collars have been cancelled following the suspension of the translocation exercise. "As a result these animals are in grave jeopardy from poaching," the society said.

Nduku concedes he authorised translocations during the previous drought claiming the animals would have died had they not acted as they did. Ministry officials, who perceive translocations as a challenge to their authority, are notoriously slow to approve management decisions, con-

servationists point out. Senior officials often see themselves as answerable political patrons rather than as custodians of wildlife, they charge.

But the ministry's auditors, in unpublished report, claim Parks officials authorised the sale of elephants to Bophuthatswana two years ago at knockdown prices causing considerable prejudice to the fiscus.

Nduku has complained of "intimidation" and "harassment" during investigations into his department. "Any shortages in state income were more than offset by the value of (donor) support given in cash and in kind to the department," he said. Nduku wants a judicial enquiry which he confident would clear him.

Nduku and Martin have been at the forefront of community initiatives to conserve wildlife and they are widely respected abroad. But Zimbabwe's environmental record has been under fire of late. The Environmental Investigation Agency has criticised the government's failure to release details of an enquiry into poaching in Gonarezhou during army operations against Renamo. And it says Zimbabwe is devoting too much to its campaign against the Cites ban on trade in ivory while denying the National Parks department adequate funds to confront the poaching menace which has decimated the black rhino.

One of Nduku's closest associates, warrant Gordon Putterill, currently faces disciplinary hearings for his part in the 1992 translocations. "Had we allowed ourselves to be governed by standard bureaucratic procedures, the animals would have died before any decision was taken," Nduku contends.

But following last week's suspensions, and the intensification of another drought, Zimbabwe's wildlife will once again find itself under siege.

What Banda left Malawi

WM 14-20/7/95

As President Hastings Banda goes on trial for murder this week, his legacy of poverty lives on in Malawi, reports **Georges Marion**

VEN though Hastings Kamuzu Banda is not entirely free to go where he likes — the government recently confiscated his four-wheeled stretch limousine — Malawi's former dictator and president for life can't complain too much about the treatment he is getting.

During his rule, people were jailed without trial, or simply assassinated. But he is only under house arrest awaiting for the courts to rule on his responsibility in the 1983 deaths of three of his former ministers and a parliament member killed in a "car accident".

Facing the same charges as the 80-year-old and nearly 100-year-old Banda Cecilia Kadzamba, his once all-powerful mistress who is still with him. Cecilia's uncle and the regime's former second-ranking man, John Tembo, is not so lucky. He is in custody, as are three policemen.

After several delays, the trial started this week, but was suspended on Wednesday so officials could find 12 jurors. Judge Mackson Mkan-

dawire ruled six of seven potential jurors selected so far could not hear the case because they were not from the same district as those on trial. Residential qualification is the first jurors must meet to form a seven-member jury. Jury selection includes lengthy cross examination of candidates.

The chief accused, Banda himself, will not be in the dock because he is too weak to be brought to court.

Malawians were not unduly surprised to hear of the recent arrest of four former senior government officials on suspicion of preparing the assassinations of several Roman Catholic bishops. The bishops in question published a pastoral letter in March 1992 condemning human rights violations in Malawi. They were arrested and then released. The violent rioting that broke out two months later in Blantyre sounded the death knell of Banda's regime. He was forced to step down in March 1994 following a defeat in the first free elections held in the country since independence in 1964.

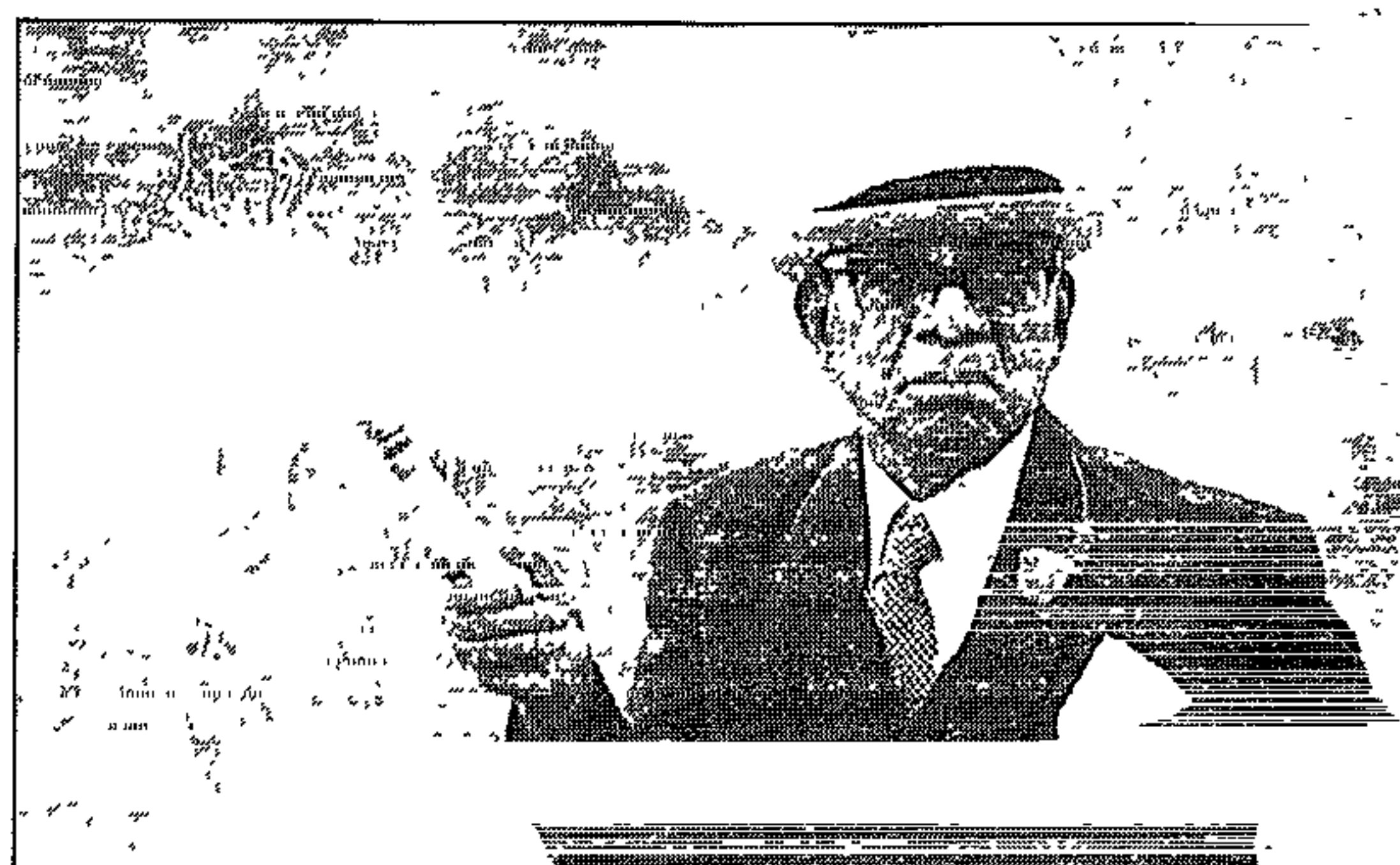
Emerging from a dictatorship is always painful. Malawi's 10-million inhabitants are discovering that today. A year after dumping Banda they are wrestling with overwhelming problems such as poverty, Aids and one of the worst levels of malnutrition

in Africa

Many of Malawi's problems can be blamed on the economic legacy left by the former regime, but the climate is also chronically unfavourable in a country that economically depends heavily on its soil. President Bakili Muluzi's government seems unable to come up with a suitable recovery plan.

Malawi is kept alive by a drip-feed of international aid from foreign sources, including the European Union — the largest donor — which gives \$250-million, and the former colonial power, Britain, whose wishes cannot be ignored. Under such constraints, Malawi's independence is debatable. Donor countries and aid organisations acknowledge that they impose extremely strict conditions on the Malawians in return for helping them.

The country has been through 30 years of bloody dictatorship under Banda. Glorified to the point of ridicule — judging by the various institutions named after him — Banda ruthlessly hounded his political opponents. The western powers obligingly looked the other way, for they were all backing anti-communist Malawi against neighbouring countries that favoured Moscow. Thousands paid with their lives, and millions of others had no alternative but



Malawi's Hastings Banda: A rare public appearance in 1992. Now he's too old and sick to attend his own murder trial PHOTOGRAPH PETER BAKKER/REUTERS

to clam up in terrified silence.

A year after the elections the country has changed radically. Although Banda's party complains — with some justification — that it does not have access to radio, Malawi sports about 10 daily newspapers, mostly owned by politicians who use them to further their own careers. The MCP does not lack resources, and the many publications it owns do not have a kind word for the new government.

Malawians now openly express their opinions and even go on strike. And, in a marked change, the country no longer has political prisoners.

But the social and economic fabric is disastrous. This year's harvests have helped the country to do without the usual emergency food aid regu-

larly supplied under the United Nations World Food Aid Programme. But the yield remains insufficient. A joint 1993 UN-Malawi University study showed that low farm output, lack of training, poor health, and rapidly growing population are combining with shaky institutional structures to turn the country into one of the world's poorest.

The government has launched a programme, financed by aid, to combat poverty. Meanwhile the 120 members of Parliament from the ruling majority recently received a gift of \$400 each from the president. The money came from funds earmarked for fighting poverty. Corruption in Malawi is still rampant — *The Guardian*

Proposed Bill aims to control fundraising

Robyn Chalmers

SA's estimated 54 000 non-governmental organisations will be required to register to ensure fundraising accountability if a proposed non-profit Bill, to be submitted to Parliament next month, is accepted.

The proposals have been put forward after the recent completion of a three-year study project by the Development Resources Centre which involved broad consultation to facilitate debate among affected organisations.

A draft copy of the proposed Bill, which has to be ratified by provincial non-governmental organisation coalitions, makes provision for the establishment of a statutory body, to be called the non-profit organisations commission.

This would be co-ordinated nationally, funded by a government ministry — possibly the finance ministry — and have provincial offices with a number of substructures, including registry, resource and supervision secretariats.

The draft said the registry secretariat would facilitate compulsory registration. Registration would become enforceable three years after the commission was established.

"The rationale for compulsory registration comes out of a recommendation for the scrapping of the existing Fundraising Act. The drafting team found there would be too many holes left open for unscrupulous organisations and individuals to abuse funds."

The resource secretariat would assist organi-

sations to register. It would also be able to give advice on the tax benefits available to registered organisations.

"Registration should not be a burden on organisations and must be simple and effective by taking one of three legal forms — trust, section 21 companies or voluntary associations.

"Local development forums and community development forums, for example, will probably register as voluntary organisations. The ability of organisations to register is not assumed," it said.

The draft Bill proposed the scrapping of current fundraising laws which it claimed were designed to prohibit the emergence of development organisations.

Organisations would, therefore, be able to raise funds without obtaining a fundraising number, which could take up to 16-months.

Accountability would be encouraged by making it compulsory for all registered organisations to submit a state of accounts to the registry office which would be open to the public.

The supervision secretariat would follow up on the submission of accounts, complaints from the public and act on evidence of abuse of funding and fraudulent practices.

The draft Bill recommended registered organisations be able to apply for tax benefits designed to increase flows of local donor support. Tax incentives for donors should be allowed as well as waiving tax on unspent funds in the bank accounts of registered organisations.

702 Crisis Centre to close

■ BY PRISCILLA SINGH

The 702 Crisis Centre in Berea, Johannesburg, will close its doors at the end of this month.

Centre board chairman Glenn de Swardt said the decision was made after the announcement by Radio 702 managing director Stan Katz on withdrawal from the station's 11-year partnership with the Witwatersrand Mental Health Society.

The 702 Crisis Centre provides counselling to people undergoing trauma and loneliness.

De Swardt, who is also the society's clinical services director, said: "It is my primary concern now about what happens to all those people out there who are reliant on our counselling services and also for those people who may not need our help right now, but know that we will be there for them if the need arises."

"The centre has always stood out in the community as a relevant, high-calibre and people-friendly service. It was very accessible to people living in Hillbrow, Berea and Yeoville, and

because of Radio 702's decision, we have no option but to close down on July 31.

"Unless we get a sponsor to enter into another partnership with our society, a lot of lonely people out there are going to suffer. The staff at the centre have already been retrenched and we have informed our volunteers of the pending closure. Everybody is unhappy and I really don't know how the community is going to react to this."

Katz said there was no animosity with the Wits Mental Health Society and the radio station had made the centre available for continued counselling.

"Radio 702 constantly re-examines how it can be of help and more effective in other areas. Therefore we are expanding our helpline and will perhaps recruit volunteers from the 702 Crisis Centre to assist us," he said, thanking the volunteers who worked at the centre for their dedication.

The centre counsels about 500 people a week.

(297) STAR 12/7/95

'No wholesale firings' promise

NELSPRUIT — The final report on restructuring development corporations in the Eastern Transvaal has recommended that the KaNgwane and KwaNdebele development corporations be merged with one 11-member board and one MD.

The commission said this would be more cost effective and would enable tighter implementation of development projects in emergent sections of the province.

Commission vice-chairman and interim executive co-ordinator for the new board Eugene Nyati said employees were guaranteed jobs for only the next three months.

"We do not want to create a situation where the new corporation is encumbered with the present staffing problems, which effectively destroyed the previous corporations."

Nyati indicated that after three months there would be a review of the corporation's staffing needs and while envisaged posts would first be offered to employees, this would be done "solely on merit".

Premier Mathew Phosa's special adviser Brian Shrosbee promised there would be no "wholesale firing".

The commission recommended that the corporation be structured along strictly private sector lines and that five or six specialised units handle specific development areas.

Commission members praised Phosa's political courage in accepting the recommendations.

Nyati defended Phosa's summary dismissal of all 40 development corporation board members three weeks ago.

"Although the commission had not

yet delivered its final report when Phosa fired the CEOs, we did keep him and his cabinet fully briefed on our progress. The commission had already decided that a very much smaller board was required. We had to start with a clean slate and the dismissals helped us do this."

Nyati indicated that funding for certain interest areas handled by the corporations at present, such as housing, would be terminated as they had been duplicating what was essentially a government function.

"The primary role of the corporation is to target emerging entrepreneurs and set them up to succeed in the mainstream economy," he said.

The new corporation would be funded jointly by the government and a proposed provincial development bank, but funds would be allocated only to business units once business plans had been accepted.

The bank's role would be solely to access development finance at the most favourable rates and dispense this to the operating business units.

The commission stressed that although the new corporation would be created and funded by the government, it had to operate "at arm's length from political leadership".

While government would define the general policy and regulatory regime, the corporation's management must be given the autonomy to operate strictly according to private sector principles.

Directors and officials should be appointed on the basis of their expertise in the specific fields covered by the business units. — African Eye News.

~~(297)~~ (297)
EMPLOYEE BENEFITS

Striking results

FM 21/7/95
Employee benefits may be prejudiced during prolonged strike action. The effects can vary from the trivial to the disastrous.

Old Mutual Employee Benefits manager,

Neo Mokoena, says a reality of the "no work — no pay" doctrine is that worker contributions to retirement funds, insurance policies and medical schemes often terminate during industrial action.

The situation is particularly problematic where group life and disability cover are involved. If premiums are not paid, the benefits may lapse "with catastrophic consequences in the event of disability of a breadwinner."

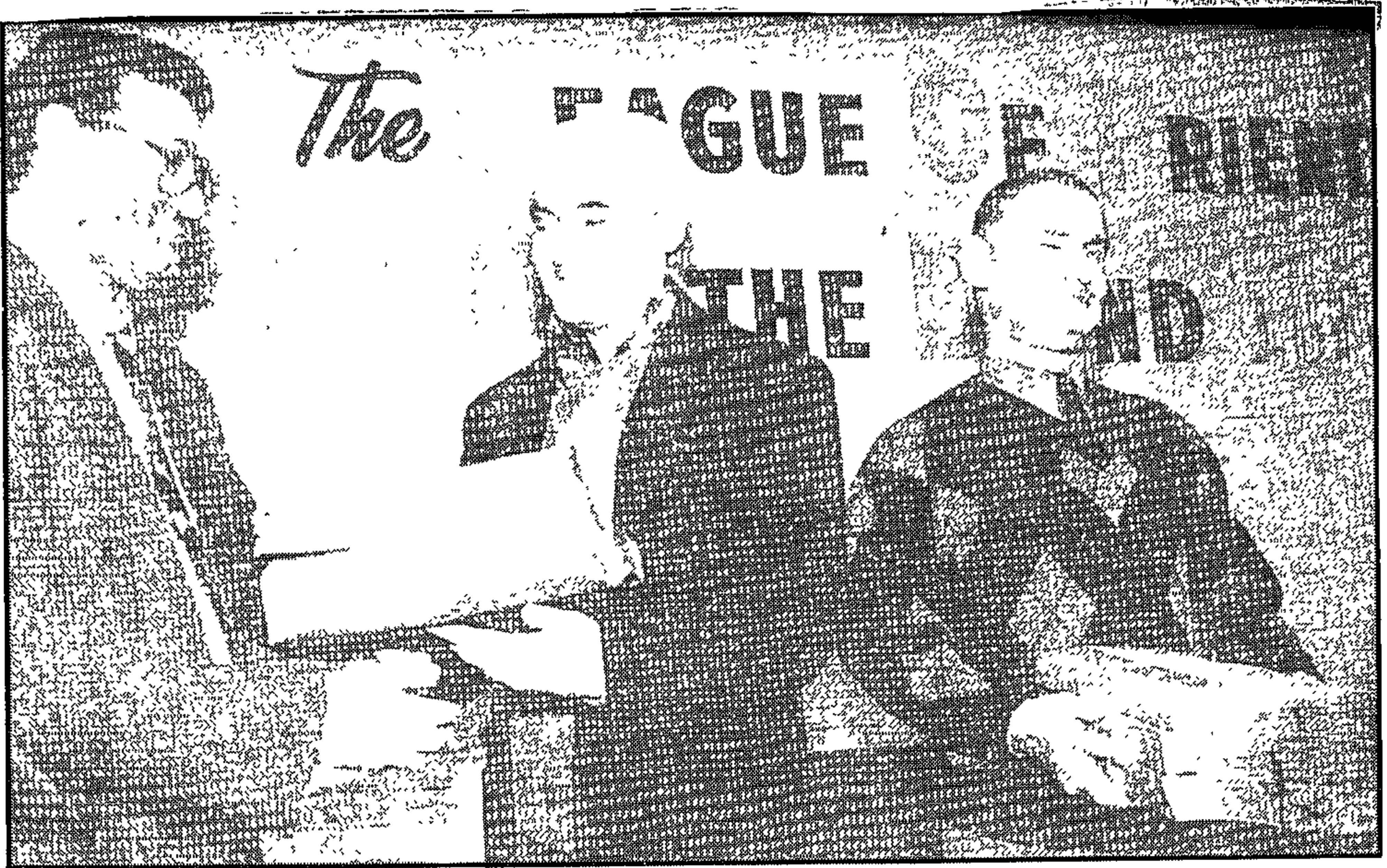
Much the same could apply to medical schemes. But the long-term effect on a retirement scheme is less serious. The non-payment of one or two months' contributions over the life-span of an employee is not substantial.

Contributions

Mokoena notes that in the case of defined contribution funds (mostly provident funds), the cost of a lapse in contribution payments is borne by the employee. With traditional pension (defined benefit) funds, if a shortfall develops after nonpayment of contributions, the onus is on the employer to make good the deficit.

To protect group life, disability and medical cover, Mokoena suggests employers should undertake to pay premiums during a strike, so preserving cover. But that may tax the altruism of employers facing lost production.

"An alternative," he says, "is to negotiate a waiver-of-premium benefit with the underwriter who, in return for a higher subsequent premium, would waive the right to claim premiums during the course of strike action. That would enable cover to remain intact." ■



Picture OBED ZILWA, The Argus

KEEPING IN TOUCH: League of Friends of the Blind (Lofob) director Phillip Bam, right, hands a copy of the interim constitution in braille to Lofob president Victor Adonis and attorney Leslie Martin, left.

State asked to provide documents in braille

ARG 21/7/95 (297)

Staff Reporter

THE constitutional assembly should transcribe all its documents into braille to give blind people access to information, says the League of Friends of the Blind (Lofob).

"Blind people aren't getting access to constitutional material," said Lofob director Philip Bam.

"They have a right to information."

At its annual general meeting last night, Lofob unveiled braille versions of the interim constitution, printed at its own expense.

Copies were presented to Lofob president Victor Adonis

and attorney Leslie Martin, both of whom are blind.

"We've asked the constitutional assembly to fund braille versions of the constitution and the whole constitutional process," Mr Bam said.

"It's fairly affordable." In the meantime, he said, braille copies of the constitution would be available at Lofob's Grassy Park offices.

There are about 100 000 blind people in South Africa.

Lofob provides a full complement of services to blind and visually impaired people, including counselling, education, employment opportunities and accommodation.

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Directors and officials should be appointed on the basis of their expertise in the specific fields covered by the business units. — African Eye News.

New fund-raising laws called for

WM (3M) 21-27/7/95 (297)

Karen Harverson

A DRAFT Non-Profit Organisations Bill aimed at improving and regulating the legal, policy and funding environment for development organisations, such as non-governmental organisations (NGOs) and voluntary associations, is to be finalised this month and submitted to Parliament in February next year.

The draft Bill calls for the scrapping of existing fund-raising laws which are regarded as bureaucratic and prejudicial to small community-based organisations (CBOs).

It proposes the compulsory registration of all non-profit organisations as either trusts, section 21 companies or voluntary associations.

Accountability will be ensured through the compulsory submission by all organisations of a statement of accounts to the Registry Office for public scrutiny.

"In essence, all registered organisations will be required to account for how funds raised are spent," says executive director Gavin Andersson of the Development Resources Centre (DRC), the initiator of the draft Bill.

He says the draft Bill recommends that control of fund-raising be retained for consultants raising funds on behalf of other organisations.

Recommended tax amendments include that taxation be waived on unspent funds in the banking accounts of non-profit organisations to promote better financial practices and spending patterns.

Liberty Life Foundation research officer Kathryn Kure says the proposed legislation should ease the problems CBOs face in registering as non-profit organisations.

In some cases CBOs have to wait up to 16 months just to obtain a fund-raising number before being able to raise funds.

SA must avoid the aid debt-trap

WM 21-27/7/95 (297)

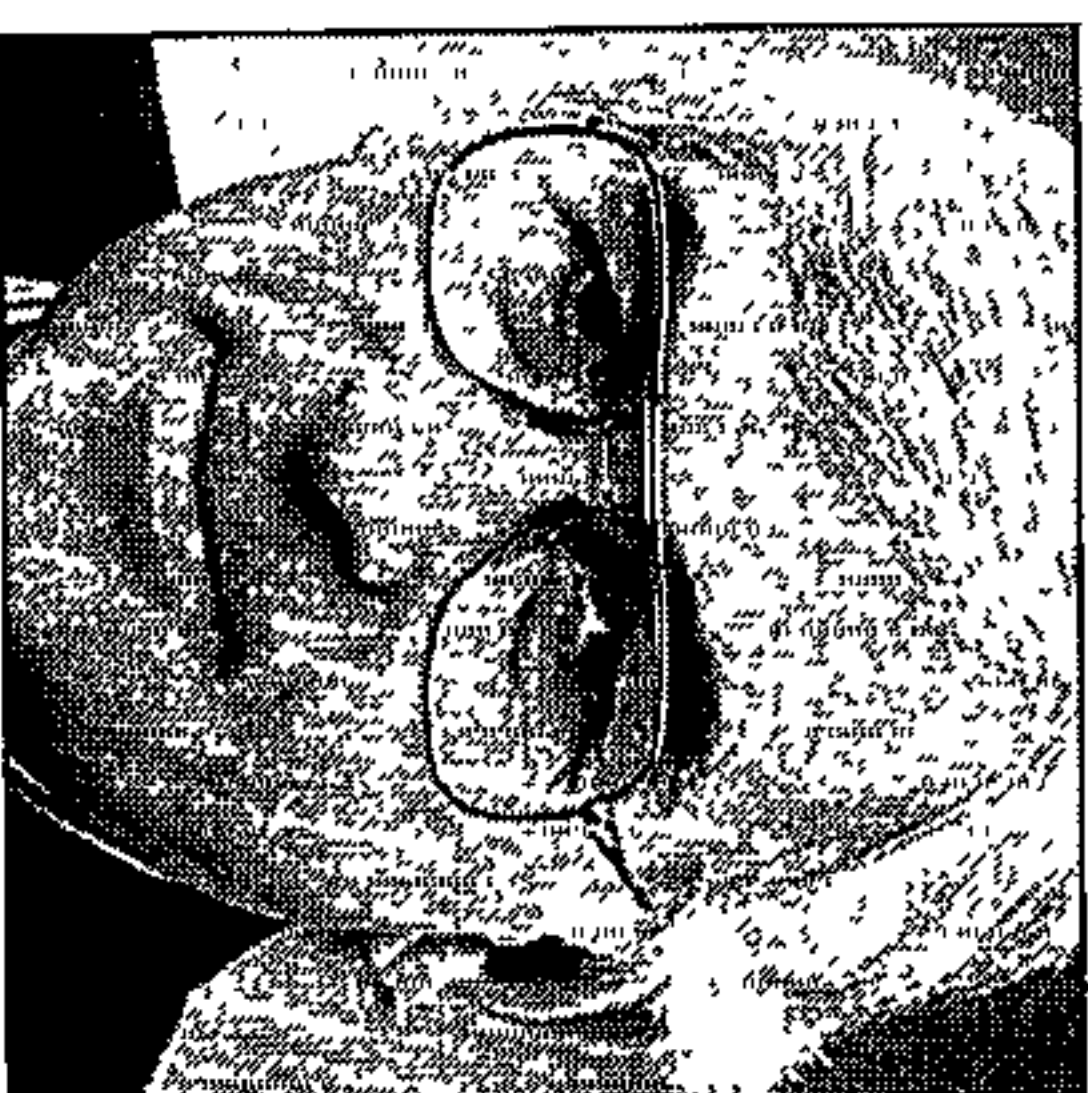
Karen Harverson

SOUTH AFRICA will not accept foreign aid unless it can afford infrastructure or it will end up like the rest of Africa — full of half-built hospitals and unfinished roads, said Finance Minister Chris Liebenberg.

Speaking at a recent business breakfast, Liebenberg said South Africa had a reputation for being difficult when it came to accepting foreign aid. "Donors often insist that aid is used to build something like a hospital or township but forget that the government is left to put in the infrastructure and maintenance which puts a tremendous strain on the Budget which is struggling to meet basic needs."

He said the government will spend six times more on interest payments this year than it will on the Reconstruction and Development Programme (RDP).

"Ninety-one percent of government income is spent on salaries, paying interest and welfare payments with a mere nine percent left



Chris Liebenberg: SA will spend six times more this year on interest payments than it will on the RDP

for everything else."

Besides meeting the demand for basic needs within fiscal constraints, South Africa needs to increase its growth levels, improve its savings rate, become more investor friendly and improve its competitiveness.

He called on business to stop waiting for the economic miracle to happen and work with the government to maintain fiscal discipline and

encourage growth. "We need a savings rate of 22 percent for the economy to grow 3.5 percent but while private sector savings are already at this rate, government disavows by 4.5 percent leaving a dismal rate of 17.5 percent."

Liebenberg said that although the quickest way to increase the savings rate was to contain government spending — positive savings from the government would only be a reality by the year 2000.

"In the meantime, we could use other people's savings to improve the growth rate to five percent which is why we must become investor friendly."

He said South Africa had to identify its pockets of competitiveness and create opportunities and put in infrastructure to grow these further.

"Our lack of competitiveness is due to structural, environmental, skills and attitude factors. Something is drastically wrong when it costs a company exporting to Tokyo more to rail goods from Johannesburg to Durban than the sea freight there."

Council lashed for 'not taking RDP seriously'

Municipal Reporter

COUNCILLORS, and particularly the executive committee of the Cape Town City Council, have been given a tongue-lashing by one of their colleagues for failing to take the RDP seriously.

Senior council officials were also taken to task for being apathetic about the RDP.

The criticism comes on the eve of a summit to which 700 people have been invited to discuss an RDP policy document for the province.

Leslie Langenhoven, a member of the city council's RDP

ARG 20/7/95
standing committee, said at a meeting to discuss the policy document that the committee was fighting an uphill battle to get other councillors to show an interest in the RDP.

"We are battling to get this thing going. We don't get any help from exco or the other standing committees," he complained.

"The RDP needs to be driven by the whole council, not by one single committee."

He said the committee was being shabbily treated and not getting the support of senior officials.

(297) (213)
The RDP policy document, which has been produced and already adopted by the province, also came under attack for failing to provide any concrete direction for RDP projects.

The document was described by council official Hugh Paton as being full of "motherhood and apple pie" without indicating how the province would help municipalities to implement the RDP.

Councillor Ruth Ortlepp said the document was a poor reflection on the provincial gov-

ernment which had been in power for more than a year.

All it did was lay down the goals of the RDP which were already known.

Councillors at the summit have been asked to call for an "implementation document" to spell out the role of local government, budget provisions, application procedures for RDP funding and how projects will be selected.

The Cape Town City Council has set aside R15,5 million for RDP projects, but no projects have been pinpointed yet.

Seniors respond to call for help with RDP

ARG 22/7/95

(297)

MXOLISI MGXASHE
Staff Reporter

RETIRED Camps Bay architect Hillel Turok says he has been inundated by retired people eager to do useful work for the RDP after his appeal to RDP minister Jay Naidoo to absorb thousands of retired people into the reconstruction and development programme (RDP).

Mr Turok said there was a big reservoir of retired engineers, architects, geologists, town planners and others who want to contribute without pay towards the RDP.

He said in a recent Saturday Argus article retired professionals were "bored stiff" and often did not know what to do with their time and would rather use "their skills and rich experience" to ensure the RDP achieved its objectives, than die of boredom.

"There is nothing more valuable to a senior citizen than feeling wanted, useful and appreciated," Mr Turok said.

He believes, with the help of newspapers throughout the country, this dream will be achievable considering the excellent response to the article.

One call came from a Durban company willing to help provide destitute people with fibreglass prefabricated housing.

"Many township residents would rather have facebrick houses, but they must be made aware that their ambitions are going to take time to realise, and meanwhile here is an offer," Mr Turok said.

Mr Turok said he also had a positive response from a firm of accountants who have a video of interest to senior citizens.

Response has also come from a group called Age Concerns which is primarily interested in solving problems of disparity in pension schemes, as well as rescuing pensioners from pension-fund scams.

● Mr Turok's telephone and fax number is 438 8863.

Closing of city Crisis Centre regretted

By CHRISTINA STUCKY

The closing of the 702 Crisis Centre in Berea, Johannesburg, comes at a time when counselling services should have been expanded, not contracted, members of the mental health community said this week.

"The Crisis Centre filled a gap," said Melvin Freeman, deputy director of the Centre for Health Policy and coordinator of its mental health programme. "I hoped there would be an extension of such services."

Ruth Zwi, director of mental health in Gauteng, echoed the concerns of Freeman and the callers who contact-

ed the *Saturday Star* in response to an article about the clinic's closing.

The Government was looking towards partnerships with non-governmental organisations like the Crisis Centre "because they can provide services we can't", she said.

Freeman and Zwi agreed there was a need for a co-ordinated effort by the Government and non-governmental organisations to provide essential mental health services. Zwi's department has been approached by Wits Mental Health, which is developing models to replace the Crisis Centre. 702 will continue to rent the facility to Wits Mental Health at a nominal rate.

Host of RDP projects up and running nationwide

By KURT SWART

More than 5,6-million pupils are now benefiting from the Government's school feeding programme, says Reconstruction and Development Office spokesman Frank Meintjies.

Despite teething problems, departments and provinces were forging ahead.

There were new clinic services at upgraded and mobile clinics at 25 sites country-wide.

Contracts for building clinics had been signed at 83 of 173 planned sites.

Schools in all provinces had been identified for RDP delivery, Meintjies said.

School governance training was under way in Western Cape and had started in Northern Cape.

The community employment programme had been very active. Public works projects approved totalled 489, out of which 428 contracts had been signed. Funding had also been supplied to 320 projects.

Inland restitution, restoration to communities was "in the pipeline" in relation to 354 properties, totalling 143 345 hectares. More than 4 000 families stood to benefit.

A further 2 400 families were to benefit from redistribution of 25 730ha.

Eskom was set to make 3-million connections this year, and had reached 89% of its target, he added.

Star 22/6/96

Ireland Fund (297) for SA

Irish funding for South African development stepped into gear last night in Sandton with the launch of the Ireland Fund for South Africa.

The Ireland Fund, which has raised \$60-million (R216-million) since it was launched by businessman Dr. Tony O'Reilly 20 years ago, aims to pour money into South African training and education.

Speaking at the launch, O'Reilly said the relationship between the two countries had until now been dormant, but the new drive for Irish funding would help turn that into a "burgeoning arena of trade and development".

"This fund will be driven by Irish money, using Irish teachers, nurses and developers to help with skills training and education," said O'Reilly, who is also chairman of the board of Argus Newspapers.

Water Affairs Minister Kader Asmal, who received the Bird and Bell Award from the fund for his contribution to South Africa, said he hoped the fund would fit into RDP aims, with its "people centred approach".

"We need the skills to recognise the dream of economic growth and redistribution," said Asmal, who, himself, spent 27 years in exile in Ireland.

— Staff Reporter.

RDP contributions 'should be tax deductible'

By Roy Cokayne

PRETORIA BUSINESS EDITOR

The Get Ahead Foundation has submitted a formal proposal to the finance department asking for donations to projects aimed at assisting entrepreneurs and creating employment to be made tax deductible.

Don MacRobert, the foundation's managing director, said the proposal interpreted the Katz commission on taxation as being in favour of making donations which contribute to the reconstruction and development programme tax deductible.

He said the government could increase its effective tax base by allowing individual and corporate contributions to approved non-profit organisations to be tax deductible.

This would be accomplished if the deduction did not occur on a one-for-one basis, but if the donor was permitted to deduct a percentage of the contribution.

The foundation has suggested to the finance department that 50c for every R1 donated be deducted, thus increasing the government's tax base by 50 percent of whatever is given to approved organisations.

MacRobert said the foundation's borrowers were almost exclusively in the informal market sector and mainly involved in trade and manufacturing activities.

While such micro enterprises did not generally pay direct taxes,

research had shown that 85 percent of the money which the foundation lent was used to purchase stock and materials from formal sector sources thus paying 14 percent VAT.

The foundation's loans are recycled approximately 2.5 times a year. This means that each R1 000 of lending capital has an annual effect of R2 500. If 85 percent of this amount generates 14 percent revenue for the government through VAT then for every R1 000 the foundation generates almost R300 a year.

Working on the foundation's present loan capital of R3 million, annual VAT revenue is increased by more than R350 000, he said.

Since the government would not want contributions to all section 18A organisations to be tax deductible, a new category of companies could be created that would further the objectives of the reconstruction and development programme, MacRobert said.

CR (EE) 23/6/95

Europe seeks to speed up aid to SA non-govt organisations

Linda Ensor P0 23/6/95

LONDON — The European Commission (EC) is investigating the introduction of emergency measures to support struggling non-governmental organisations following the visit to SA last week by European MP Glynis Kincock.

Kincock has made urgent representations to the commissioner in charge of SA, Joao de Deus Pinheiro, concerning the plight of these organisations. Wholly dependent on EU funds, they have suffered a financial drought as the bulk of the EU's aid programme is now being channelled into the government's reconstruction and development programme.

"We need to get moving very fast," Kincock said yesterday, but said the Brussels bureaucracy was "absolutely stifling" in this regard.

She said Pinheiro shared her concern that several non-governmental organisations were having to close their doors and was confident emergency measures would be adopted to help them.

To get EU aid money flowing more quickly, the EC had been asked to increase the staff handling SA project applications — in Brussels and in SA.

The commission has also been requested by the European Parliament's development committee to cut down the number of steps which have to be followed before funds can be released.

And to assist organisations, the commission has been asked to modify its rules so the European Parliament's representative in SA can disburse funds up to a specified amount of several million euros to accelerate financing of small projects.

Development committee secretary David Lowe said: "There are many small township (organisations) which cannot survive without the small amounts they receive from the EU. Yet in Brussels they do not attach much urgency to releasing funds. We are determined to accelerate this."

Part of the problem has been the delay by the SA government in supplying about R50m in critically needed start-up funds for a development agency, the Transitional National Development Trust. This is understood to be preventing the non-governmental organisations from gaining access to urgently required EU donor funds. The EU has indicated that it is willing to match the R50m put up by the SA government with an equal sum

and would be able to do so "very quickly".

But SA had to show a commitment and "put its money where its mouth is" before it would invest funds.

Because the RDP office is adamant it does not have the manpower to process funding applications by the estimated 45 000 non-governmental organisations in SA, a special agency has to be established to approve projects and channel funds for the EU, their single largest source of funding.

In terms of the proposal, the trust would be an enabling institution to get funds rolling quickly in the right direction. It would be directed by Kagiso Trust's Eric Molob, with an IDP official occupying the deputy director's position. Non-governmental organisation representatives would sit on the agency's board.

The European Parliament's development committee debated funding for SA during a session in Brussels this week and expressed grave concern about the delays in getting the trust established.

The parliamentary group which visited SA with Kincock was distressed when the start-up for the project was delayed yet again.

SA joins Indian Ocean tourism organisation

Theo Bryman P0 23/6/95

SA would benefit immensely from its membership of the Indian Ocean Tourism Organisation, which was formed in Perth, Australia, last week, Satour deputy executive director Ernie Heath said yesterday.

The body, which would consist of about 30 countries, was formed to "enhance regional co-operation and understanding through sustainable tourism", Heath said.

Countries in the Indian Ocean basin include Seychelles, India, Thailand, Malaysia, Singapore, Indonesia, Australia, Kenya and SA. Air Mauritius MD Sir Harry Trivengadum is the organisation's first chairman.

Heath, a founding executive committee member of the organisation, said many member countries, such as Australia, India and countries in Southeast Asia, were key tourism growth markets for SA. "Increased co-act with these countries will certainly lead to increased growth in tourism to SA in the long run."

Membership advantages included access to the organisation's database, marketing intelligence, the promotion of a consistent service standard throughout the region and participation in global environmental programmes. Actions planned in the next 18 months include a regional tourism mart.

Memberships was open to major tourism organisations such as government bodies, national carriers, shipping companies, regional hotel groups and major resorts.

Executive committee member Tunka Iskandar of Malaysia, MD of leading Southeast Asian tourism company the Melewar Group, said: "The incredible growth in outbound travel from destinations such as Indonesia, India and SA over the last three years augurs well for the travel, tourism and aviation industries of the Indian Ocean. This growth is expected to continue — if not boom — over the last five years of this century."

Boesak fund probe still continuing, Mbeki tells Danes

ARG 23/6/95

□ Earlier investigation 'didn't get to the bottom'

COPENHAGEN. — South Africa's Deputy President Thabo Mbeki says that a government inquiry this year "didn't get to the bottom" of charges that anti-apartheid activist Allan Boesak was involved in embezzling.

"We're not saying there was not embezzlement. Only that it could not be determined," Mr Mbeki said. He is on an official visit to Denmark.

Earlier this year, Scandinavian aid organisations and South African attorneys accused Dr Boesak of misusing more than R2 million from aid funds.

Last April a government inquiry led by Mr Mbeki cleared Dr Boesak of wrongdoing, although it also concluded that Dr Boesak lacked control over the money.

The government report "didn't get to the bottom," Mr Mbeki said. It was based partly on another report made for the Danish, Swedish and Norwegian church and state agencies.

Mr Mbeki said the matter was still being investigated by the police. He added that the case had been referred to the police fraud unit.

Mr Mbeki spoke after open-

ing a two-day conference on cultural and commercial relations between Denmark and South Africa.

Dr Boesak, who denied any wrongdoing, headed the Foundation for Peace and Justice that was in charge of disbursing aid from Scandinavian church and state agencies.

Donors alleged that only 25 percent of the aid had reached the intended beneficiaries. They claimed most funds were used to pay for Dr Boesak's home, his travel, a wedding reception, and debts incurred by his wife Elna, a television producer. — Sapa-AP.

Pledges by MPs at launch of RDP plan

By NORMAN WEST
Political Reporter (297)

THE Reconstruction and Development Programme in the Western Cape was formally launched at the University of the Western Cape yesterday with politicians spelling out their commitment to using the RDP in the interests of ordinary people.

The theme running through most papers delivered was that implementation of RDP projects should be "people driven" to ensure community upliftment and empowerment and that bureaucratic red-tape should be cut to a minimum. ST(CM) 23/7/95

Western Cape premier, Hennie Kriel described the RDP as "a covenant with the people". But he warned politicising the RDP forums would be "a sure recipe for disaster".

Guest speaker was the Minister Without Portfolio, Jay Naidoo, who is charged with the national implementation of the RDP. He stressed the importance of local government empowerment and creation of more work opportunities.

But he warned that local government was the "legs and feet" of the RDP and unless community elections — scheduled for November 1 — were held to place democratically elected local government structures in place, "it would delay the implementation of the RDP and, therefore, the empowerment of the community."

ANC Western Cape leader Chris Nissen urged communities not to rely only on government but to initiate and set up the necessary structures for their own empowerment.

It was the task of the government to create the necessary conditions for communities to participate effectively in decision-making, he said.

Minister of Finance Kobus Meiring said the basic aim of the RDP was the social and economical upliftment of all people — and in the Western Cape the RDP sought to improve the living conditions of all the inhabitants by closing the gap between the "haves" and "have-nots".

teers, he said.

of Ernst & Young, for finances.

all planning aspects of the Olympic bid.



A CHANCE MISSED . . . Mrs Nolingile Kokoti with her daughter Nonzaliseko who might never lead a normal life

Picture: JUSTIN SHOLK

Pambili helps bring light to the darkness

THREE-YEAR-OLD Nonzaliseko Kokoti spends her days lying motionless and expressionless, looking without comprehension at the newspapers that cover the ceiling of her mother's Khayelitsha shack.

Shortly after birth Nonzaliseko was diagnosed as suffering from cerebral palsy but she has never received treatment — simply because her parents, poor and illiterate, did not know they could get treatment for their daughter.

By JESSICA BEZUIDENHOUT

The distressing story is just one of dozens uncovered by the fieldworkers of Pambili, a non-government organisation that aims to uplift the lives of women in underprivileged communities.

With no job, no income and three children to care for, it is very difficult for Nkotele Kokoti, 32, to care for his family. With no education it is almost impossible.

"Kunzima," he says philosophically, "which means it is very difficult".

The executive director of Pambili, Mrs Evelyn Rabaji, says it is sad that

people are still uninformed about treatment for disabilities.

"I don't think these parents realise they can get help and that their handicapped relatives could eventually lead an almost normal life if treated," she said.

"If we can get in there, educate them, the child's chances to lead an almost normal life are so much better."

Pambili's fieldworkers work at grassroots level in communities to establish contact with parents and try to make them more informed.

(297) ST(CM) 23/7/95

Mandela's pet RDP project crashes

By RAY HARTLEY
Parliamentary Correspondent

PRESIDENT Nelson Mandela's showpiece R3-billion RDP project for the violence-racked East Rand is facing failure after floundering in bureaucratic red tape for 10 months.

In a confidential report submitted to the Gauteng government at the end of June, Katorus project manager Themba Maluleke said that since December 1994 — two months after its official launch — "no significant implementation of the project has occurred".

The project was launched in Thokoza in October last year as one of Mr Mandela's "presidential lead projects", which were supposed to pave the way for the full-scale implementation of the RDP.

At the launch, Gauteng Premier Tokyo Sexwale, RDP minister Jay Naidoo and 70 community leaders signed a pledge to make the project work.

Since then it has run into a bureaucratic brick wall. Central, provincial and local government have all insisted on approving every step while politicians and officials have bickered over the control of expenditure.

The report lists some achievements, including the fixing of street lights and the unblocking of sewerage. But its focus is a litany of astounding facts about the problems encountered, including:

- The project's consulting team was not paid for five months "resulting in the project grinding to a halt in February and March 1995";

- The failure to establish proper project management procedures, controls and information systems because of insufficient resources;

- Delays of up to six months before projects received the go-ahead because of slow, complicated approval processes;

- "Conflicting interests and priorities" between politicians and those administering the project, with politicians applying pressure for short-term results when a long-term plan was needed; and

- Local authorities supposed to be implementing the project were "experiencing major restructuring and inertia as a result of forthcoming elections".

The result of these delays has been that the project had "lost a lot of credibility within the Katorus community", the report said.

Asked for comment on the report this weekend, Mr Maluleke said sensitive negotiations were underway to deal with the administrative problems outlined in the report. He said a project to rebuild damaged houses was finally under way.

Bernie Fanaroff, the RDP deputy director general, said reports received by the national RDP office were "more optimistic" about the project than that drafted by Mr Maluleke.

He said the RDP office would not respond sympathetically to calls for the quick release of funds. "To simply say you should give lump sums out is really not the answer," he said.

Mr Fanaroff said the process of con-

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Project crashes

From Page 1
ST 23/7/95
Further obstacle. "We've got so many interest groups in the area that it is hard to know when you have consulted."

Mr Mahleke said in his report that government departments were using the money intended for the Katorus project to make up for money lost through funding cuts.

Provincial administrators were disregarding priorities agreed on and following their own objectives, he said.

Once business plans were approved — after four or five months — project managers still had to have each action they undertook vetted by the bureaucracy, he said.

Once this arduous process was completed, they still had to go through a lengthy tendering process to find officially sanctioned "implementing agents".

~~279~~ **Boesak probe** (297)

'not complete'

~~289~~ **CT 23/6/95**

COPENHAGEN: Deputy President Thabo Mbeki said yesterday a government inquiry this year "didn't get to the bottom" of charges that Dr Allan Boesak was involved in embezzling.

"We're not saying there was no embezzlement. Only that it could not be determined," he said.

Earlier this year Scandinavian aid organisations and SA attorneys accused Dr Boesak of misusing over R2 million from aid funds.

But last April a government inquiry, led by Mr Mbeki, cleared Dr Boesak of wrongdoing, although it also concluded that he lacked control over the money.

The report "didn't get to the bottom of it", he said. It was based partly on a report made for the Danish, Swedish and Norwegian agencies.

He said the matter was still under police investigation.

Mr Mbeki spoke after opening a two-day conference on cultural and commercial relations between Denmark and SA. — Sapa-AP

RDP needs to lift off, says professor

ARG 24/6/95

(297)

MXOLISI MGXASHE

Staff Reporter

■ Too much time has been spent on debates and analysis, said an ANC member of parliament.

ONE of the African National Congress' leading development strategists, Ben Turok, has said his experience as an RDP technocrat in Gauteng had convinced him that the business community was ready to have concrete discussions on key RDP issues. All they needed was an impetus from the government.

"I have done this at a personal level with businesses in Gauteng. It's very easy, particularly when they have accepted your perspective to involve everybody in the process, including the workers," he said.

Professor Turok, who recently filled a vacant ANC slot in the national assembly, has taught in several universities in Britain and Africa. He has also worked on a number of de-

velopment programmes in these countries.

At home he took part in the writing of the RDP blueprint which he said had received glowing praise from Tanzania's Julius Nyerere.

He sees his work in developmental issues as a continuation of his decades of involvement in the struggle against apartheid, which included a three-year stint in Pretoria Central Prison in the sixties.

Asked whether the views articulated in the RDP were the same socialist positions the ANC and its allies had once advocated, Professor Turok said the priority was development and democracy.

"We want to reconstruct and democratise the state and society. These are our urgent needs. We're trying to build a

consensus around these objectives and we are convinced if we give all our energies to this and succeed we will build a platform for a decent society that will be humane and democratic. From there can emerge different ideas about how to take off."

No matter how successful the first world has been in pursuing this policy it will not bring about the same success in the third world.

The rich countries are getting richer and their riches do not trickle down to the poor countries, he observed.

"I apply the same approach here. Just because the rich sector or the corporate sector, or what I sometimes call the 'skyscraper' grows higher, becomes more efficient, more effective, makes bigger profits, it does not translate automatically into improvements at the bottom because the majority of the people there have been marginalised by the skyscraper."

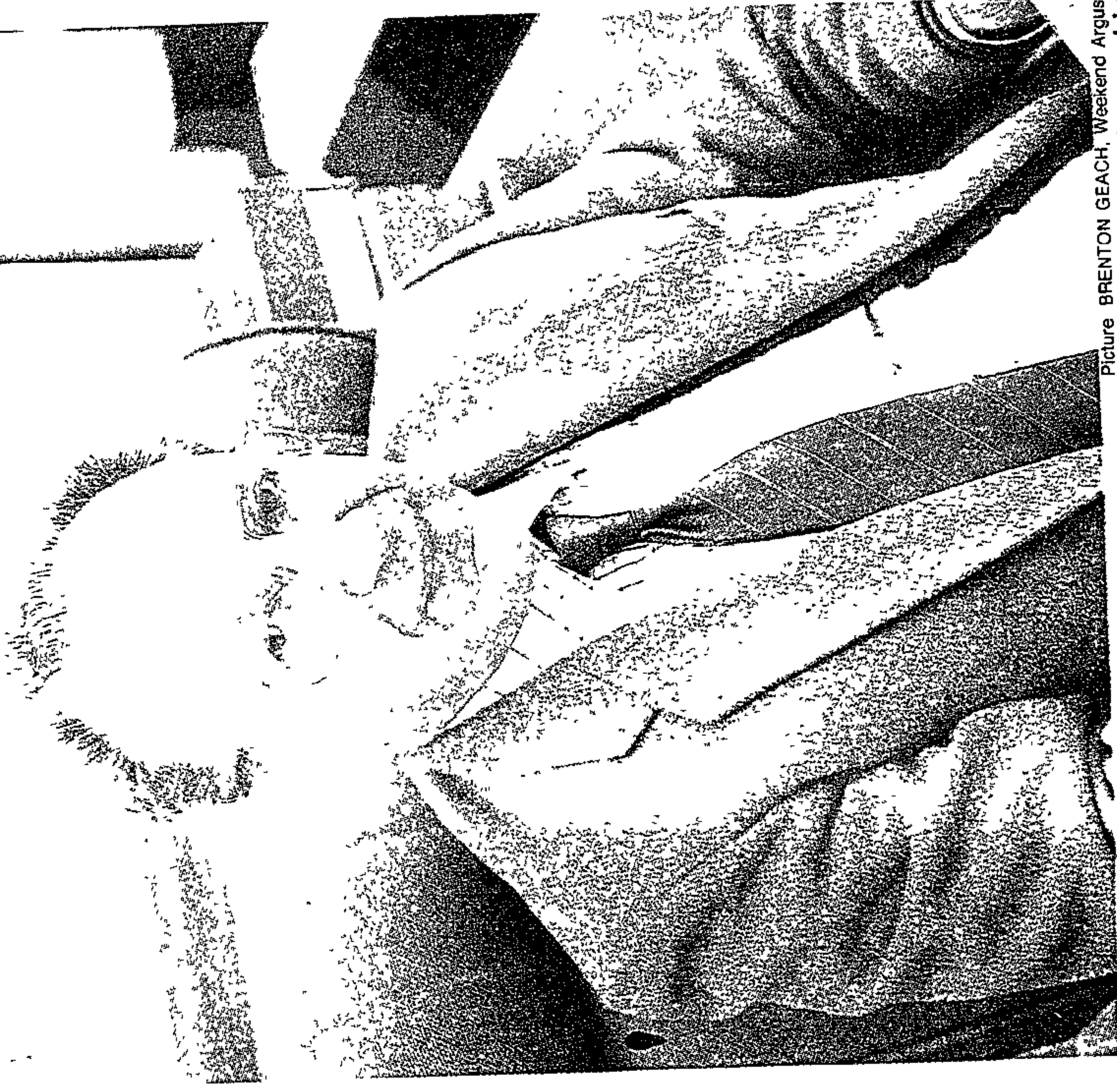
"It is quite natural that the policymakers who come from an elite minority should be concerned with their territory. "The model has been quite simple: Efficiency in all these

Professor Turok, a member of the parliamentary standing committee on trade and industry, said if the government wanted to achieve real development, it could not simply focus on the "skyscraper-efficient-modern-sector model and still expect to bring about a development that will embrace everybody and redress past imbalances".

He said even the developed countries had come to acknowledge that growth which benefited only the rich must also be accompanied by a policy of social development.

South Africa had chosen the RDP for that objective.

He expressed surprise that employers resisted, as demonstrated recently, the idea of centralised bargaining and some of the other demands of the workers. He said even in Britain and other developed countries these issues were part of the developmental norms.



Picture BRENTON GEACH, Weekend Argus.

□ **TIME TO ACT:** ANC MP Ben Turok, who recently joined the national assembly, says it's time the RDP moved away from debate and analysis and into action.

New financial instruments mooted to boost private investment

Robyn Chalmers

NEW financial instruments, including a reconstruction and development bond, are being mooted by government-appointed working groups investigating how to boost private investment in the reconstruction and development programme (RDP) which would speed up delivery.

The proposals are linked to an agreement which was reached recently between government, business and labour on the need for an infrastructure investment accord to promote private sector participa-

tion in the field.

Confidential documents on ways in which such an accord could become workable — drafted by the finance department, Development Bank of Southern Africa, Agricultural Society of Southern Africa, Rand Merchant Bank and the Financial and Fiscal Commission, among others — showed a strong leaning towards the need for more appropriate RDP financial instruments.

The reports said large-scale RDP infrastructural investment funds were expected to be raised over the next five to seven years, largely through municipalities and

parastatals, and indicated that contractual savings institutions could be a major source of funding.

"The value of the assets of the contractual savings institutions totals approximately R550bn and the flow of new savings per annum to contractual savers is about R50bn. If only 10% of these assets was directed to RDP investments, much of the problem of the distribution of investment for publicly provided services and infrastructure to deprived communities in SA would be solved."

A voluntary framework would be neces-

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RDP bond

Continued from Page 1

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way . . . that the ultimate cost of the product would not require an unacceptably high unit cost to the consumer, thereby avoiding subsidisation."

The reports said a disciplined approach to fiscal and monetary policy was a basic prerequisite for attaining RDP objectives on a sustainable basis. As current macroeconomic forecasts indicated a low economic growth scenario in SA, it was imperative that government formulated a growth strategy to improve revenue and provide greater room to manoeuvre.

RDP office human resource develop-

ment and capacity building chief director Frank Meintjies said at the weekend, that although delivery on RDP projects had been slow, the number of programmes was increasing. "Departments and provinces are forging ahead with putting RDP programmes on the ground."

The school nutrition programme 'was moving ahead well, new services were being provided from upgraded and mobile clinics at 25 sites countrywide, 489 projects had been approved under the community employment programme, training of small-scale farmers was on track and the land restitution programme was 'well under way'.

on the highly traded RSA bond issues by offering bonds with similar duration to highly liquid RSA bonds.

RSA bonds could be used to, manage interest rate exposure, while RDP bonds could be held as a core investment with a yield enhancement. As there was no dearth of infrastructural projects, it would be necessary to present investors with a range of choices for investment. "The decision to invest funds would be based on a regulatory framework limiting the risk in such a

Continued on Page 2

is RDP

Kriel warns of red tape danger in RDP forums

CT 24/7/95

(297)

CHRIS BATEMAN

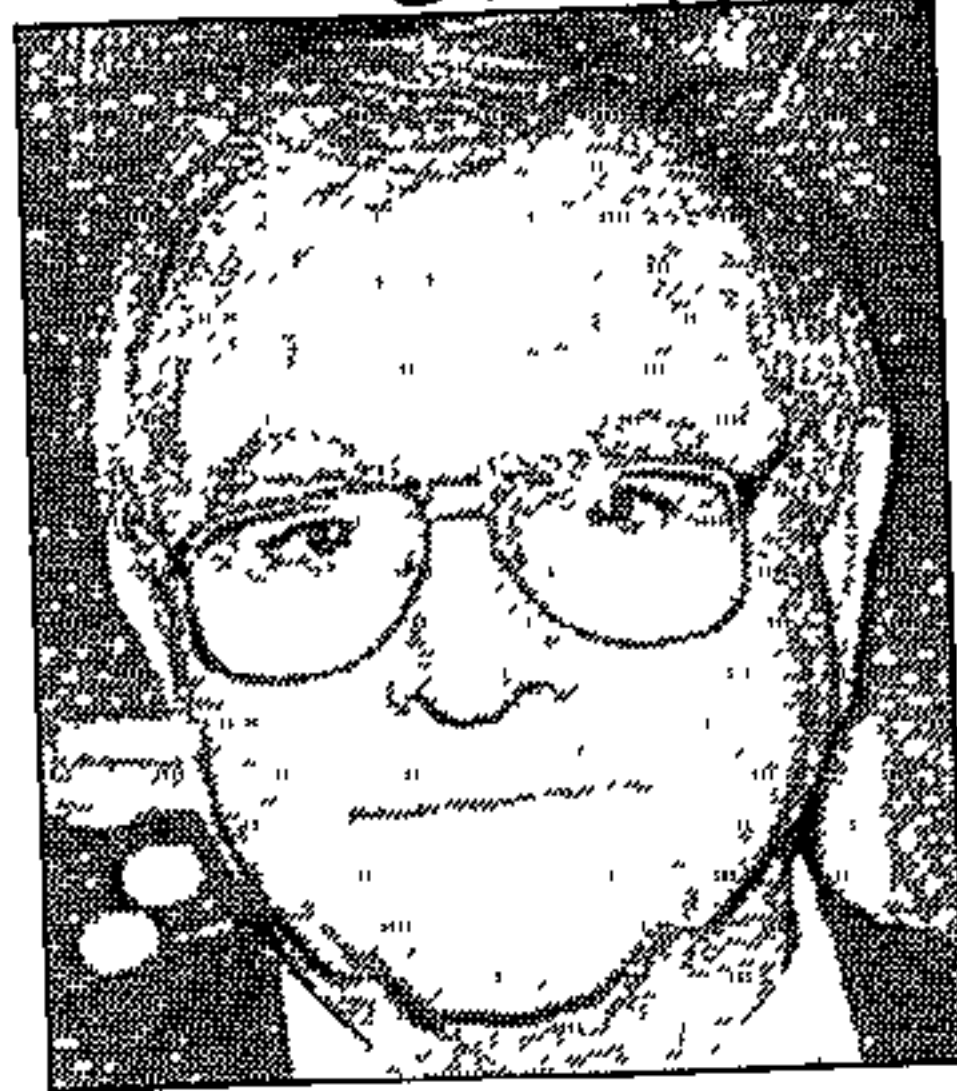
WESTERN CAPE Premier Mr Hermus Kriel warned over 700 delegates attending the regional RDP summit at the University of the Western Cape at the weekend to "guard against" politicising RDP forums because this was "a sure recipe for failure and disaster".

Delivering the opening address, Mr Kriel said while it was laudable to seek community involvement, the danger lay in the many forums and committees themselves forming a "new bureaucracy".

He asked that delegates "always keep in mind" the danger of "bureaucratisation".

The common goal should be to cut across political, racial and religious divisions.

The Western Cape was the first province to deliver a supporting document to the national RDP



WARNING: Mr Hermus Kriel

White Paper and also the first to hold such a summit

ANC Western Cape leader and Economic Affairs Minister responsible for the RDP, Mr Chris Nissen, said it was the government's task to create the conditions for com-

munities effectively to take part in decision-making.

He urged the 90 non-accredited RDP forums from across the region not to rely only on the government but to set up structures for their own empowerment.

The summit, through its theme committees, identified potential projects, social compacts and business plans — all tailored for conditions in individual communities.

Forums left the summit with a more concrete framework within which to work and an idea of how their plans compared with those of similar districts.

The RDP cabinet committee for the Western Cape will approve a scheme linking each forum to its local authority, which will act as a funding conduit once community-led projects are approved by Mr Kriel's government, in consultation with Pretoria.

INCREASED investment and growth related to the reconstruction

and development programme (RDP) would see SA maintain its widespread economic recovery well into next year, according to a recent report by investment house Union Bank of Switzerland.

Union chief economist Peter Buomberger said in the bank's third-quarter report that during 1995/96 SA was projected to register its highest growth rate in eight years. An increase in fixed investment projects and the start of RDP-linked schemes later this year could see SA achieve growth of 3,7% next year.

However, there was concern over the widening current account deficit, which was being financed primarily through short-term capital flows.

In a forecast of regional growth for the next 18 months, Asia topped the charts, with growth expected to reach 7,6% by

DIAGONAL STREET

RDP 'will help SA maintain broad recovery'

ment had been unable to spend more than 85% of appropriated funds.

Much of the rise in fixed investment in SA was related to a few large-scale private sector projects, but there was also an increase in investment in manufacturing, agriculture, mining and financial services, and a rise in employment.

However, the report was cautious on how the trade balance would evolve and warned of the emergence of larger current account deficits.

So far the improvement on the current account had stemmed from short-term capital, but medium- to long-term capital from foreign investors was needed to finance long-term economic growth. As a result, SA's balance of payments position and its ability to finance higher growth rates would be vulnerable to short-term shifts in sentiment by foreign investors.

The report said international short-term capital would increasingly come to monitor a country's macroeconomic performance on a day-to-day basis, "quickly and ruthlessly punishing it for any deviation from sustainability and yet equally rewarding it for mending its ways".

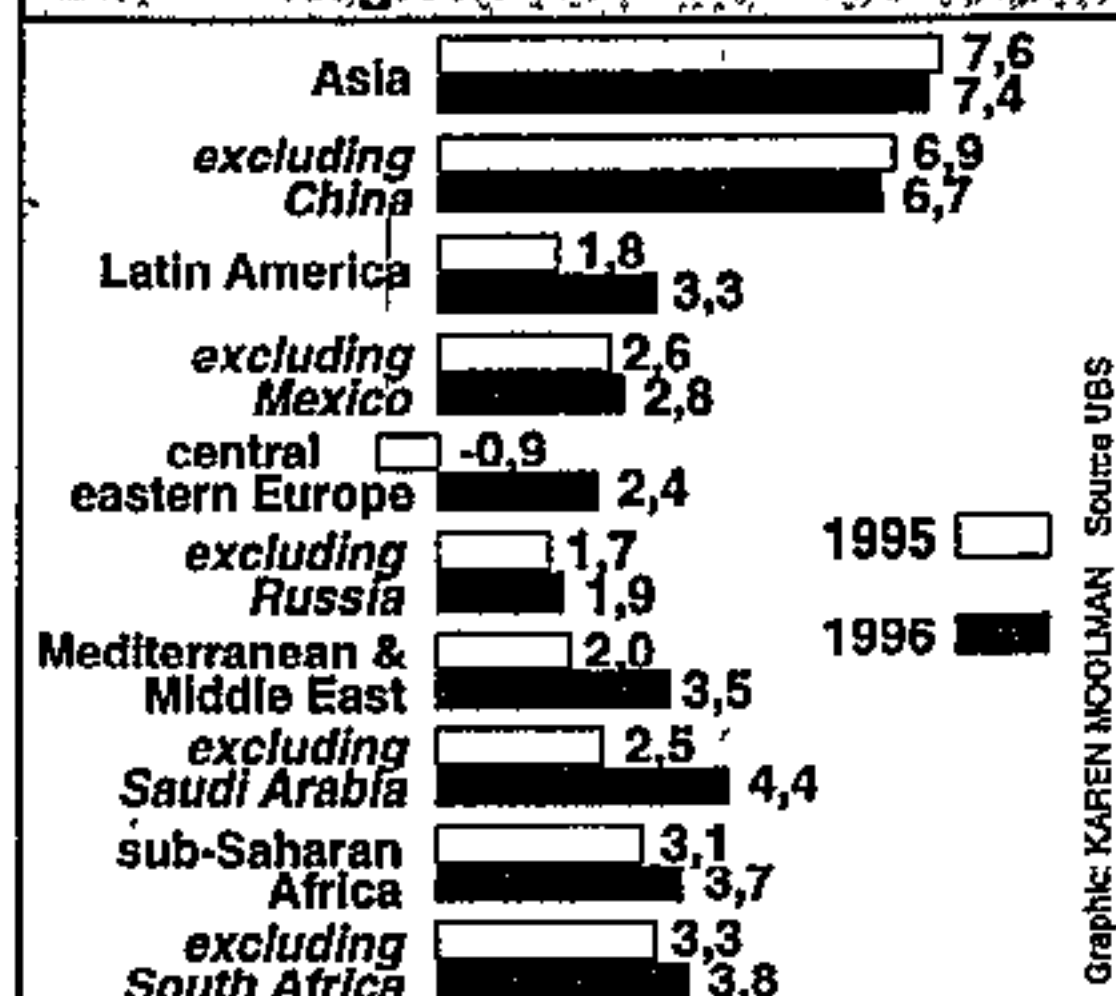
One of the lessons that could be learnt from the collapse late last year of the Mexican economy was that capital inflows should not be assumed to be a "permanent and irreversible reward for a recently improved macroeconomic track record", especially when short-term capital flows constituted the largest portion of capital inflows.

Another lesson was that macroeconomic policy had to be sound. "Not only must the government's budget be in order, but any tendency toward an unsustainable external imbalance ... must be met speedily with a domestic credit contraction and/or an exchange rate adjustment." There also had to be greater transparency in government accounts with data published more timeously.

Beatrix Payne

Asian growth continues

Regional forecast %



the end of this year and 7,4% next year. Sub-Saharan Africa was likely to perform marginally better than Latin America and the Middle East, with growth touching 3,1% by the end of this year and 3,7% next year.

Growth in Asia was likely to be slower than last year's, but would be faster than most other regions, the report said. Economic growth in China would be moderate in the next few quarters as the government attempted to control fixed-asset investments and curb expenditure.

A good performance from exports was likely to drive growth in Indonesia and Thailand in the next 18 months. But Thailand — the envy of other emerging economies — could experience its ninth year of consecutive fiscal surplus as its govern-

Cashing in on South Africa's reconstruction programme

297 Stan 24/7/95
■ BY GARNER THOMSON
STAR FOREIGN SERVICE

London – British construction firms are cashing in on South Africa's building boom as the country's reconstruction programme and tourist industry gets under way.

Architects and construction companies – hit by a domestic slump – are anxious to capitalise on the new South Africa's expansion, not merely because of the boom, but because United Kingdom standards are similar to those in South Africa.

According to a survey in (British) Sunday Independent, British firms are starting to capitalise on developments following South Africa's emergence into democracy, and the trend seems set to continue.

It quotes Richard Eyre-Wilson, vice-consul at the British Consulate, as saying: "Since the elections last April, there has been a clear increase in the number of companies looking to South Africa as a possible market."

Encouragement

"There's a lot of construction work at the moment, and we are encouraging British firms to take advantage of it."

Broadway Malyan, Britain's fourth largest architectural firm, is the latest to open a Johannesburg branch after securing three design projects with £110-million. These include a £40-million complex of offices, hotels sports centre, cinema and cafe.

Senior partner Brian Relph says: "Tourism has been ignored and now there is a drive to build hotels and leisure sites."

"There is also a tremendous drive to replace township accommodation."

Retirees' skills go 'to waste'

**MXOLISI
MGXASHE**
Staff Reporter

THERE is a reservoir of thousands of retired engineers, architects, geologists, townplanners, and retirees in other professions who are ready to make a sterling contribution towards the reconstruction and development programme without a fee.

This is the view of Camps Bay senior citizen Hillel Turok, a retired architect who served as Cape Town City Council chief architect before retiring in 1984.

"These people have much to offer. They are bored stiff and in most cases very keen to offer their knowledge, expertise and rich experience to ensure the RDP is successful in realising a peaceful and bright future for us all. They are just waiting for a call and they will respond in their thousands," says Mr Turok.

He has already approached several highly skilled senior

Architect Hillel Turok wants to enlist senior professionals in RDP projects

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citizens on the matter and their response has been an enthusiastic "We would be only too happy to be called to assist in the ministries involved in the work of the RDP."

Some of their areas of interests include serving as unpaid consultants or participating in a programme to train community leaders who will guide their constituencies in various projects including self-help housing.

"There is nothing more valuable to a senior citizen than feeling wanted, utilised, useful and appreciated. The moment people retire and have nothing to do they only live for six months and then die of boredom."

Mr Turok said he was once president of a Rotary Club that sponsored Progress Club for senior citizens which evolved various therapeutic projects to keep the retired engaged

bachelors (first class) and masters degree in architecture at the University of Cape Town and Columbia University in New York; work experience with high-powered companies and institutions here and in America and membership of prestigious professional institutes and community organisations.

He painted a portrait of President Nelson Mandela and had a letter of thanks from Tuyuhuis in August last year. He has framed that letter.

He is also writing a book on the pre-14th century history of Camps Bay and hopes by the time he finishes it the book would have gone 10 000 years back. The book will be published sometime this year.



□ GIVE US A CHANCE: Former Cape Town City Council chief architect Hillel Turok who is ready to mobilise thousands of skilled senior citizens for RDP work. Photo JACK LASTRAE

Private sector investment can breathe life into RDP

Colin Coleman

THE grip of our national debt, excessive costs of consumption items on the budget, the legacy of poverty, scarcity of skills and the near total failure of delivery mechanisms threatens to paralyse the reconstruction and development programme. This may result in cuts in social services in real terms to already impoverished communities.

This is an explosive recipe which is politically unsustainable. Sensing this, a sea change in the polity environment is unfolding.

Latching mischievously on to this and distortions of government's "six pack" of economic restructuring measures, privatisation ideologues, driven also by vested self-interest, have generated near hysteria hoping for an auction of public utilities, when what has been promised is "public sector restructuring". This is akin to watching sharks in a feeding frenzy chasing after a carcass, only to discover there is none and turning on themselves.

Instead, a pragmatic approach to the crucial question of private sector participation in the provision of public goods and services is needed. The key to this is infrastructure investment, regarded by the RDP to be at the heart of any attempts to alleviate poverty and at the same time lay the foundations for economic growth. RDP officials say a 1% increase in infrastructure stock leads to a 1% growth in GDP. To this end, the RDP office is working on an infrastructure investment accord.

There are three major categories of infrastructure: municipal or household infrastructure (water, electrification, sewerage and other services), social infrastructure (education, health, sports and culture) and economic spinal infrastructure (telecommunications, transport and energy).

Internationally, investment in such infrastructure has become a thriving growth industry with a market estimated in a recent International Finance Corporation

report to be \$300bn over the past decade, of which new investment accounts for \$100bn. The industry, led by dynamic private sector developers and financiers, is pushing the frontier of reform the world over, enlarging the scope for competition between infrastructure service providers. A host of examples is cited, including tunnels, airports, power plants, water and sewer services, road and rail systems, pipelines and telecommunication expansions.

These have been financed by the private sector through limited recourse funding mechanisms in which a project's revenue streams or cash flows pay over sustained periods for the upfront cost of the infrastructure. This can be as long as 55 years in the \$20bn UK-France Channel tunnel example.

Some tried and tested mechanisms suitable for SA are:

- Build-own-transfer (the \$15bn Kansai International Airport);
- Build-own-operate (the \$3,7bn China Daya Bay nuclear plant);
- Rehabilitate-operate-transfer (the \$3bn Buenos Aires water and sewer services); and
- Rehabilitate-own-operate (a \$2,3bn Australian power station).

Maintenance, management and operation contracts or leasing arrangements are variations on the theme, all of which can occur under continued state ownership of public enterprises, spiced with black economic empowerment opportunities. This is as true for small projects, such as schools and clinics, as it is for large ones.

It will not be easy — the RDP reality is one in which economic spinal infrastructure can be supplied to outlying areas only at a high cost for which one can expect low consumption of services.

The more decisive government is in providing an appropriate policy and an institutional, legislative and regulatory environment, and the more communities display a willingness to pay for services, the more the private sector will tend to invest. An important building block in this regard is the upcoming local government elec-

tion. An appropriate regulatory framework should balance the needs of the consumer (such as to be protected against massive increases in tariffs) with the willingness of the private sector to invest.

Analysis of public assets shows huge opportunities, and while full privatisation of some public assets may occur later, major opportunities exist (as with Telkom's 1-million lines tender) for private sector funding of infrastructure. Private sector funding, together with unbundling of public sector utilities and private sector delegated management and operation of public assets, is probably the best way forward.

With respect to labour concerns, continued public ownership with private sector operation should allay fears and create more job security through improved performance, management and operation of utilities. In fact, the use of labour-intensive infrastructure construction methods linked to capacity building and government's tendering and procurement guidelines, can be empowering and job creating in itself.

In this way major strides can be made to lift the shackles from the RDP so that its noble goals of social transformation can be realised in a new and dynamic partnership between the public and private sectors.

Government's goal of finding R60bn for municipal services alone over the next decade is, in the light of these factors, neither impossible nor overwhelming. If the market is a sea of predators hunting for opportunity, government's most important role is to scatter opportunity in a wide net so that private sector competitors turn their attention to how best to beat their opponents to the spoils.

In an environment of globalisation of financing and technological advances, such a vision is not a dream, but an alive and growing global industry.

□ Coleman is head of Standard Corporate and Merchant Bank's public finance division.

(297) 25/7/95

BRIEFS

Donation to jobs for disabled (297)

THE Industrial Development Corporation has donated R716 000 to the Orion organisation for the disabled in Atlantis.

The money will be used to create job opportunities for disabled people within the community.

CT 25/7/95

EU moves to speed up funds for SA

Linda Ensor

(297)

LONDON — The European Parliament has expressed concern over bottlenecks strangling the flow of funds to SA, noting that by the end of last month only 12% of the 125-million ecu allocated to the country had been committed to projects.

Of this amount actual payment had only been made in about 12% of cases, the parliament's development committee administrative officer David Lowe said yesterday.

"There are too many bottlenecks

both in SA and Brussels," he said, emphasising that there was a need to improve the financial management of aid programmes.

Proposals to improve efficiency and accountability are due to be presented to a plenary session of the European Parliament in October.

One of them is to give the head of the European mission in Pretoria the responsibility to authorise expenditure on projects up to a ceiling of 500 000 ecu.

Also proposed are measures which would allow SA and other southern

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African states to tender for European contracts on equal terms with European Union member states.

The European parliament has adopted a formal regulation to provide a legal basis for its expenditure on SA development programmes.

Parliamentary amendments incorporated into the finally adopted special regulation were the inclusion of environmental projects within the ambit of funding and the identification of community-based organisations as qualifying for aid.

Privatisation path will destroy RDP, warns Cosatu president

By LLEWELLYN JONES

STAFF WRITER

Ideologically driven economic prescriptions such as wholesale privatisation, the dropping of all tariff barriers, wage freezes and cutbacks in social spending, would destroy the reconstruction and development programme, the president of Cosatu, John Gomomo, said at the 31st Nafcoc annual conference in Sun City yesterday.

"While Cosatu has no problem debating any economic policy option with the genuine aim of finding solutions to our economic problems, it believes these options are ideologically driven proposals which are not dictated by the needs of the people of South Africa," Gomomo said.

If South Africa allowed a top-down structural adjustment programme to be imposed on it, large-

scale privatisation and cutbacks in state personnel would continue to deny basic social services to the masses.

Rapid unplanned lifting of trade barriers would result in large-scale destruction of jobs and industry, while export processing zones would perpetuate the pattern of attempting to compete on the basis of cheap labour.

On privatisation, he said Cosatu supported the need for re-prioritisation and reorganisation within the state sector, but totally opposed the sale of any state assets where this would have a negative impact on the implementation of the programme and on the delivery of social services.

Subjecting privatised parastatals to the laws of profit would deny the poorest of South Africans access to health care, electricity, transport, communications and

other services.

"Any restructuring of public assets must be judged by the single yardstick of the RDP — to what degree do the historically disadvantaged majority of our people benefit?" A second yardstick to be applied to public-sector restructuring was that of black economic empowerment.

Gomomo said arguing for growth based on "backward features" was a short-sighted vision which flew in the face of South Africa's democratic transformation, and only benefited big business.

"We believe that a strong and effective trade union movement has a vital role to play in creating a strong democracy. We believe that an effective and functioning democracy is based on good economic conditions for all," he said.

□ Page 16

Foreign interest relieves all gold index

By PETER GALLI

FEATURES EDITOR

Buying interest on gold counters lifted the all gold index 1,89 percent or 28 points to 1510 on the back of a higher bullion price and an improvement in international sen-

eral feeling that — whatever came through in the June quarter — perhaps there was a touch of overselling. The question is how long this will last," one dealer said.

Among gainers on the day were heavyweight Vaal Reefs, which was 900c better at R249. Kloof was

wise dull dealing day in Johannesburg, with industrials finding few favours and the index shedding 5,7 points to 6809,3.

One dealer said the better-than-expected performance from the Randgold stable might also have swayed some buyers.

JOB MARKET

Shell Livewire contest for entrepreneurs

By Isaac Moleli

SHELL Livewire's business skills training programme for this year in Gauteng now enters its last phase, the Young Business Awards competition.

Already 200 young people have attended a five-day intensive Livewire Business Skills workshops held at various centres in the Vaal Triangle, Pretoria, East Rand and Johannesburg.

Potential entrepreneurs

Besides the 200 potential entrepreneurs who attended these workshops, the Young Business Awards competition, to be held in October, also invites entries from young people who have not been through the Livewire programme, but have businesses that have been running for three years.

So, if you are running a business in Gauteng and are under the age of 30, this is your chance to win a Shell

Livewire Young Business Award Competition worth thousands of rands. Prizes range from R3 000 to more than R15 000.

Recognition will be given to the best business plan and the best young business.

Business plans

The training courses in business idea formulation, managed by Shell, have played a major role in helping young entrepreneurs draw up their business plans, so they can run businesses efficiently and solicit for finance.

Small business ventures

Some of the trainees have already started small business ventures to put into practice ideas learnt on the course, says Shell.

Those interested in the programme can contact Keith Ngcobo or Georgina Nyawose on (011) 482-3667 for more details.

SAB helps the sick and disabled

By Isaac Moleli

DISABLED YOUTHS AT THE Tsakane school near Brakpan will now have a chance to learn basic skills and improve their chances of finding work after a donation needed to qualify the school for funding from the Department of Education.

South African Breweries District East has donated R20 000 to Malsedisso Special School for the Disabled to enable it to qualify for funding from the Department of Education. The pupils will be taught woodwork, metalwork and other skills.

School management board member Mr Leonard Kgomo says the school was grateful for the SAB grant as it will enable the school to impart skills to disabled youths and open new opportunities for them.

"We would like to be self-sufficient," says Kgomo, adding that the school would start gardening programmes so

The grants will help pupils get training and ensure care for the sick

We intend running two courses a year in basic care skills, to enable people to help terminally ill patients who remain unattended in their homes

that they could sell vegetables to the local community.

In another development on the East Rand, SAB's District North donated R58 000 to help Hospice in the area to train residents in the care of cancer and Aids patients. The project will run for 16

weeks.

"We intend running two courses a year in basic care skills, to enable people to help terminally ill patients who remain unattended in their homes," says trainer and nursing sister Valencia Mkhize.

As part of their training, the trainees will work at old age homes and other health centres in the area to gain practical experience. The trainees will also train families in caring for ailing relatives.

SAB North district manager Mr Hloni Maseela says the company assists in this type of training as it is often neglected because of other pressing RDP needs.

"We feel it is critical for our youths to be empowered with such skills. It could well be their own parents or relatives who suffer from such illness," he says

Improving a disabled person's lot in and around the home

BY BONGIWE
MLANGENI
HOUSING REPORTER

For the disabled, a home can sometimes bring misery — most disabled people are still prisoners in their homes despite increasing awareness of the problems created by inaccessible buildings.

According to Department of Welfare director Dr David Nghatsane, free mobility is important in making life more meaningful for the disabled.

"Many properties exclude persons with disabilities because they are not built in accordance with a code of practice," Nghatsane said.

He said the Welfare Department was liaising with the Department of Housing to address the problem.

In addition, a code of

practice on the accessibility of buildings for disabled people had been developed with the help of the SA Bureau of Standards.

Association of the Physically Disabled social worker Jean Esterhuysen said life was more difficult for the disabled living in the townships. Problems of restricted mobility were also found in public areas.

"Some disabled people living in Soweto and using trains cannot reach all platforms as there are only stairs," she said.

The code of practice has prescribed several ways to accommodate disabled people:

■ Lights, awnings, hanging signs and other objects should be installed in such a way that they did not obstruct blind people.

■ In cases where this was unavoidable, a detectable barrier should be provided at floor level.

■ Windows and doors should not open across walkways, stairs or ramps.

■ Glass doors should be adequately marked for the short-sighted.

■ A blind person should be able to control the panel on a lift by touch.

■ Doorways should allow wheelchair users to move freely.

■ To accommodate the deaf, emergency warning signals should be visible as well as audible.

The Department of Welfare is funding a National Environmental Accessibility Programme (Neap), which focuses on making the physical and social environment more accessible for the disabled.

Elections 26/7/95 'holding back RDP' (297)

STAFF REPORTER

THERE is unlikely to be much progress in Reconstruction and Development Programme projects until after the local elections.

This was the opinion of quantity surveyor Mr Nazeem Khan at a panel discussion on the RDP yesterday at the Waterfront.

Mr Khan, who was speaking at a discussion organised by the UCT Graduate School of Business, said: "Local governments are the arms and legs of the community, and as such we are unlikely to see many RDP-related projects getting off the ground until these elections are behind us."

Professor Brian Kantor, director of UCT's School of Economics and chairman of the Victoria and Alfred Development, said one of the biggest problems facing the RDP was that the government "seems unable to spend the money it has allocated for development projects".



RDP EXPERTS: Economic experts spoke about the RDP and its role in South Africa at a conference at the Waterfront yesterday. They are (from left): Professor Willie Esterhuyse, MP Mr Nyamezeli Booi, Mr Nazeem Khan and Professor Brian Kantor.

PICTURE: ALAN TAYLOR

The government needed the administrative ability to deliver on its own budget.

Professor Willie Esterhuyse, professor of business ethics at Stellenbosch University, said preventing the RDP from becoming a "romanticised economic blueprint, controlled by bureaucrats and technocrats" would be a challenge. Steps were needed to prevent the RDP from becoming a support system for bureaucrats and consultants who had no understanding of development; a cen-

trally controlled blueprint for wastage of resources on badly planned projects; and a means to exclude the private sector from development, or dictating the role of the private sector.

MP Mr Nyamezeli Booi said the government was addressing the problem of preventing the RDP from spawning a new bureaucracy.

While it was worrying that South Africa had not been flooded with investors, infrastructure was needed in rural and parts of urban areas, to draw investors.

RDP delay as politicians turn attention to elections

By MAGGIE ROWLEY

The reconstruction and development programme was unlikely to make much headway ahead of the local elections, said Nazeem Khan of quantity surveying firm, Bham Tayob & Khan.

Participating in a panel discussion on the programme, organised by the Graduate School of Business Association in Cape Town yesterday, Khan said the focus of politi-

cians, who were the driving force behind the programme, had shifted to preparing for local elections.

"Local government are the arms and legs of the community and as such we are unlikely to see many RDP-related projects getting off the ground until these elections are behind us."

The programme was also being bogged down by bureaucratic red tape on the insistence from central, provincial and local government

that they approve every step.

Also, politicians and officials were bickering over control of expenditure.

"The feeling on the ground is that the situation is compounded in the Western Cape and KwaZulu Natal due to the principles of (the programme) being laid down, by the ANC, and the provincial governments now playing these down and employing delaying tactics."

Khan, said the programme did

provide numerous opportunities for professionals in the construction industry to act as consultants to ensure that proper planning principles were implemented and to help identify community needs and assist officials in making the right decisions.

Professionals needed to help local authorities devise schemes to streamline and speed up the lengthy approval processes that were delaying implementation.

If emergent contractors were to be drawn into the programme acceptable warranty schemes needed to be developed.

"For example, sureties and other financial guarantees, which amount to a fairly high percentage of large contracts, are generally required from the contractor."

"Unless alternative mechanisms to this are found, 90 percent of emerging contractors would be discounted," Khan said.

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(297)

University, community body in R800m project

Nicola Jenvey (297) B0 25/7/95

DURBAN — Natal University's Education and Innovation Foundation would grow in tandem with the Cato Manor Development Programme, director designate Eric Senior said yesterday.

The first phase of the R800m project included a R13m conference centre and facilities to establish small high-level technological businesses on-site.

A training hospital and low-cost housing schemes would be established on land belonging to the university. A multimillion rand training centre could also be built.

Plans included a 50-unit small business park for entrepreneurs, which Senior speculated could be funded through reconstruction and development programme (RDP) finance, and a middle income range hotel.

"The foundation will provide research and development facilities and solve community issues. We must smash the ivory tower illusion by creating new jobs, from upper corporate to small-scale business as a contribution to the RDP," Senior said.

If a student had the potential for a new business, the foundation could provide backing.

This support would include facilitating bank loans, linking the student with possible joint venture partners or co-operating with the Small Business Development Corporation.

Director Lee Natrass said the foundation would pay tax, since it would facilitate new companies until the entrepreneur assumed responsibility.

He said SA universities were bound to increase financing through payments for services rather than by grants, government subsidies and student fees.

Such services might include commissioned research and development for specific companies, and that paid for on behalf of impoverished communities.

Ithuba shake-up will lift standards

(297) CT(MR) 26/4/95

BY ANDY DUFFY

STAFF WRITER

The scratchcard group Ithuba Trust has embarked on a management shake-up in a move to lift its operational standards.

The group is to recruit a chief executive officer and a finance director, and plans to implement a root-and-branch rethink on its fund-distribution efforts.

Ithuba — which allocates about R35 million a year to worthy causes — has not had either post before, relying instead on a skeleton staff led by a consultant.

The decision to open up to outside candidates follows a lengthy strategic review of Ithuba's struc-

ture, recently lent impetus by government lottery proposals. Ithuba expects such proposals to expand the level of funds it handles.

The new CEO will be expected to draw up a detailed agenda to reshape the organisation to meet new demands.

"There's much more money at stake now, but we haven't had the infrastructure to handle it," the executive consultant, Hennie Visser, said. "I'm not qualified to read companies' statements"

Ithuba has run the gauntlet of shake-up and controversy in the past 18 months.

The organisation's ticket distribution through Games Africa was merged with rival Viva Trust and

relaunched as Winalot last year. It also linked with other fund-raising groups, such as Kagiso Trust, to push for a giant state lottery.

Ithuba has also been forced to defend Games Africa's financial statements, and itself, after it emerged that only 16 percent of proceeds were going to charity.

According to Ithuba's recruitment advert, the new CEO should have at least 15 years' management experience, and a Masters in Business Administration would be an advantage. Visser said Ithuba would not pursue affirmative action in the appointment.

Ithuba's board of trustees chairman, Raymond Parsons, will not be affected by the shakeup.



REACHING FOR THE SKY: Former Boeing jumbo pilot Mr Antonio Mello of Portugal is flying around the world to appeal to international aviation authorities to allow disabled pilots to fly aircraft with specially adapted controls.

PICTURE: NIC BOTHMA

Pilot flies on global mission

ET 26/7/95

LYNETTE JOHNS

STAFF REPORTER

(298) (297)

A WHEELCHAIR-BOUND Portuguese pilot is flying around the world in an attempt to persuade authorities to allow disabled pilots to man flight controls.

Mr Antonio Mello, 53, set out from Lisbon, where he lives, in his BeechCraft Bonanza F-33A last week and hopes to complete his circumnavigation in September.

He flew to Guinea, Sierra Leone, Abidjan and Windhoek and landed in Cape Town on Sunday. He left for Mozambique early yesterday.

He was left paralysed 17 years ago when he was misdiagnosed as having a malignant tumour on his spine and was operated on. After months of treatment it was found he had initially had a slipped disc.

Mr Mello, who piloted Boeing 737s, lost his pilot's licence in Portugal, but gained another from the International Wheelchair Aviators in California in 1989. He now works for the Portuguese Air Force as an authority on civil aviation.

He said he hoped to demonstrate that disabled pilots could fly aeroplanes. "The disabled are still healthy people and I need to convey this to the aviator medical boards around the globe who do not allow disabled pilots to fly."

Police probe Boesak allegations in Europe

APR 27/7/95

(297)

STOCKHOLM. — South African police will visit Sweden and Denmark next month to investigate allegations that Allan Boesak misappropriated funds from Scandinavian donor groups.

This is according to Danchurch Aid and the Olaf Palme International Centre.

The investigators will visit the Danish Danchurch group from August 9 to 15 and the Swedish Olof Palme centre from August 20 to 25.

The organisations are just two of several Scandinavian donors that gave money to Dr Boesak's Foundation for Peace and Justice.

A third organisation, Norway's Det Mellomkirkelig Raad (the Council on Ecumenical and Foreign Relations), said yesterday it did not know if South African police would be visiting Oslo.

The scandal over missing funds forced Dr Boesak in February to withdraw from his appointment as South Africa's ambassador to the United Nations in Geneva.

The most serious allegations come from Danchurch Aid, which alleges Dr Boesak "substantially enriched himself" at the expense of his charity.

Lawyers for Danchurch Aid have said they intend to sue Dr Boesak for the return of the R1,3 million he allegedly acquired from the charity over and above his salary.

Private investigations into Dr Boesak's financial affairs, including a government report exonerating him and an investigation by Danchurch Aid, were not sufficient to prove the former anti-apartheid activist's innocence or guilt. — Sapa-AFP.

NEWS

Boesak graft probe takes police abroad

(277)
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SAW 27/7/95

Stockholm — South African police will visit Sweden and Denmark next month to investigate charges that South African cleric Allan Boesak misappropriated funds from Scandinavian donor groups, two organisations said yesterday.

The investigators will visit the Danish donor organisation, Danchurch Aid, from August 9 to 15, and the Swedish Olof Palme International Centre from August 20 to 25, the two groups said.

The organisations are just two of several Scandinavian organisations which donated money to Boesak's charity body, the Foundation for Peace and Justice.

A third organisation, Norway's Det Mellomkirkelig Raad (the Council on Ecumenical and Foreign Relations), said yesterday that it did not know whether the South African police would visit Oslo.

The scandal over missing funds forced Boesak to withdraw from his appointment by South African President Nelson Mandela as ambassador designate to the United Nations in Geneva.

The most serious allegations come from Danchurch Aid, which claims that Boesak "substantially enriched himself" at the expense of the Foundation for Peace and Justice.

Lawyers for Danchurch Aid have said they intend to sue Boesak for the R1,3-million he allegedly acquired from the foundation over and above his stipulated salary.

Private investigations into Boesak's financial affairs, including a government report exonerating him and an investigation by Danchurch Aid, were insufficient to prove the former anti-apartheid activist's innocence or guilt. — Sapa-AFP.

RDP project for Kathorus

By Mokgadi Pela 27/7/95

RESIDENTS of Katlehong-Thokoza-Vosloorus will on Saturday launch the Simunye Project as part of their contribution to nation building and the Reconstruction and Development Programme.

Project facilitator Reverend Mvume Dandala said Simunye aimed to improve unity and tolerance in the East Rand townships. The key aspect of the project will be the integration of former ANC-aligned Self-defence Units and IFP-linked Self-protection Units. The

launch will take place at the Thokoza Auditorium near the local police station.

Mvume has worked behind the scenes for months in close relationship with the Gauteng ministry of safety and security on the project.

"This has not been an easy task. Despite some real problems, the commanders of the SDUs and SPUs continued to meet regularly. The effects of these meetings, coupled with the efforts of the Community Policing Forums, have undoubtedly played a key role in lowering the temperature," Dandala said.

Private investment boost mooted for RDP 'crisis'

Robyn Chalmers

A NATIONAL crisis exists in the slow delivery of the reconstruction and development programme, making it imperative to create new financial instruments for private sector investment, says Investment Development Unit CE Errol Benvie.

Benvie said the creation of investment vehicles aimed specifically at different RDP sectors were crucial for the private sector, and particularly the contractual savings industry, to invest.

He said the organisation — part of the Life Offices' Association — believed there was a two-year window of opportunity for the RDP to succeed before electioneering for the 1999 election began.

"By that time, both government and the private sector must show obvious and material improvements in the disadvantaged communities," he said.

The lack of significant delivery to date was strengthening the hand of opponents to government and the private sector had to respond with voluntary participation in partnership with government.

Benvie's comments follow several government-appointed working groups' sug-

gestions on how to boost private investment in the RDP to speed up delivery.

Minister without Portfolio Jay Naidoo said recently that an RDP infrastructure investment conference would be held in September to consider an RDP infrastructure investment accord.

Naidoo said the accord would address issues like the need for a regulatory framework to facilitate RDP investment by institutional investors, and government's expectations of the private sector.

Benvie said it was evident that government had acted in good faith as there were clear signs that it was not considering any form of legislated or formal compulsory participation by the private sector.

"It seems that policymakers in government are convinced that the international experience where high economic growth has occurred is characterised by a sound voluntary partnership between government and the private sector," he said.

Benvie said a range of investments were required, a number of which were aimed at specific sectors. This would provide a portfolio of investments for local and foreign investors wishing to invest in a particular area such as water or services.

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Mending psyches of the traumatised

Sowetan 28/7/95
The Kathorus School-Linked Assessment and Counselling Centre will attempt an RDP of the mind (297)

By Betsy Spratt

ALTHOUGH REPAIRS HAVE BEEN MADE TO MANY OF THE buildings around the violence-ridden Kathorus area, little has been done to mend the damage to the souls and psyches of its residents.



Many East Rand students were traumatised by violence in East Rand townships. The Kathorus School-Linked Assessment and Counselling Centre will provide a much-needed service.

The Kathorus School-Linked Assessment and Counselling Centre will begin mending the psychic damage to students in the area by training teachers to recognise the signs of a traumatised child, said Mrs Thembi Ramokgopa, community programme manager at the Johannesburg Parent and Child Counselling Centre.

Last year, the counselling centre joined forces with Caltex Oil to begin the centre, the first in the country to have social workers and psychologists on site to counsel students suffering from emotional overload, Ramokgopa said.

"We're starting in the Kathorus area because it was the most traumatised community," she said. "But we hope it will be replicated in other communities."

The training began last year when teachers in each of the area's townships — Katlehong, Thokoza and Vosloorus — participated in a 12-hour training workshop.

The teachers were coached on how to spot the signs of disturbance, begin their own healing process and improve their listening skills, Ramokgopa said.

"If a child who was once outgoing is now withdrawn or has become aggressive, that is a sign the child may be suffering from trauma," she said.

In August, the teachers will continue their training with a 40-hour workshop on basic counselling skills. Afterwards, they will spend an hour each week counselling students whose consciousness have been seared with memories of the political violence and taxi wars that scarred the region.

Interim steps

"Kathorus has been an ongoing situation of violence," said Mr Ludumo Magangane, of the Gauteng department of education. "The teachers themselves were traumatised."

"Many of them had to teach classes of 60 students. This training has empowered them. It's even improved their teaching skills."

However, the centre is not meant as a final solution for the region's problems, but rather as an interim step until the Government can set up its own programme, said Ms Poppie Baloyi, corporate community investment manager at Caltex Oil.

In the meantime, Caltex has enlisted the aid of the Job Creation Project at the Katlehong Resource Centre to renovate the site for the counselling centre, Baloyi said. The resource centre has provided 50 meters of space for the project.

Vista University psychology honour students have been enlisted to conduct psychological assessments on the students, Ramokgopa said.

"We only have two psychologists," she said. "There's no way they could do assessments on all those students."

The university students also benefit from the centre, Ramokgopa said. Before its creation, they had nowhere to do their practical work.

"So this is a win-win situation all the way around," she said. The centre will also have access to the occupational and speech therapists at Natalspuit Hospital, Baloyi said.

Because of the severity of the trauma, the healing requires this team approach. Without it, the teachers could do more damage than good, Ramokgopa said.

"You can have the best system of education, the best schools — but if the students are not ready to learn, then you might as well forget it," she said.

Missing funds search

Investigating team to visit Denmark to

GLYNNIS UNDERHILL

Staff Reporter

LAW firm Bell, Dewar and Hall, which conducted the bombshell investigation into the financial affairs of Allan Boesak's Foundation for Peace and Justice, has been assigned by Nordic donors to keep a watching brief and act on their behalf to recover misappropriated funds.

Lawyer Gregg Nott said the Johannesburg firm would be looking at all ways of recovering donor funds, which were given to the foundation for distribution to victims of apartheid.

No decision had yet been taken to sue Dr Boesak or any other former staff members of the foundation, he said.

"We are taking it step by step. The donors will be discussing the matter with the Office for Serious Economic Offences in August and we will take it from there. We are going to look at all ways of recovering the money," he said.

A representative of the firm had attended the sequestration hearings of former bookkeeper at the Foundation for Peace and Justice, Freddie Steenkamp, who appeared in a Cape Town court last week.

■ Nordic donors will meet with the Office for Serious Economic Offences before deciding how they will recover foreign funds misappropriated from the Foundation for Peace and Justice.

It was the report released by Bell, Dewar and Hall which claimed Dr Boesak "substantially enriched himself" with the donor funds. Mr Steenkamp admitted to the law firm that he and other staff members had taken "loans" from donor money.

Dr Boesak was forced to resign from his appointment to the United Nations ambassadorship in Geneva after the scandal broke.

Kirsten Lundtzen, head of the planning department at donor organisation DanChurch Aid in Denmark, told Saturday Argus the organisation was expecting the Office for Serious Economic Offences to visit them in the first two weeks of August.

"They have told us they would like to talk to a number of staff and we have said we will try to help them as much as possible," she said.

Mr Tommy Prins, assistant director of the Of-

Interview staff

fice for Serious Economic Offences (OSEO), said he had approached the ministry of Justice for approval to undertake the trip.

Mr Prins said that as he was heading the investigation, he would probably be going on the trip. "I can't say when we will go. It depends on when we get permission," he said this week.

The OSEO was weighed down with files relating to its investigation of the case, he said.

"It is a complex enough case, but I don't think it has been one of our most difficult," he said.

Mr Prins denied rumours the OSEO would be preparing an interim report this week and stressed no undue pressure had been placed on them to conclude the case.

The OSEO would be sticking to its original deadline and planned to wind up the case by November. "We are going according to schedule," said Mr Prins.

The OSEO had not yet interviewed Dr Boesak in connection with the case.

"We will be giving him an opportunity to say whatever he wants to," he said.

It was likely Dr Boesak would be interviewed toward the end of the investigation. He said he had "no comment" to make when asked whether the OSEO had interviewed Mr Steenkamp.

Businessmen unhappy with slow pace of RDP funding

MAUREEN MARUD
Business Reporter

The country's Reconstruction and Development Program (RDP) has failed the construction industry, businessman Nigel Cornfield told a Graduate School of Business Association meeting in Cape Town on Tuesday.

He was one of several business people at a panel discussion on the RDP who expressed frustration with the slow pace of allocating funds for job-creating projects like building houses, schools, hospitals and clinics and generally closing the gap between the haves and have nots.

"What the industry is telling government is that if you don't get the RDP going and channel those funds out, there will be no industry to make your RDP work," Mr Cornfield said.

In the first five months of 1994, contracts worth R600 million were awarded in the Western Cape. Over the same period in 1995, only R129 million in contracts were awarded, he said.

That represented one month's capacity turnover for the civil engineering industry in the Western Cape.

In the last quarter there was a 15 percent drop in employment in the construction industry country-wide.

"When you link employment to turnover we can expect the number of employees to drop by 50 percent in the civil engineering industry."

The number of capital projects had fallen drastically because money taken out of gov-

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ernment, provincial administration and municipal budgets to fund the RDP had further reduced the disposable income those institutions had left after salaries and day-to-day running expenses were paid.

The RDP should not be seen in isolation, replied panelist, ANC MP Nyamezeli Booi.

The Western Cape provincial government was responsible to a large extent for the distribution of RDP funds, he said.

"You have to push the people who are controlling the resources. All of us need to find a way to solve the problems."

Mr Booi warned against rushing into producing projects.

"It is a dangerous route. We have seen it over many years in South Africa."

Panelist Willie Esterhuyse, professor of social and political philosophy at Stellenbosch University, blamed the slow process of allocating RDP money on the ANC's "obsession with democratising decision making". As a partner in the Government of National Unity, the ANC insisted on seeking consensus "into the next century" before deciding which projects to fund.

Strong leadership and a quick decision-making process were needed, especially for socio economic issues and the problems of poverty, he said.

Professor Esterhuyse said the RDP meant different things to different people.

Among the poor and disadvantaged it had the image of a Father Christmas — "presents galore, if you can only get hold

of the elusive fatherly figure."

Some government representatives spoke of the RDP as if it was South Africa's magic wand, he said.

In business and academic quarters the fear was expressed that the RDP, instead of fighting poverty, was fast becoming "a support system for bureaucracy and a growing chattering class of consultants."

Brian Kantor, professor of economics at the University of Cape Town and chairman of the Victoria and Alfred Waterfront Development, said "all sorts of new political entrepreneurs" were finding a niche for themselves in the bureaucracy.

Competition for bureaucratic spots in itself was slowing down the process.

"I would think that there was something in between authoritarianism and complete hiatus. There is room for leadership."

Panelist Nazeem Khan, quantity surveyor, said there had to be a lot more proactive communication by business with the communities. Business had to initiate and identify projects.

"By doing that I think you are going to be establishing work for yourselves with approval of communities."

The problem with that suggestion was that it was usually difficult to know who the real leaders were in any given community because there was no elected local government, Professor Esterhuyse said.

Hopefully after the local government elections, mechanisms would be put in place for policy implementation to get off the ground, Professor Esterhuyse said.

Closure of development, relief bodies disastrous ⁽²⁹⁷⁾ for those who need them

At least 100 non-governmental organisations working in the development and relief sectors face closure. Many blame the Government for failing to take a decision on how these organisations should be incorporated into RDP projects. **SUSAN MILLER reports**

The only national community-based HIV education programme run by the National Progressive Primary Health Care Network closed this year because it ran out of funds.

"How could the Government or South African society let an AIDS programme close in a country where AIDS is a major threat, and in KwaZulu-Natal one in every five women is being diagnosed HIV positive?" asked NPPHCN spokesman Judi Fortuin this week.

Danger

According to Fortuin the closure of such a programme affects not only one organisation but also community-based bodies that work together and communities, where morale drops as projects are cancelled.

The people affected by the closure of development and relief agencies are usually the very same poor who RDP projects are supposed to help.

Fortuin expects the Disabled Peoples of South Africa organisation will also have to close down by the end of the year.

Zane Dangor, spokesman for the Development Resource Centre, which is behind the drafting of the proposed Non-Profit Organisations Bill, says the organisations most in danger at present are those that depend on funding from the European Union and US Aid, which have

directed funding away from specific NGOs and towards the RDP office.

There is a perception among NGOs that money has arrived from the EU Parliament but has not been dispersed from Pretoria. However, this is denied by Richard Zinc, head of the development unit of the EU, who says it committed a large percentage of its funds to NGO projects for a two to three-year period last year and is therefore still committed to these projects.

Zinc says the 1994 EU budget for South Africa was 110-million Ecus (European currency units) and the 1995 budget was 125-million Ecus. (One Ecu equals R4,90.)

"Most of our projects this year involve NGOs, including the Land Reform Pilot Programme. We have made it clear to the RDP office that we want NGOs involved in projects and are considering ways of funding grassroots NGOs which are in danger of closing," Dangor says.

But NGO representatives say they have tried again and again to get a clear directive from the RDP office and the RDP Commission on where they are expected to fit into future projects.

He says NGOs are querying whether the RDP office and various government departments and ministers have the political will to incorporate effective NGOs into their projects.

"The idea was motivated by the RDP office as they wanted a structure they could use to fund various NGO projects. However, when the Independent Development Trust and Kagiso got their act together and handed in proposals including an administrative structure, the RDP office delayed making a decision," says Dangor.

According to Zinc, the EU would welcome the recognition of a national development agency and would be willing to contribute to it. "We expect it to be

operative in the very near future," he says.

Dangor says local industries are also not as supportive as they could be, but that the biggest block to their support is section 18a of the tax laws which effectively means that businesses can obtain tax rebates only if they donate money to formal tertiary educational institutions.

"Part of the (Non-Profit Organisations) Bill, which we hope to get circulated in Parliament with multiparty support, includes the recommendation that this part of the tax structure be changed," says Dangor.

He adds there is a desperate need for the local donor base to be increased, so that organisations can be weaned from their dependence on overseas funding.

However, Kathryn Kure, a researcher at the Liberty Life Foundation says government restructuring of the tax structures could come too late for many NGOs facing closure this year.

Analysis

"This is going to take a while and many NGOs are in a funding crisis right now," she says.

It is understood that Deputy Minister of Finance Alec Erwin and members of the RDP staff will carry out the analysis.

Kure says the funding crisis seems to be the result of a change of direction in overseas funding rather than a lack of local corporate funding.

The Non-Profit Organisations Bill will be circulated for final approval by representatives of NGOs at the launch of the newly formed NGO Coalition on Wednesday and Thursday.

Other recommendations include the scrapping of the current Fund-Raising Act and the proposed registration of all non-profit organisations at a central public office with maximum public accountability of each organisation's books.

Star 29/7/95

RDP office in search of ways to support the struggling NGOs in friendlier tax environment

Star 29/7/98

(297)

By SUSAN MILLER

Minister in charge of the RDP Jay Naidoo is negotiating with the European Union for funding to be made available urgently to non-governmental organisations (NGOs) through one of the EU's traditional channels.

A spokesman for the RDP office in Pretoria said, in reply to a list of questions from the *Star*, that the RDP office was exploring ways of supporting NGOs and would assist wherever it could in getting the Government to address NGO

submissions regarding a friendlier legislative and tax environment.

"We do not intend to act as a rubber stamp or get embroiled in the rivalries between NGOs," he said.

The spokesman said Naidoo and Deputy Minister of Finance Alec Erwin had launched the idea of a national development agency, which would be formed by the merger of Kagiso Trust and the Independent Development Trust, but it still remained to be seen how funds would be redistributed by this indepen-

dent agency.

He said the Department of Finance still had to work out how this process could be regulated and what controls could be implemented.

The spokesman said the idea had not received full support from all NGOs and some had even asked for the process to be slowed down.

In a draft policy statement, the ministry acknowledged that no mechanisms had been developed for involving NGOs in national development.

"The RDP Ministry is active-

ly supporting the use of NGOs as service providers in accelerating RDP delivery through the HRD Providers Council and recognised forums at provincial level," the spokesman said.

He stressed that the RDP Ministry was not a funding agency and lacked the capacity to consult with the many NGOs who wanted information.

"We refer NGOs to provincial departments, the provincial RDP or national departments and encourage organisations to seek information from the NGO Coalition," he said.



WORKING ON IT: Minister Jay Naidoo is trying to get funds to NGOs via the EU

Few feel benefits of RDP

By EDYTH BULBRING
Political Correspondent

(297) ST 30/7/95
AFTER 15 months of a democratic government, most people had heard of the RDP but the majority of those felt they had not benefited from the programme, according to a survey by Market Research Africa.

The survey was conducted among 2 508 people in urban areas to establish the extent to which the RDP was known, whether people felt they had benefited from it and in what ways, and to assess expectations.

Half the respondents polled in May and June were men, and 1 000 Africans and 1 000 whites were canvassed. Coloureds and Indians were canvassed in roughly equal numbers. Most earned between R500 and R5 000 a month.

The survey represented 92 percent of urban adults, and about half the total adult population.

It was found that four out of five adults had heard of the RDP, an increase from when the survey was conducted in December when only three out of four had heard of it.

The survey also showed the largest increase in awareness of the RDP among coloureds.

But while most people appeared to

have heard of the RDP, only 13 percent said they had benefited from the programme, a small increase on the 10 percent in December. Those who said they had benefited were mostly in the lower income categories.

Two-thirds of those who had heard of the RDP, claimed they had not benefited from the programme.

For those who claimed to have benefited, respondents listed, in order, the areas of improvement as roads, housing, education, health facilities, installation of electricity and sports facilities.

Expectations of the RDP remained relatively constant since the last survey, with a third of the respondents saying they expected to benefit from the programme in the future.

The level of optimism was highest among blacks, with 47 percent saying they had high expectations for the future. It was lowest among whites, with only six percent voicing optimism.

Areas in which respondents expected to benefit most were employment, housing, job training and education facilities.

The survey indicated that coloureds showed increased signs of confidence that they would benefit from the RDP. This was not shared by Indians and whites.

'REDUCE NEED FOR TAX INCREASE'

Lottery to boost welfare, RDP funds (297)

SUN CITY: Lottery profits are expected to contribute towards development.

ANATIONAL lottery could bolster struggling budgets for welfare and reconstruction and development programmes, Deputy President Thabo Mbeki said yesterday.

Mr Mbeki was addressing a Gaming-Tech-Africa conference on lotteries and casinos at Sun City.

"We need to raise funds for the RDP and the new lottery system will offer exciting possibilities," he told a crowd of 300 people.

A national lottery system has been approved by the cabinet and is expected to go to Parliament for approval in September. Under the new law, the government would regulate the lottery, which would be operated by the private sector.

People could buy lottery tickets in the hope of winning a cash prize. In exchange, a portion of

Katz to probe gambling tax

THE contentious issue of gambling tax has been referred to the Katz Commission for investigation, Minister of Finance Mr Chris Liebenberg said at the weekend.

The commission will consider the question of taxes levied on the gambling, wagering and betting industries, he said.

The issues it will consider included: VAT on the industry, income tax on the industry and income tax on gambling profits. Mr Liebenberg said submissions should be sent to the secretary of the commission at Private Bag X349, Pretoria, 0001 or faxed to (012) 323-2917 before August 31. — Political Staff

profits would go to development.

Minister of Welfare and Population Development Mr Abe Williams said the existing welfare budget was insufficient to meet the basic needs of the less privileged.

"SA's lottery and gambling industries both offer potential funding sources," Mr Williams said, adding lotteries could reduce the need for increased taxes.

At the conference, leaders of

Kagiso Trust, Viva Trust and iThuba Trust said they would be joining to form a unified scratch-card lottery system.

The industry has generated over R150 million towards welfare projects since its inception.

Minister for General Services Mr Chris Fisser cautioned that all provinces would have to abide by government standards. — Sapa

● See Page 19

Kathorus makes peace, puts RDP first

(297)
Sowetan
31/8/95

By Mokgadi Pela

FORTY eight commanders of the self defence and self protection units signed a declaration of peace and a cessation of hostilities as Kathorus townships launched a reconstruction project, Simunye, on Saturday.

With the launch of Simunye project, a joint venture of the now defunct SDUs and SPUs aimed at creating jobs and permanent peace, the war-ravaged Kathorus townships moved into a new era.

Thokoza — the hotbed of ideological warfare between the ANC-aligned SDUs and the IFP-linked SPUs "in the days of the struggle" — was chosen, appropriately, as the venue for the launch.

Celebrating with the SDUs and SPUs was Gauteng MEC for Safety and Security Mrs Jessie Duarte who helped to initiate a process of transforming them from "community protectors to community builders".

She paid tribute to all who were involved in the process. "Simunye is the beginning of something wonderful. This is because it doesn't come from politicians but from communities themselves. We will not hesitate to support this venture because only through stability will the Reconstruction and Development Programme be given a chance.

"This project teaches us political tolerance and what can be achieved if we accept each other's differences in the spirit of democracy," Duarte said.

She called on Kathorus residents to work round the clock to end no-go-areas.

"We can't live by problems alone. We have to live by our successes," Duarte added.

Facilitator Reverend Mvume Dandala of the Central Methodist Church, paid tribute to former SDUs and SPUs for their commitment to the peace process.

"Despite differences we stuck together in the spirit of nation building. We are under no illusion that what's happening today will end all the conflict. It will, however, contribute immensely to creating lasting peace in Kathorus," Dandala said.

Through Simunye, commanders of the SDUs and SPUs have committed themselves to initiate:

- Education upgrading projects;
- Skills development projects like bricklaying, carpentry, welding, plumbing and sewing;
- Health education programmes for mothers;
- Publishing a local newspaper and,
- Sports and entertainment projects.

Trusts join forces to create a unified national lottery system

CT(BR) 31/7/95

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BY SUDARSAN RAGHAVAN

SPECIAL WRITER

Major trusts allocating revenues from scratch card operations and several development organisations have joined forces to create a new, unified lottery system.

The three bodies — the Ithuba Trust, the Kagiso Trust and the Viva Trust — along with the South African Red Cross Society, the National Sports Council and the World Wildlife Fund South Africa, have come together as the National Ubuntu Welfare and Development Trust, it was announced at an international and gambling conference in Sun City yesterday.

According to estimates, a national lottery has the ability to generate about R200 million a year.

Duane Burke, a co-sponsor of the conference and chairman of the American Public Gaming Research Institute, said legalised gambling could create at least 40 000 new jobs in South Africa.

William Rowland and Eric Molobi, co-chairmen of the trust, said recommendations would be made on the operation of lotteries as well as the allocation of funds to social causes.

Chris Fisser, the minister for general services, in charge of the legislative framework for gambling and lottery laws and controls, said recommendations by the nation's gambling and lotteries board on the distribution of licences had been rejected in the light of Gauteng being awarded the lion's share of casino licenses

Redistribution

Earlier this month, the board recommended that 40 licenses be doled out, with Gauteng receiving 13 — more than any other province.

Fisser said more emphasis should be placed on a fair distribution and some form of redistribution from the so called stronger

provinces to weaker provinces.

South Africa could have new gambling legislation in the books as early as September, and a national lottery could be launched not earlier than May 1997, he said.

Thabo Mbeki, deputy president and the keynote speaker at the conference, said the government was trying its best to bring down crime levels and to further open up the economy.

Legalised gambling would create new jobs, empower blacks, and bring in much-needed revenues for welfare and development, he said.

Mbeki called for legislation to stem a flood of illegal gambling operations and stricter codes to prevent the spread of organised crime, corruption and money laundering activities which had occurred with legalised gambling elsewhere.

Experts at the conference predicted that a South African lottery could bring in R3 billion to R5 billion in turnover a year.

New body hopes to boost role and finances of NGOs

■ STAFF REPORTER

Representatives of non-governmental organisations are to meet at Broederstroom this week to establish a national body aimed at promoting the role of NGOs.

Many NGOs have been plunged into a financial crisis by the drying up of foreign aid and others have been severely affected by the departure of leaders to the Government or the private sector.

To address these problems, provincial and NGO network representatives will meet at the

Alpha Training Centre, Broederstroom, on Thursday and Friday.

They will establish a body aimed at promoting the interests of NGOs to the Government, donors and the public.

Among the objectives of the coalition will be the creation of a networking and communication system, the facilitation of consultation with the Government and the building of a constructive partnership between NGOs and the Government.

Direct inquiries to the Development Resources Centre at (011) 838-7504 or fax 838-6310.

(297) STW 31/7/95

Funds boost from lottery

From Page 297

Star 31/9/95
galise small private lot-
tery systems such as the
scratch-card games.

At the conference,
leaders of Kagiso Trust,
Viva Trust and Ithubo
Trust said they would be
joining forces to form a
unified scratch-card lot-
tery system.

The industry had gen-
erated more than R150-
million for welfare
projects since its incep-
tion in the early 90s.

The coalition, called
the National Ubuntu and
Development Trust,
would reduce competition
and offer a mechanism
for the redistribution of
lottery funds intended for
welfare programmes.

If passed this year, the
Bill would legitimise pri-
vate lotteries before the
end of the year, William
Rowland, chairman of
Viva Trust, said.

The national lottery
will be put out for tender
next year, but it is not
expected to become oper-
ational before early 1997.
It will be owned by the
State, but operated by an
outside organisation
which will be chosen on
the tender basis.

Among the companies
which have announced
their intention of submit-
ting a tender are UK-
based Littlewoods —
which runs the British
football pools — and
Games Africa.

Call to (297)
put wheels
on RDP

Star 31/7/98

■ BY MANDLA MTHEMBU

The taxi industry could be a leader in the economic empowerment process if it were prepared to change and grasp the opportunities provided by the RDP, according to the SA Long Distance Taxi Association.

Spokesman Boeti Letsoela said the Government also had a major role to play in transforming the industry by developing strategies based on the RDP.

This would enable the reconstruction of the taxi industry as well as a linked development of the investment in the industry "into the mainstream of the SA economy".

Letsoela said the taxi vehicle fleet nationally represented some R7-billion at current replacement values and had an annual turnover of about R4-billion, but lamented that the investment barely created income.

If the industry were one combined undertaking it would be one of the largest on the Johannesburg Stock Exchange, he added.

Sanco criticises (297) slack RDP delivery

■ BY DAVID ROBBINS
HEALTH WRITER

The slack delivery of the Reconstruction and Development Programme has come in for some serious criticism by the SA National Civic Organisation (Sanco) in its submission to the Constitutional Assembly.

The 45-page document advocates the establishment of direct democracy and the decentralisation of governance to facilitate the full development of all South Africans.

Sanco notes that without this process, "delivering the goals of the RDP will be hard to achieve".

Andre Spier and Mokhehi Moshoeshe, Sanco's constitutional consultants and authors of the submission, said: "Without a radically new constitution, there will be no real development. At the moment the RDP is frustrated by numerous vertical hierarchies which cause prohibitively expensive delays. All this is having a negative impact at the community level. People's perception is that not much is happening."

The solution, according to the Sanco constitution-

al proposals, is to decentralise.

District authorities should be provided with block grants for the various service functions, to spend as the communities see fit.

These empowered communities should also be allowed to deal directly with the private sector with regard to service delivery and development issues.

At the same time, the RDP should be released from bureaucratic control, with the present ministry elevated to a national RDP commission on which the private sector would be represented.

The Sanco submission also points out that the RDP should be extended into neighbouring countries.

"We can't seriously develop SA in isolation," Spier said. "Just as the development of infrastructure — for example water, transport, telecommunications, electrification and the securing of food supplies — must be based on regional considerations, so must general economic development."

► Sanco's 'radical alternative' — Page 13

Erwin fast to defuse IDC anger

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BY PETER GALLI

CT(BR) 12/7/95

FEATURES EDITOR

Alec Erwin, the deputy finance minister, has moved speedily to address the formal complaint lodged with his office last week by the Industrial Development Corporation about the proposals made by the government-appointed task team looking into the transformation of the Development Bank of Southern Africa.

The proposals, which were released last week, included the suggestion that a holding company be established, effectively merging the corporation and the bank.

Carel van der Merwe, the managing director of the IDC, said at the weekend that the corporation had not been consulted during the investigation and had also not been informed of its recommendations.

"We have submitted a written response about the lack of consultation and detailing our view on the merger proposal, with which we totally disagree," said Deputy Minister Erwin. "But I really do not wish to deal with the matter through the press and would prefer to say nothing further at this stage," he said.

Erwin said yesterday that the report was the result of an investigation by a transformation team at the bank, which detailed a number of options for consideration and comment. "It was not a report that needed to involve consultation with the IDC as it dealt with the future direction of the DBSA.

"One option considered was the transformation of the DBSA in the direction of an infrastructure bank — and the way in which this could be achieved and how its financing mechanisms would work. But this option is one of many currently being considered by government, and no formal decision has been taken in this regard as yet," Erwin said.

Van der Merwe said yesterday that Erwin had responded "very speedily" to his complaint. In his response, the deputy minister had agreed to meet the IDC.

Building sector hit by delays in RDP

Robyn Chalmers

THE building industry experienced a setback during the second quarter with slow progress in implementing the reconstruction and development programme (RDP) affecting activity adversely, the Stellenbosch University-based Bureau for Economic Research says in its latest survey.

The nationwide quarterly survey showed that contractors and subcontractors experienced a lull during the second quarter of this year which led to a deterioration in business confidence.

"Expectations for the third quarter are nevertheless positive," the bureau said.

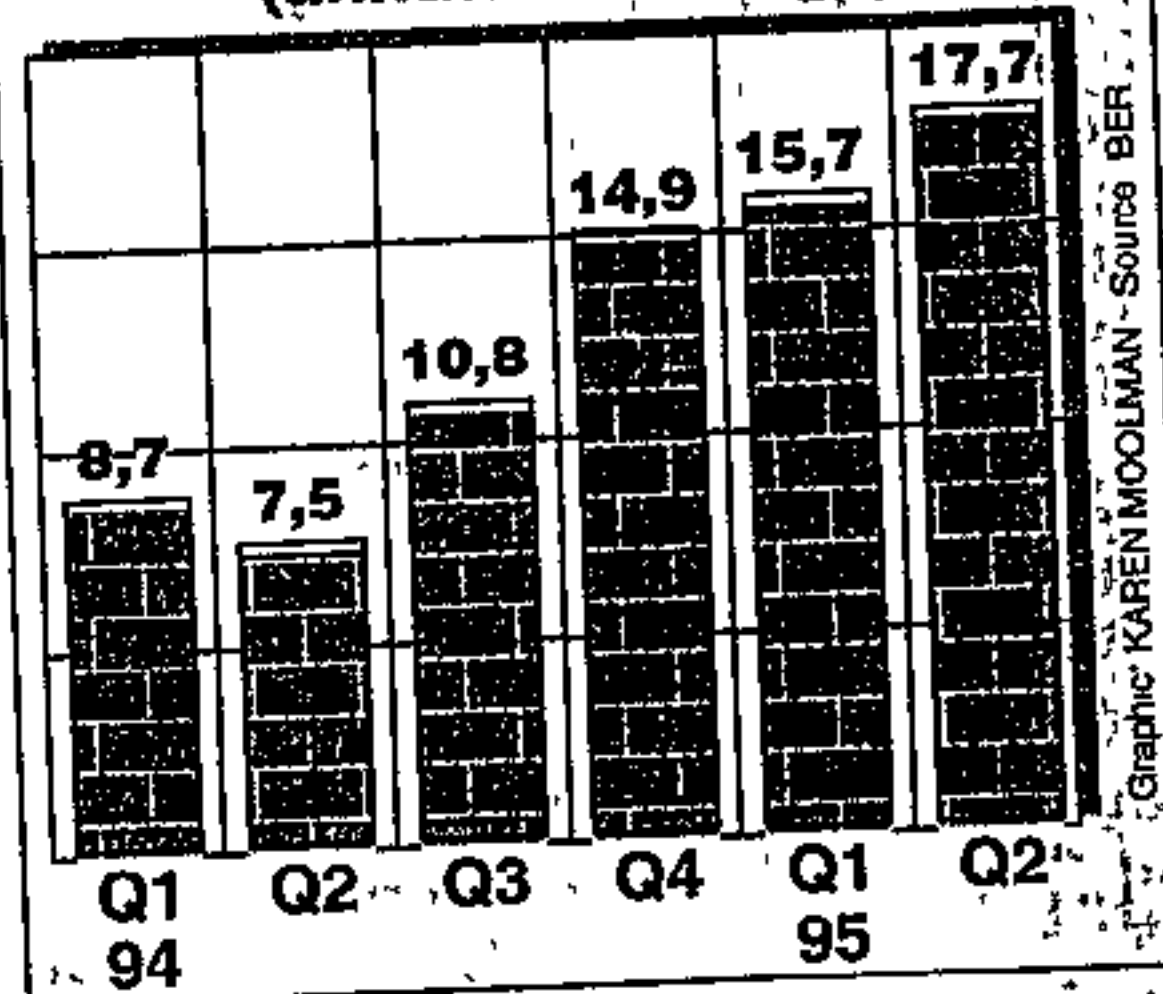
It said the non-residential sector performed slightly better than the residential sector, which could be linked to the delay in government's low-cost housing programme getting off the ground.

However, it said the launch of the programme at the beginning of last month put many unresolved issues in place, and activity in the low-cost market could boost the rest of the sector and SA's economy.

For architects and quantity surveyors, the second quarter was also disappointing, with lower employment levels and a decrease in the number and value of projects.

Building costs rose steeply in the first and second quarters of this year, after an initial jump during the fourth quarter of

BER Building cost index
(annual % change)



last year.

In the first two quarters costs rose 15,7% and 17,7% respectively, against a 14,9% hike in the fourth quarter of last year and a 10,8% increase in the third quarter.

Analysts said one of the main reasons for rising building costs was the spiralling cost of new imported plant, coupled with rising labour and material costs.

Johnson Crane Hire head Harold Johnson said the weakness of the rand, coupled with unfavourable rates of exchange, had pushed plant prices up more than 100%

Continued on Page 2

Building (297) (42)

Continued from Page 1
over the past five years.

He said the company had recently acquired a 300-ton crane for R8,5m — almost double the price of the crane at the beginning of the 1990s. "The costs are further compounded by the fact that spare parts are imported and our operators undergo training overseas."

Association of SA Quantity Surveyors president Barry Probert said the construction industry had to guard against over-

compensating for the low profit margins of the recent downturn by pushing increases to unacceptable levels.

"Quantity surveyors have begun noticing the effects of increased labour and material costs on projects throughout the country. The upturn is beginning to put pressure on product supply and shortages of certain materials are already being experienced in some regions."

Probert said order books in most regions were beginning to look healthier and an expected improved spread of work would ensure acceptable profits in the industry.

Govt 'must aid welfare groups' (297)

CT 12/7/95

STAFF REPORTER

GOVERNMENT departments and civil welfare organisations should work together to create a "caring and enabling social environment" said Deputy Minister for Welfare and Population Development Ms Geraldine Fraser-Moleketi yesterday.

Ms Fraser-Moleketi was addressing the Mayor of Cape Town, the Rev William Bantom, and members of the Community Chest, at a breakfast workshop in Sea Point.

Ms Fraser-Moleketi said more than half of South Africa's children lived in poverty and there was pressure upon welfare to provide social support.

To aid social development, she suggested that government ministries work closely with each other and with civil organisations, of



'CARING': Deputy Minister for Welfare and Population Development, Ms Geraldine Fraser-Moleketi.

which there were thousands involved in social welfare.

The Community Chest — a non-profit organisation, which channels donations into welfare — expressed a keen interest in assisting the state with the allocation and monitoring of state funds.

Mr Ted Parlabeau, chairman of the Community Chest Board, said he was confident they could assist with the allocation of up to R50 million of state funding.

Consultations a 'strain' on RDP programme'

Robyn Chalmers

BD 12/7/95 (297)

GOVERNMENT had to draw a line between consulting all sectors of the community and interest groups, and the urgent need for delivery by the reconstruction and development programme, the latest RDP Monitor says.

The publication, edited by members of Western Cape University's centre for Southern African studies and Witwatersrand University's management faculty, said government had to rely on its popular mandate and legitimacy to decide on what was best for SA if the RDP was ever going to get off the ground.

"Whilst it is laudable to constantly seek community involvement, the many forums and committees are beginning in themselves to form a new bureaucracy."

It said strong internal disputes in government had recently been highlighted regarding the centralising tendencies and broad sweep of the RDP office. While some criticism was no doubt due, it said the office was never intended as an instrument of implementation.

"The RDP office is not an agent of delivery, its role is that of an auditor. The more vociferous criticism is therefore out of place and should rather be directed at those responsible for delivery."

It said the role of non-governmental bodies in the RDP was increasingly being emphasised and suggestions that donor funds should be directed to non-governmental organisations (NGOs) rather than relevant government departments was encouraging.

"It is now up to NGOs to ensure that viable proposals with measurable outcomes are put forward. The RDP office needs to play its part by expediting the processing of applications for funding."

It said government would have to move quickly and decisively to keep its vision of the RDP alive, particularly as local government authorities were faced with rising crime levels and the November election.

Faster RDP delivery

Sowetan 11/7/95

(297)

By Isaac Moledi

THE Public Works Ministry has designed a programme to reduce levels of unemployment and speed up the delivery of projects related to Reconstruction and Development Programmes.

The ministry's four-pronged programme, called the National Public Works Programme, will use labour-intensive approaches to solve unemployment problems. The programme is also aimed at educating and training communities involved in the ministry's projects, thereby empowering them economically.

In his submission to the RDP White Paper conference at the weekend, Public Works Minister Mr Jeff Radebe said his ministry took the reduction of unemployment levels seriously, adding that this will speed up the delivery of the RDP projects.

The minister admitted, however, that NPWP was not "a pie in the sky" that would totally do away with unemployment problems, but part of a larger programme to rebuild South Africa.

He said unemployment levels necessitated that skills that had been largely lost due to the re-



Public Works Minister Jeff Radebe.

placement of people by machines needed to be "relearned".

"The relearning of these skills will require training and capacity building," he explained.

Radebe argued that labour-intensiveness did not mean having a few more labourers on site, while machines were still doing the work. "Instead, it involves changing the design of infrastructure so that labour is used instead of machines wherever economically and technical feasible," he emphasised.

Where the necessary technical knowledge about labour intensive methods did not yet exist, Radebe suggested it should be built up through technical research and development.

"The National Public Works Programme is working closely with the Department of National Education, the Department of Labour and other relevant bodies to ensure that education and training programmes for the NPWP are integrated into a national system," he said.

National RDP office chief director Mr Frank Meintjies said the government would set up a date in September as the deadline for allocations of the RDP fund. As a way to speed up the delivery of RDP projects, the Government is also considering other methods of removing and rerouting funds not being spent fast in the various provinces and departments.

This, according to Meintjies, will ensure that the rolling over of large percentages of funds from last year to this year's financial year does not happen.

More than R1,7 billion of the R2,5 billion allocated to the 1994-95 RDP fund was rolled over to this year's financial year. The RDP budget for 1995-96 is R5 billion and this is expected to increase as more money from this year's RDP budget is expected to be rolled-over to next year.

Norway to give R3,7bn for development in SA

(297) *Star 11/7/95*
Cape Town Norway would plough about R3,7-billion into social and economic development in South Africa over the next five years, Norwegian Prime Minister Gro Harlem Brundtland announced yesterday.

She told delegates at a meeting of the Socialist International council in Cape Town that Africa needed "dollars not bullets" to realise freedom and democracy.

Norway annually donated about 1% of its gross

domestic product to developing countries.

Brundtland said Norway was providing the aid package to South Africa to strengthen its new democracy, which it saw as a major economic force in the sub-continent.

While the country faced great difficulties in healing wounds of the past, it was a country of great promise, she said.

"South Africa is the great beacon of hope for Africa which has been

facing the threat of marginalisation."

Addressing social and economic problems in eastern and central Europe should not be at Africa's expense, she warned.

The international community seemed to be reacting with a conspicuous lack of compassion to the plight of the poverty-stricken continent.

"Africa's investment in the world economy is declining." — Sapa.

Non-Zulus disillusioned with IFP

■ BY MONDLI MAKHANYA
POLITICAL REPORTER

The IFP is set to experience a drain of non-Zulu members as members increasingly get disenchanted with the party's Zulu bias, according to party insiders.

Senior white and Indian members, mostly IFP parliamentarians, have become increasingly annoyed over the IFP's almost exclusive focus on Zulu issues and KwaZulu-Natal.

They believe the IFP has failed to perform as an effective opposition because the party lead-

ership has precluded its MPs from speaking out on matters that are not directly related to itself and KwaZulu-Natal.

"The IFP has become a three-issue party. Everything it does is around international mediation and autonomy, the payments of chiefs and the truth commission," said an IFP source.

Parliamentarian Farouk Cassim, who recently accused the IFP of anti-Indian racism, is set to resign from the party soon after being given permission by the its national council to leave should he so wish.

Sources said IFP members who joined the party because of its free market and federalist stance were disillusioned with the IFP's focusing on KwaZulu-Natal's provincial powers.

IFP secretary-general Ziba Jiyane blamed the party's opponents for forcing it into concentrating on KwaZulu-Natal.

"We are having to defend our people and fight fires in that province, and unfortunately this has prevented us from paying due attention to the rest of our constituency," said Jiyane.

(100) *Star 11/7/95*



Nelson and the emperor

Japanese welcome... President Nelson Mandela stands at attention with Japanese Emperor Akihito and Empress Michiko during a welcoming ceremony at the state guest house in Tokyo today. Mandela is on a five-day state visit to Japan.

PICTURE: AP

Tokyo to bankroll three RDP projects

■ BY PATRICK BULGER
POLITICAL CORRESPONDENT

Tokyo — South Africa has clinched an aid package worth about \$100-million (R360-million) with Japan to bankroll three major RDP projects.

The development projects include a major refurbishment of the rail system linking Johannesburg and its townships, a potable water scheme in the former KwaNdebele homeland and a medical supplies venture.

Details of the breakthrough are expected to be announced

by President Nelson Mandela and Japanese Prime Minister Tomiichi Murayama tomorrow.

South Africa's crime rate, a factor that could affect Japanese investment, is likely to feature prominently during President Mandela's four-day state visit.

Mandela was interviewed by the Japanese public broadcaster NHK yesterday and faced a barrage of questions on crime. He is expected to address the crime issue in speeches to Japanese business leaders today and tomorrow.

Trade and Industry Minis-

ter Manuel, who is accompanying the president, said the delegation would not paint an "untrue picture" of the situation, but would focus on measures the Government was implementing to reduce crime.

Manuel pointed out that dispelling fears about the crime rate was particularly difficult in Japan, where muggings are "non-existent" and honesty is taken for granted.

He added that fears of the Japanese not investing in South Africa because an ANC government would nationalise their assets had been replaced

by fears for the personal safety of visiting Japanese citizens.

The development deal clinched yesterday is part of the \$1.3-billion (R4,68-billion) aid package announced by the Japanese government in July 1994.

Japan has now apparently relented on an earlier insistence that projects flowing from the package be implemented only by Japanese companies. Instead, the projects will be undertaken by Japanese and SA companies in joint ventures.

Star 4/7/95 (297)

Plan to boost RDP delivery

Robyn Chalmers

GOVERNMENT had proposed setting a date in September as the deadline for allocations from the reconstruction and development fund to speed up delivery of RDP projects, national RDP office chief director Frank Meintjies said at the weekend.

Other methods being investigated to boost RDP delivery included removing and rerouting funds from provinces and departments which were not spending them fast enough, Meintjies told a conference at Midrand on the RDP White Paper on Friday. **BD 10/7/95**

He said the RDP ministry was working to avoid a large percentage of funds being rolled over in the 1995/96 financial year, as

had happened during the previous year.

"We recognise that having to roll over more than R1,7bn of the R2,5bn allocated to the 1994/95 RDP fund is not an ideal situation, and we are working hard to ensure this does not happen in the current financial year," he said.

Sources indicated that the ministry still expected to roll over 20%, or about R1bn, of the 1995/96 RDP budget of R5bn to the next financial year. The roll-overs were largely as a result of late starts on projects due to capacity problems and protracted consultation processes.

Meintjies said the department acknowledged that the RDP was behind schedule,

Continued on Page 2

RDP

Continued from Page 1.

as the organisational and institutional problems that would face the programme had been underestimated.

"But it must be made clear that the onus of ensuring the RDP is successful does not lie solely on the RDP office, but on government as a whole," he said.

Standard Corporate & Merchant Bank public finance division head Colin Coleman said government had to identify a suitable set of infrastructural projects in the short term if it was counting on private sector participation. "If government identifies such projects, corporations will be introduced and they will come up with innovative mechanisms to finance the

schemes. In this way, major strides will be made to overcoming obstacles hindering the RDP," he said.

Public Works Minister Jeff Radebe said his department's national public works programme was proving to be one of the most effective ways of achieving RDP objectives. "More than 40% of SA's population is unemployed and we are beginning to address this situation through our labour-intensive construction methods which have the support of the formal and informal construction industry.

"Apart from reducing unemployment, the programme is promoting education and skills training, building the capacity of communities and creating, rehabilitating and maintaining public assets," he said.

Williams to stop cuts in child welfare funds

(297) STAN 11/7/98
Welfare Minister Abe Williams offer to halt the cuts in Government funding of services for abused and neglected children has been welcomed by the Johannesburg Child Welfare Society (JCWS).

The offer was made at the recent congress of the SA Society for Prevention of Child Abuse, following a call for urgent action by the JCWS. The JCWS is retrenching 19 social workers plus support staff.

"Hopes of resolving our financial crisis were dashed during recent discussions with the Gauteng Welfare Department where it was emphasised that the reduction to our annual R934 779 subsidy would come into effect on October 1," JCWS said.

JCWS will continue to call on

the Gauteng legislature to find additional funds. Meanwhile a proper plan for an effective social service network for the province was being developed.

JCWS urged the public to back Williams' move by signing a petition to Premier Tokyo Sexwale or to appeal in writing to him for an emergency allocation of funds to prevent the collapse of essential children's services in the province.

At national level, people can write to the President or Minister of Finance calling for the immediate channelling of funds to child protection services in the welfare, health, education and justice sectors and to the SA Police Service child protection units. — Staff Reporter.

Information a 'basic right'

Nicola Janvey

297 (243)

DURBAN Non-governmental organisations (NGOs) and community-based organisations (CBOs) should receive government funding in recognition of the role they played in communicating government decisions to communities, Deputy President Thabo Mbeki said at the weekend.

Addressing the Media and Communications of Community Development conference, Mbeki said the threat of closure facing NGOs and CBOs had to be taken "very seriously", as this was often the only access communities had "to how government decisions affected their lives".

About 80% of the black African population was

functionally illiterate and hence unable to absorb government decisions as written in newspapers.

"The NGOs and CBOs understand better than anyone the importance that reconstruction and development plays in this country and know what has to be done for SA. Keeping people uneducated is to deny them a basic human right," he said.

Work done by these organisations ensured adults did not have to rely on their young children for reading and writing.

He said it was "the democratic right of every citizen" to have access to information concerning government and draft legislation was under way to improve this access in SA.

What we want from Abe Williams is action

(297) 120 717195

OFTEN solutions to the problems of government look extraordinarily simple to outsiders. Because they look simple from the outside, it is sometimes difficult to understand why very obvious solutions are not implemented more quickly. This is especially the case when the problems are nearing disaster point. And all this applies poignantly to the welfare and population development department.

Of all the grotesque distortions the new government inherited from the old, the welfare department was, if not the worst, right up there with the big debacles. Of the welfare department's R13,4bn budget, most, about R8bn, was spent on a single, corruption-riddled, discriminatory and potentially disastrous scheme — social pensions.

Last year, government spent about R300m a month on pensions for about 2,6-million people. With a funding growth rate of about 4% a year, Welfare Minister Abe Williams announced last year that funding levels already required large increases in spending which threatened to overwhelm the trea-

sury. The level of spending on social pensions was only recently equalised across races, but even so the recipients are still disproportionately white.

To compound the problem, spending on social pensions was one of the major items of over-expenditure last year because of a huge increase in the number of claimants. Administering such a system, which requires monthly payouts to mainly pensioners, is a logistical nightmare. In the past, sometimes very old people had to wait in long queues because regulations required recipients to appear in person for their money. Administration of the scheme now is better and may improve even more if a new, computerised, fingerprint recognition system is implemented.

Perversely, improved efficiency may create its own problems. Eliminating the bureaucratic bottlenecks must inevitably lead to increased payouts, which government has already declared it cannot afford. But having said this, the social pensions scheme is the one mass welfare scheme currently operated

TIM COHEN in Cape Town

by government, and a huge number of people rely on it absolutely.

Faced with this disaster in the making, Williams has proposed an innovative and original solution. This is effectively to force citizens to save for their own retirement and absolve the state of this responsibility. Like most original solutions, someone else has thought of it and implemented it successfully before.

The case in point is Chile, where all workers are obliged to contribute 10% of their salaries to an individual investment account. Workers choose one of a number of pension fund administrators. These are strictly regulated. The fund administrators operate as mutual funds and can invest in equities, bonds, government stock and other instruments. Workers are free to move their accounts from one administrator to another, creating competition. The scheme had a remarkable effect on Chile's economy where do-

mestic savings increased from 11% of GDP in 1986 to 25% this year.

Given that SA's personal savings rate has just declined to a four-year low from already dangerously low levels, and given a potentially disastrous system is currently in place here, the Chilean system just screams: "Implement me, implement me!" But this is where the problems start.

Of all SA's Cabinet ministers, Williams must get the prize for being the most invisible. If dramatic changes have been taking place in the welfare department, the public has not been made aware of them. It is hard to believe that any profound innovations have taken place at all. It is also difficult not to believe that Williams was given his post, not because of any proud administrative record in government, but because the NP felt obliged to make at least one of their Cabinet nominees a coloured person, given the large support the NP gained from coloured voters in the election.

To get government to implement such a grand scheme, Williams has the responsibility to ensure broad

government support for the idea. What is more, he has to ensure that all ministers are enthusiastic about the idea and that it enjoys a high priority. He needs to present government with a clearly thought-out plan and he needs to do it quickly!

But, ominously, two months after Williams returned from a visit to examine Chile's system, the Cabinet has still to hear a report on his findings. The department has not yet clearly formulated even what needs to be investigated.

It must be said: Williams is not the right person to be overseeing a project of this magnitude.

Fortunately, it seems the finance department is taking an interest in the project and a committee in that department may well take over the investigation. But even so, it appears that it will be years before a new scheme even gets on the drawing board, never mind implemented. Given the calamitous current state of affairs, given all the ominous evidence, government seems curiously complacent. But then, this is to view the situation as an outsider.

LETTERS

Engen funds self-help course for the disabled

18 (297) (298) CT(BR) 9/6/95
By FRANCOISE BOTHA

STAFF WRITER

Engen is funding a self-improvement course for the physically challenged that aims to improve their prospects of finding employment.

The course is being run by Lifeskills Project UCT, in conjunction with Infoguide, a Cape Town based information kiosk manned by the physically challenged.

Cherrél Herbert, project coordinator of Infoguide, said: "We identified a need for the public to be made aware that the physically challenged can also be productive."

"The course is not only open to staff of Infoguide, although we have put forward 12 employees, but to all disabled people"

The project aims at developing assertiveness and independence, emphasising positive qualities that help participants to find employment.

"Our objective is to train all employable physically challenged people and place them in employment. A number of companies have already approached us," said Herbert.

The course which is run over 10 weeks focuses on communication skills, conflict management, countering racism, sexism and prejudice, developing democracy and stress management.

Infoguide is set to establish a database of physically challenged people looking for work and to act as an employment agency.

Probe into Cheshire Home complaints

29 (297) ST (CM) 9/7/95
By JESSICA BEZUIDENHOUT

THE Western Cape Department of Social Services has launched an investigation into grievances of residents and staff at a state-subsidised home for physically disabled people.

Unhappiness about conditions at the Cheshire Home in Hanover Park was reported to newly-appointed Social Services director, Ms Virginia Petersen, who initiated the inquiry after visiting the home this week.

The Turf Hall Home is one of three Cheshire homes in the Peninsula and is probably the most neglected, according to one of the staff members who asked not to be named.

The home had 60 permanent residents from all over the country and

most have lived there since it opened 10 years ago, he said.

The staff member accused the management of the home of "deliberately neglecting" the needs of residents.

"Most of our residents are wheelchair-bound and need assistance to move around."

"The medical care of residents is seriously neglected and they have to pay for their own transport whenever they need to go to hospital," he said.

While some residents had part-time jobs, for most a state disability grant was their only income, he said.

Except for the few staff members who did whatever they could to improve the situation, they were not getting any help elsewhere, he added.

Jobs bring hope for

vagrants
(297) ST(CM) 9/7/95

By JESSICA
BEZUIDENHOUT

FORMER gardener Freddie Williams, who has been out of work and destitute for about seven years, is optimistic again.

For the past four Fridays, he has spent the morning cleaning Jubilee Square in Simon's Town in return for food parcels and a small amount of money.

Mr Williams, 55, is one of several vagrants who have been drawn into Simon's Town's programme to uplift all members of its community.

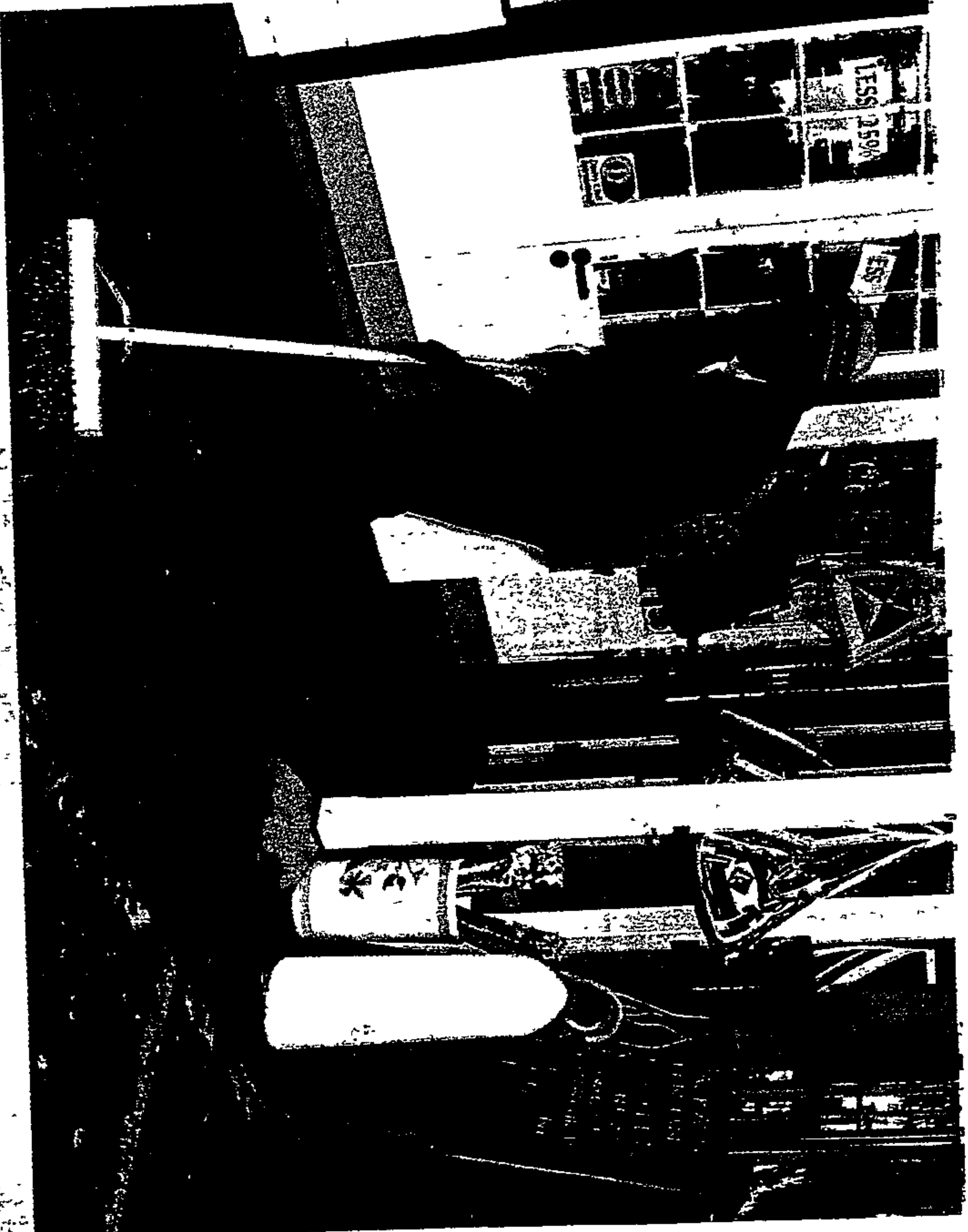
The pilot scheme has been initiated by the municipality and business and community organisations.

"The programme is only run once a week, but we hope that it can soon be introduced as a more regular employment scheme for vagrants in our area," said town clerk Kobus Marais.

The community also hopes to set up a night shelter for destitute people.

Although vagrancy was not a serious problem in Simon's Town, residents realised they had a role to play in finding a solution and were keen to assist, Mr Marais said.

Most of the vagrants had been born in the town and could not be moved to another area, he said.



CLEAN SWEEP . . . Freddie Williams, who would otherwise beg on the streets of Simon's Town, earns his day's keep by clearing Jubilee Square

Picture: JUSTIN SHOLK

A 'BEACON OF HOPE' IN AFRICA

Norway's R364m aid package for SA

ET 11/7/95

(297)

NORWAY'S PRIME MINISTER announced a massive aid package for SA last night, saying "daunting problems" in Europe should not detract from aid to Africa. **CHRIS BATEMAN** reports.

NORWAY, the ANC's long-time anti-apartheid ally, confirmed its donation of R364 million to South Africa over five years to bolster "political stability and economic development", Norwegian Prime Minister Ms Gro Harlem Brundtland announced yesterday.

Speaking at the Socialist International (SI) Council's twice-yearly convention being held in the city, Ms Harlem Brundtland said there was "no way to equity and social justice" other than empowering people and harnessing market forces.

'Daunting'

The Norwegian aid will start next year and continue to 1999.

Ms Harlem Brundtland, who is also the SI's first vice-president, told delegates from 40 countries that the "daunting problems" of eastern and central European countries should not shift global attention from the south towards the east.

"The developed world has the capacity to have both situations in mind and can afford it if there is sufficient political will," she stressed.

She said women's education was the "single most important" path to higher

economic productivity, lower infant mortality and lower fertility, with economic returns in terms of health and fertility far exceeding that from men's education.

Of a weekend visit to Khayelitsha she said she met "people beset with community purpose and having great dignity — these are the harbingers of hope for your country".

South Africa could become a "beacon of hope" for Africa in the midst of international marginalisation of the continent. Africa needed "ballots not bullets", and she warned against allocating resources to the military in the midst of poverty.

Norway has been donating one percent of her annual GDP to developing countries for 15 years.

Describing the tragedies of Rwanda and Somalia, Ms Harlem Brundtland said poverty was Africa's greatest threat and "an epic of protracted stalemates and bureaucracy".

The West had treated Africa with a "conspicuous lack of compassion" while the continent's share of the world's economy was declining.

Ms Harlem Brundtland last night said she had given an indication of the aid to Mr Mandela at a meeting of Nordic heads of state in Copenhagen in March.

● More reports — Page 5

New home for kids

Sowetan 6/7/95

By Isaac Moledi

PREPARATIONS are at an advanced stage to begin construction of a new R1,5 million home for handicapped children in Katlehong, on the East Rand.

The construction of Tshepong Stimulation Centre, to accommodate more than 35 handicapped children from Katlehong, Tokoza, Vosloorus and the surrounding informal settlement, has been geared to start as soon as building trainees have completed their training.

Tshepong's principal Sister Doreen Selekane, who has been looking forward the event for many years, says completion of the school will "turn a dream into reality".

Since 1986, she has been catering for handicapped children aged between

three and 14 from the Katorus area from a pre-fabricated building in Katlehong.

Money for the project has come from the Development Bank of South Africa (R1,2 million), South African Breweries District East (R200 000), Rotary International (R91 000) and the local community (R54 000).

The Department of Manpower is training the builders and will build the centre while the Germiston Rotary Club will manage the project.

Besides assessing a child's mental disability before being admitted, the centre will also provide self-care skills such as dressing, brushing teeth, washing and self-feeding.

The children will be helped with physical exercises and the development of movement co-ordination.

(297) (298)

HATCHING AN UGLY DUCKLING

PM 7/7/95

(297)

Government has hatched a radical plan to pool the resources of the Industrial Development Corp (IDC) and the Development Bank of Southern Africa (DBSA).

The combined holding company will have long-term assets of R13,6bn and shareholders' funds of R12,1bn.

The IDC and the DBSA, transformed according to a further plan, will retain their institutional identities and operating independence. Their borrowing functions will be transferred to the holding company, which could approach the capital market for funds on the strength of the combined balance sheet.

According to the DBSA report, the realignment will "create a powerful vehicle for placing the IDC's historically white-dominated wealth at the service of needy communities." The report claims the process of redistribution will be productive and conducive to economic growth — a claim that might still be the subject of intense debate.

Under the proposed arrangement, the new Infrastructural Development Bank (IDB) — the proposed name for the new look DBSA — will have two lending windows. Soft loans will be dispensed by the "concessionary" window, hard loans by the nonconcessionary window.

In the IDB's governance, "an appropriate balance" is to be maintained be-

tween political responsibility and operational independence. Political influences are to be accommodated in the mission and mandate of the bank.

There is a major caveat: international experience warns that political interference is one of the main reasons for the failure of development finance institutions. They should be governed according to financial criteria, transparency and accountability.

The proposed transformation of the DBSA involves narrowing its focus. But this will be at the cost of diversification. Concentration on a narrow band of activities raises the institution's risk profile and makes it harder to gear lending with private-sector borrowing, especially for projects which do little more than cover costs. Hence the proposed merger.

Shorn of its apartheid-related activities, the IDB can focus on providing infrastructure for deprived communities.

The report envisages a realignment of the Small Business Development Corp, Small Business Development Agency, the Land & Agriculture Bank (formerly the Land Bank) and the proposed National Housing Finance Corp.

The IDC will retain its focus on industrial finance but the SBDC and Small Business Development Agency are meant to finance micro, small and medium businesses. ■

Boost for disabled in government support plans for small business

ARG 8/7/95

GOVERNMENT support programmes for small and informal businesses will especially target people in that sector who are disabled, a two-day workshop for small, medium and micro enterprises was told this week.

Alistair Ruiters, special adviser to the Minister of Trade and Industry, said the department is processing a grant application from Disabled People South Africa, and has identified the dis-

abled as a target group for support this year.

Petronella Linders of Disabled People South Africa said at the workshop people who have one or other disability have more difficulty than others in getting financing from banks because they are considered high risk.

Also, training programmes offered by NGOs (non-government organisations) for people who want to apply for bank loans are

(296) (297)
not adapted to the needs of people with disabilities.

"People are told to go for training before they can apply for a bank loan. But none of the courses offered are adapted for people who are blind or deaf. The material is not in Braille, nor is sign language available."

Ms Linders urged NGOs to call on Disabled People of South Africa for advice on how to adapt their programmes to suit the blind or deaf.

Transformation moves hit snags

(297) 306/7/95
Robyn Chalmers

A STRONG call from the Development Bank of Southern Africa to restructure and co-ordinate SA's development finance system will be hindered for up to two years due to slow progress on internal restructuring, analysts said yesterday.

Bank chairman Wiseman Nkuhlu said this week that one of the most important proposals made by a government-appointed task team looking into the transformation of the bank was a need to co-ordinate state-funded development institutions.

"The bank's transformation into a more suitable, focused institution needs to be seen as part of the rational restructuring of the development finance system."

Finance Minister Chris Liebenberg agreed that there was a need to revisit the question of streamlining development finance in SA, as co-ordination with other agencies was becoming increasingly necessary.

However, analysts said this process could take years to bring about, largely because the majority of development finance institutions had not undergone the sort of internal transformation that the bank had.

One of the biggest such institutions, the National Housing Finance Corporation, had not yet been set up and this was likely to happen only towards the beginning of next year.

One analyst said organisations such as the Industrial Development Corporation, the Small Business Development Corporation and the Land and Agriculture Bank were making

slow progress in restructuring.

"There would clearly be advantages to grouping these institutions together while allowing them to keep their separate functions, but we must look realistically at their ability to accept the level of change that would be required."

"There also has to be some investigation done into the cross-over that would occur with the proposed National Development Agency, which will fund non-governmental organisations," he said.

The transformation team's report suggested there would be considerable advantages to incorporating development finance institutions into one national institution which raised finance and co-ordinated the application of integrated policy.

The report said fund-raising capacity would be maximised, the average cost of development finance minimised and the problem of unmonitored borrowing avoided, so reducing the risk to the fiscus.

"Such an arrangement would enhance the efficiency and cost effectiveness of the development finance system and allow for the incorporation of powerful redistributive mechanisms," it said. "The end result would be the facilitation of key projects and the financing of schemes and programmes in poorer communities on the best possible terms."

However, the report said also that the feasibility of including the financing of small business, agriculture and housing under the same institutional umbrella as infrastructure and industry needed to be considered.

State warned on development laws

Business Day Reporter

(297) BD 6/7/95
CENTRAL government should avoid legislation to institutionalise local economic development and partnerships between the private and public sectors, says consultant to the Gauteng government, Prof Richard Tomlinson.

Speaking at an economic development conference, Tomlinson cautioned government against prescribing parameters.

He said the National Economic Development and Labour Council (Nedlac) was likely to set a framework for economic development and might be tempted to draft legislation to this end.

However, central government insisted any legislation should fit in with the development facilitation Bill, placing constraints on any Nedlac-sponsored statute.

Provincial legislatures stood between central and local governments and had different priorities in fostering development.

Provinces had to represent their own interests in relation to national policy.

"There is likely to be great diversity in the actual roles played by provincial governments due to the relative institutional capacity and political power of local and provincial governments, as well as the economic base of local authorities."

Bank in search of a new role

(297)

BY RORY CHANNING

CT(MR) 6/7/95 REUTER

The bank charged with developing black homelands under apartheid could still play a key role in the new South Africa despite its image problem, a state-appointed task force said.

The task force was appointed last December to consider the future of the Development Bank of Southern Africa — set up in 1983 as a conduit to finance separate racial development in the form of black homelands.

Its original shareholders were the South African government and the now defunct Transkei, Bophuthatswana, Venda and Ciskei homelands.

The task force concluded that the bank, which had been dogged by a legitimacy crisis, now faced one of relevance.

The demise of apartheid and the homeland system has left the bank in a predicament. "Only one of the original five shareholders still exists and the bank has no relevant purpose, clear client base or any special claim on development funds," it said.

However, it said: "A more focused and transformed development bank has a major role to play in the southern African region."

It proposed that the bank become a specialised infrastructure development bank, which would continue to provide wholesale funds to projects and services such as roads, sanitation, communications and electrification.

It would also aid projects and development programmes centred on the 11-member Southern Africa Development Community.

Sources of financing would vary from government and foreign grants to concessionary loans and capital market funding.

In focusing on infrastructure, the bank "would involve the private sector whenever possible in the funding and co-funding of projects," it said.

It proposed an alliance between the bank and the state's industrial development corporation, under a newly created holding company. This would allow them to keep their identities and operational independence, but their borrowing functions would be transferred to the holding company which would approach the capital market for funds on the strength of the combined, diversified balance sheet.

Various studies had estimated infrastructure funding needs at R35-60 billion over the next five to seven years.

Japanese to fund major SA projects

(297) 105/7/95

TOKYO — The Japanese government is expected to announce approval today of at least two major infrastructural projects in SA, to be funded through Japan's R4,3bn aid package to the country.

Prime Minister Tomiichi Murayama is due to make the announcement when he meets President Nelson Mandela for official talks on bilateral relations and international issues.

The development projects will be improvements to the railway system in Gauteng and water provision in KwaNdebele.

Mandela kicked off his state visit to Japan yesterday by urging Japanese business leaders to invest in southern Africa.

He made a point of outlining SA government strategies to fight rampant crime — seen as a major obstacle to investment in the region by the Japanese.

Describing the community safety plan, Mandela said increased co-operation between communities and the police had resulted in successes against crime.

The time was right to exploit massive investment prospects in SA, Mandela told a luncheon attended by executives from most of Japan's major corporations.

Government was committed to fiscal discipline and had abolished the dual currency system. Non-resident shareholders' tax would also be phased out soon. SA

offered a diversified economy, excellent infrastructure, a sophisticated financial sector and access to markets in the region.

Japanese investment and expertise could help promote a competitive manufacturing sector in SA and the subcontinent, said Mandela.

He later repeated his call for economic co-operation between Africa and Asia when he addressed students at Tokyo's Waseda University. The university conferred an honorary doctorate in law on him.

At a state banquet hosted by Emperor Akihito and Empress Michiko in the Imperial Palace, Mandela paid tribute to Japan for its commitment to reconstruction and development in SA.

He said Japan's substantial contribution to the reconstruction and development programme had done much to help alleviate poverty and misery.

□ It was announced in Cape Town yesterday that Mandela would pay state visits to Pakistan and Russia at the end of this month. The visits were at the invitation of the two countries' leaders, a presidential spokesman said.

The president will visit Pakistan from July 22 to 25 and Russia from July 25 to July 29. — Sapa- AFP-Reuter.

● Picture: Page 5

Wednesday July 5 1995

11

'Technology vital for RDP plan'

Staff Reporter

(297)

THE greatest risks facing South Africa are increasing unemployment and the real danger that economic growth might revert to a negative figure, says Ben Ngubane, Minister of Arts, Culture, Science and Technology.

If South Africa was to have any chance of overcoming such problems it would have to reduce the fiscal deficit, reverse the brain drain and maintain and market its own technology.

Speaking at the opening of the 40th annual conference of the South African Institute of Physics at the University of the Western Cape, Dr Ngubane said technology was essential for productivity and economic growth, and vital to the government's reconstruction and development programme.

Physics had a crucial role to play.

"The application of physics could improve South Africa's ability to devise, maintain and market its own technology," he said.

Referring to the uranium enrichment programme, the minister said that "had the international market for enriched uranium not collapsed, this partially physics-based process could have offset the country's economic demise".

The Support Programme for Industrial Innovation marketed developed products and "indicated that South Africa has the potential to export such products," said Dr Ngubane.

R1,1bn boost for the RDP

Development bank funding lifted 38%

Robyn Chalmers

THE Development Bank of Southern Africa released more than R1,1bn for development during the year ended March, a 38% hike over the previous year, providing a significant boost for the reconstruction and development programme.

The bank's performance, highlighted yesterday when details of its transformation plans were officially released, was a sharp turnaround from predictions at the halfway stage when lending was virtually halted by bureaucratic hurdles.

A bank transformation team's proposals include a narrowing of the bank's focus to the financing of infrastructure, removing its macroeconomic focus and merging it with the Industrial Development Corporation to create a R16bn institution able to mobilise private capital.

Bank acting CE Nick Christodoulou said disbursements during the year had passed the R1bn mark for the first time, against R716,7m last year, indicating that development momentum had been sustained through the transition year.

This was achieved by overhauling the operational decision-making system over two years, assisting borrowers in building institutional capacity and paying greater attention to the implementation phase of the project cycle.

There had been a high level of new project approvals during the current financial year and disbursements were expected to rise to between R1,4bn and R1,5bn, he said.

However, Christodoulou said the bank had been hampered by uncertainty over provinces' borrowing powers and a variety of transitional adjustments which had af-

fect development delivery capacity in the short term.

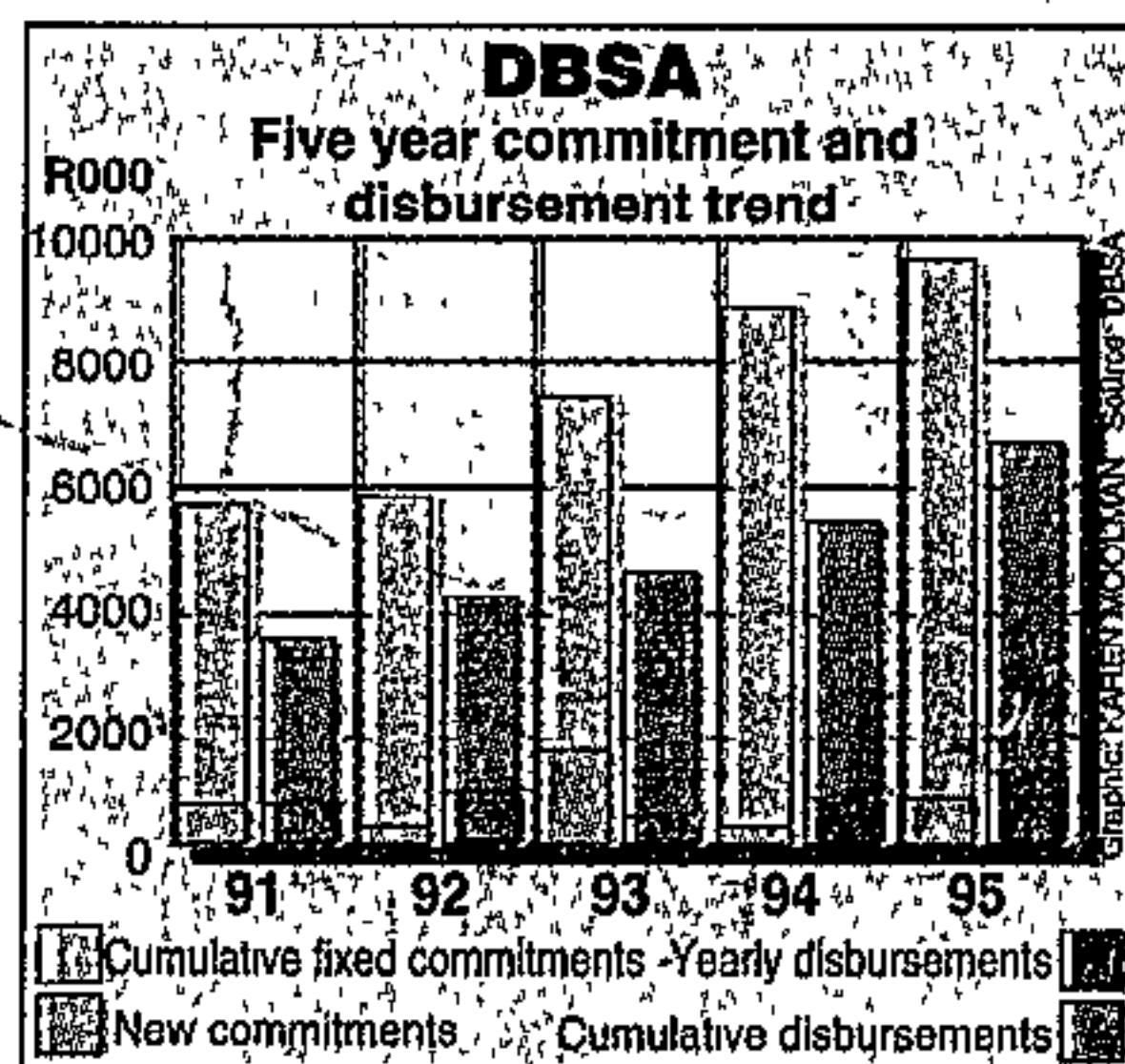
The excess capacity had been redirected to assisting government with initiation of the RDP at national and provincial levels, as well as to assisting provinces in assessing developmental responsibilities.

Christodoulou said that new funding opportunities for the development bank were opening up and financial resources from international financing instruments in the form of donor, concessionary and co-financing facilities would become an important source of funding.

In addition, the bank would return to the local financial market to raise funds during the current financial year after an absence of two years.

Bank chairman Wiseman Nkuhlu said the government-appointed transformation team had presented its proposals to the

Continued on Page 2



Bank (297) MD 5/7/95

Continued from Page 1

finance ministry, but a response was not expected until next month.

He said the bank's proposed new focus on infrastructure would encompass three areas — major infrastructural schemes such as transport and telecommunications, bulk infrastructure and infrastructure — to connect SA with neighbouring countries.

Studies suggested that the infrastructure finance required for SA was between R35bn and R60bn over the next five to seven years, and Nkuhlu said the only way the bank could make a contribution in this regard was by gearing up its balance sheet.

"It is becoming increasingly clear that we need to co-ordinate and restructure the development finance system in SA so that the need for future capitalisation by the fiscus is reduced.

"The private sector needs to become

increasingly involved in funding development, and the possibility of the private sector being allowed to acquire a stake in the bank cannot be ruled out," he said.

Finance Minister Chris Liebenberg said the bank's level of disbursements and its balance sheet were strong indications that it had succeeded during the difficult period of transition.

Liebenberg said there were a number of proposals contained within the transformation team's report that he was "very enthusiastic" about and it was clear that the bank's focus would have to be narrowed. He had received a number of inquiries from foreign organisations about the possibility of taking equity in the bank.

"I agree that we need to co-ordinate and restructure SA's development finance system, but there is a lot of work that has to be done on this issue and we will only be taking decisions some way down the road."

Development Bank to tap local market

By SUDARSAN RAGHAVAN

SPECIAL WRITER

After an absence of two years, the Development Bank of Southern Africa said it would enter the local financial market this year to raise funds, while denying rumours of a merger with the Industrial Development Corporation.

South Africa's return to international markets and sweeping political changes had opened up new funding opportunities, the bank said in its annual report released yesterday.

"For the first time the bank had the potential to live out its mission for South Africa," said Chris Liebenberg, minister of finance, at the release of the report.

The report gave no details of its proposed borrowing programme.

Wiseman Nkuhlu, chairman of the bank, said there had been no talks with the IDC to create a holding company, but close co-ordination with the IDC and other development bodies would be essential.

An important source of future funding would come from global financial instruments such as donors and concessionary and co-financing activities that had become available.

The level of disbursements soared to R1,15 billion, a 38 percent jump over last year and the first time they have gone over R1 billion, the report said.

"The bank, unlike private sector institutions, measured success by the level of disbursements and the type of community that was reached," said Nkuhlu.

While high project approval rates in 1992 and 1993 led to a meteoric rise in projects reaching



Development Bank chairman
Wiseman Nkuhlu

PHOTO: JOHN WOODROOF

fruition last year, Nkuhlu expressed concern that low borrowing by provinces could push down the level of disbursements.

New commitments costing R863 million were given the green light for 258 new projects. A further R294 million from other public and private funds had also been approved for these projects, bringing the total committed for this year to R1,16 billion.

The primary source of income was from its development loan portfolio which rose from R2,4 billion to R5,85 billion over the past five years.

Tearful farewell to Friday

Sowetan 3/7/95
By Sibusiso Mabaso

CRIES of grief echoed in the Shap stadium in Mofolo, Soweto, as thousands of mourners paid a poignant farewell to Mr Friday Mavuso yesterday.

Mavuso, who was president and founder of the Self-Help Association of Paraplegics (Shap), died in a road accident a week ago while on his way home from Newcastle, KwaZulu-Natal.

He was buried at Doornkop cemetery after a three-hour emotion-charged service at the Shap centre.

Distraught mourners lined the street and formed a guard of honour for Mavuso. Many of them could not hold back their tears. Former chairman of the Disabled People of South Africa, Dr William Rowland, said Mavuso would be remembered for his brilliant ideals and vision in uplifting the living conditions of the disabled in South Africa.

In his message of condolence, read out by Rowland, President Nelson Mandela said Mavuso's sudden and untimely death was a great shock to the nation.

FOR SA RECONSTRUCTION PROJECTS

Japanese aid package for RDP

CT 4/7/95

(297)

TOKYO: President Nelson Mandela's visit to Japan sees the closure of a R360m aid deal with the Japanese government.

SOUTH AFRICAN officials have clinched a Japanese aid package worth about \$100 million (about R360m) to bankroll three major reconstruction and development projects.

The projects include refurbishment of the rail transport system linking Johannesburg and its neighbouring townships, a potable water scheme in the former kwaNdebele and a medical supplies venture.

Details of the breakthrough are expected to be announced by President Nelson Mandela and Japanese Prime Minister Mr Tomiichi Murayama tomorrow.

The deal, which is part of the \$1,3bn (about R4,68m) aid package announced by the Japanese government in July 1994, follows months of haggling between Japanese and SA government officials.

Japan has now apparently relented on an earlier insistence that projects flowing from the package be implemented only by Japanese companies. Instead, the projects will be undertaken by SA and Japanese companies co-operating in joint ventures.

One Japanese source said the Japanese government had been impressed by SA's seriousness in implementing the RDP. Even though RDP implementation was perceived to be lagging, the government's commitment to fiscal discipline and to thorough planning had impressed the scrupulously careful Japanese.

In part, Japan had also relented to put it in a position to be able to time the announcement for Mr Mandela's visit. SA officials have been dropping broad hints that the monies con-

tained in Japan's package would finally begin flowing.

South African ambassador to Japan Mr Christo Prins, said yesterday there had been "misunderstandings" about the delay.

SA had never received overseas development assistance before and had found it an extremely complicated field.

However, Mr Prins said he expected "good progress" on finalising at least some of the package during Mr Mandela's visit.

The release of the aid money is one part of the good news flowing from the visit. The other could be a successful attempt to lure Japanese investors to the country.

Trade and Industry Minister Mr Trevor Manuel indicated that with rising Japanese manufacturing costs and the high relative value of the yen, SA would be in a strong position to offer itself for offshore Japanese investments.

The timing of Mr Mandela's visit, Mr Manuel said, was therefore "quite fortuitous".

Mr Manuel said SA's established legal system provided the legal certainty the Japanese had found lacking in their attempts to take investments offshore to Russia and China.

He also indicated that SA wanted to "reshape" its relationship with Japanese motor manufacturers. These currently operated under licence, as opposed to German motor companies which operated subsidiaries in SA and provided a market for South African-made components.

Today, Mr Mandela will be received by Emperor Akihito at the Akasaka Imperial Palace in central Tokyo.

Mr Mandela and the emperor will be the centrepiece of an elaborate palace ceremony, complete with bands, salutes and national anthems. — Special Correspondent

● See Page 5

Talk on social welfare policy

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By Betsy Spratt

Professionals discuss a policy to address issues like adoption

SOCIAL WELFARE professionals from around the country met in Bloemfontein, Free State, recently for a national consultative conference on a discussion document that will eventually become a White Paper on social welfare.

The conference, "Towards a new social welfare policy strategy for South Africa", was part of an initiative begun in January by the Ministry of Social Welfare and Population Development.

Developed in conjunction with stakeholders in the provinces, central Government and national bodies, the White Paper will provide a policy framework for addressing the issues of adoption, street children, HIV/Aids and other social concerns.

Expected to be finalised in early 1996, its goal is to counteract past social, economic and political policies that have caused "structural poverty".

Nearly half of the nation's population is ensnared in this kind of poverty, said Water Affairs and Forestry Minister Professor Kader Asmal, to the 400-member audience. "Structural poverty is the result of past economic, political and social policies that have conspired to marginalise a sector of the population," he said.

"What you are doing here is of the utmost importance to the country. We must work out a new framework for the Government." Asmal went on to say if the Constitution is head of the Government, social welfare is the heart. "It (social welfare) is the completion of the tasks that the Constitution promises," he said.

Minister of Social Welfare and Population Development Mr Abe Williams concurred, saying poverty has a disproportionate impact on the nation's black population (Africans, coloureds and Indians).

African women and children in rural areas are the hardest hit.

Improving the social welfare system will help the marginalised meet their basic needs, which in turn will



Water Affairs and Forestry minister Kader Asmal says nearly half of the nation's population is ensnared in poverty

contribute to peace and development, Williams said.

During the conference, delegates assembled into 14 groups to discuss matters like policy framework, social security, social integration and general discussion and planning.

"It was a good experience," said Ms Loretta Jacobus, a member of the Gauteng Legislature who participated in one of the groups. "It is the first time in the nation's history that a consultative process like this has taken place."

Although the groups reached consensus on many aspects of the discussion document, there were several points of contention.

The groups recognised the need for



Social Welfare Minister Abe Williams ... the social welfare system must be improved to help the marginalised meet basic needs.

greater flexibility in applying for grants and pensions and improving access to pension pay-out points. However, family and care-giver allowances and subsidised adoptions were tabled for later debate.

Recommendations made by the groups will be incorporated in an updated discussion document to be finalised in August. Afterwards, it will be presented to the Cabinet and the Portfolio Committee for Social Welfare.

The discussion document will then be tabled in Parliament and published for further public comment. Afterwards, the discussion document will receive the status of a document of the Government of National Unity.

Mourners in sad farewell to Mavuso

(293) Star 3/7/95
■ BY ABBEY MAKOE
SOWETO BUREAU

Dignitaries from all over the country gathered in a solemn assembly to pay their last respects to Soweto's prominent leader for paraplegics, Friday Mavuso, who was buried at the Doornkop cemetery yesterday.

Mavuso (46), who first made the headlines in 1980 when he won a court battle against the State for being unlawfully paralysed by a drunken and off-duty policeman's bullet, died a week ago in a car crash in Eastern Transvaal.

Among the mourners who braved the chilly weather were Gauteng premier Tokyo Sexwale, SA Football Association general secretary Stix Morewa, editor of the Sowetan Aggrey Klaaste, Winnie Mandela and a host of disabled people.

Speaker after speaker praised Mavuso, who single-handedly started the Soweto-based Self Help Association of Paraplegics with the money he

received after suing the State. He was also a co-founder of the national Disabled People of SA movement.

Deputy Minister of Arts and Culture Bridgette Mabandla described Mavuso as a great advocate of human rights who fought an outstanding battle to put an end to discrimination against the disabled.

Mavuso's coffin was laid on top of his mother, Ida Mavuso's coffin. Ida died in 1962. As the coffin was lowered, paraplegics overcome with emotion wept openly.

Mzwakhe Mbuli, a well-known poet, said one was tempted to question God's wisdom in "taking" Mavuso and leaving behind people like mass murderer Barend Strydom.

It was a sad farewell for Mavuso, whose campaign for respect for the disabled saw Sowetans gradually stop referring to paraplegics as "cripples", a term which, put bluntly, means "the useless ones".

Call for 'apartheid' firms to boost RDP

Nicola Jenvey

297

DURBAN — Businesses which benefited from apartheid should be called on through legislation to donate a percentage of their profits towards the reconstruction and development programme and every government department should set aside a percentage of its budget to further RDP needs, the Umtabo Centre conference on the RDP stated yesterday.

Conference co-ordinator Strini Moodley said it was vital for business "to cough up profits" towards the RDP and it was government's duty to entrench the support from "those who benefited under apartheid".

There was also a problem of private enterprises offering their own definitions of the RDP and gaining funding for projects which only furthered personal aims and not those of the community.

"The government must look into those projects proposed by private enterprises which claim to be RDP in nature but are really only further entrenching the apartheid system," he said.

Referring to government departments, Moodley said the RDP was "a holistic and multi-disciplinary pro-

gramme, which could not be separated from education, health, housing, water, employment chances and rural electrification programmes.

"If each ministry allocated a percentage of its budget to the RDP, it would become possible to develop an infrastructure for a healthy society. There must be more communication between Jay Naidoo and other cabinet ministers," he said.

Government would also have to evaluate current and future programmes under way with RDP funding and increase the budgets for successful ones, while dropping those not achieving essential RDP goals.

Moodley said SA could learn from the past by looking at those projects which had survived under apartheid. These could be used as case studies and replicated elsewhere.

The conference also called for a simplification of red tape surrounding access to RDP funding. This would ensure RDP effects and benefits reached the communities faster than at present.

Moodley said the RDP was a continuation of the liberation struggle, but it could not become a party-political weapon. There had to be set structures which exposed and eradicated exploitation.

New approach to young offenders

Bonnie Ngqiyaza

298

ALTERNATIVE disciplinary methods for young offenders should be considered, since institutionalising alienated children from families and made their return to their communities difficult, Deputy Welfare Minister Geraldine Fraser-Moleketi said.

Speaking at Randfontein's Meritum Youth Centre at the weekend, Fraser-Moleketi said: "Some of our residential institutions are not pleasant and I sometimes think it would have been better if those kids had been left in prison."

However, children with a tendency towards crime or who had committed serious offences, needed to be in residential care for their own safety, and more importantly, be made to take full responsibility for their acts.

Staff taking care of such children needed to have "adequate, correct training" to be able to deal effectively with those children and ensure smooth community reintegration.

The Meritum centre, meanwhile, faces a fund crisis, with about R20m needed for annual maintenance.

About 250 children have been accommodated in various detention units in Gauteng since the promulgation of the Correctional Services Amendment Act in May. The Act prohibits the detention of children under the age of 18 years in police cells for longer than 48 hours.



Private sector played role in training

Adrian Hanlon

CAPE TOWN — The private sector had readily accepted responsibility for improving employees' education and training, says the department of education.

According to the 1994 annual report of the department of education and training tabled in Parliament on Friday, the number of learners at centres for adult education had increased from 85 022 in 1993 to almost 115 000 in 1994.

The rising number of new centres — 21 were established during 1994 — and higher levels of enrolment were directly attributable to private sector involvement in employee education and training.

The greatest need had been for literacy training for which almost 16 000 learners had attended classes, compared with 13 365 in 1993.

The report said 234 adult education centres were in operation during the year as well as 171 satellite campuses.

Textbooks costing R131m and stationery worth R26m had been purchased.

The report also noted an 8.9% growth in the number of secondary school pupils from 882 410 in 1993 to 874 199 in 1994.

It indicated that 88 new public primary schools, 291 additional instruction rooms for existing primary schools, 61 new public secondary schools and 204 extra rooms had been built during the year, accommodating about 182 000 pupils.

MD... be allowed

MONDAY
JULY 3, 1995 ★

Speakers salute Mavuso

(297)

ET 3/7/95

SPECIAL CORRESPONDENT

JOHANNESBURG: Dignitaries from all over the country gathered to pay their last respects to Soweto's prominent leader for the paraplegics, Mr Friday Mavuso, who was buried at the Doornkop cemetery yesterday.

Mr Mavuso, 46, who first made the headlines in 1980 when he won a court battle against the state for being paralysed by a drunken off-duty policeman's bullet, died last Sunday in a car crash in kwaZulu/Natal.

Among the high-profile mourners who braved the chilly weather were Gauteng premier Mr Tokyo Sexwale, SA Football Association's general-secretary Mr Stix Morewa, Sowetan editor Mr Aggrey Klaaste, Mrs Winnie Mandela and a host of disabled people.

Speaker after speaker praised Mr Mavuso, who single-handedly started the Soweto-based Self Help Association of Paraplegics (Shap) with the money he received after successfully suing the state. He was also a co-founder of the national Disabled People of SA movement.

Advocate

Mrs Bridgette Mabandla, Deputy Minister of Arts and Culture, described Mr Mavuso as "a great advocate of human rights" who fought an outstanding battle to put an end to discrimination against the disabled.

Mr Mavuso's coffin was laid on top of that of his mother, Mrs Ida Mavuso, who died in 1962. As the coffin went down paraplegics overcame with emotion wept openly. "Boet Friday" (brother Friday) some cried.

Well-known resistance poet Mzwakhe Mbuli said one was tempted to question God's wisdom in "taking" Mr Mavuso and leaving behind people like mass murderer Barend Strydom.

It was a sad farewell for Mr Mavuso, whose campaign for respect for the disabled saw Sowetans gradually stop referring to paraplegics as "cnpples".

Moketla questioned about food scam

By ELIAS MALULEKE

(297)

FORMER Operation Hunger regional manager Judith Moketla has been questioned by police investigating an Operation Hunger food scam involving more than R5 million in which food meant for the poor was diverted and sold by a syndicate in the Free State.

Police spokesman Colonel Eugene Opperman said Moketla was among several people who had been questioned following the exposure of the multi-million rand scam.

Moketla resigned from Operation Hunger last year after working for the organisation for several years, and now operates a bottle store in Thaba Nchu.

Her place was taken by Anthony Mfila - who was suspended last month with Operation Hunger executive director Mpho Mashinini.

Opperman said police investigations were progressing well, and the case docket would be submitted to the attorney-general for a decision.

■ "Mr Big", a well-known figure who is believed to have headed the syndicate, is alleged to have showered some officials of Operation Hunger with gifts.

Information gathered by City Press has revealed that the syndicate may also have defrauded Operation Hunger through a fraudulent milling company in Thaba Nchu called Thusanang Milling.

According to documents, Operation Hunger placed regular maize orders and made out payments to Thusanang Milling - but although there is a registered company named Thusanang Milling (Pty) Ltd in Mafikeng it has nothing to do with the purported company Thusanang Milling in Thaba Nchu. City Press could find no such company in Thaba Nchu.

Top ANC men want to oust Jay Naidoo

ST 2/7/95

(297)

By EDYTH BULBRING: Political Correspondent

Bid to oust RDP minister

From Page 1

doo's decision not to stand for election to the ANC executive at the party conference last December. "They don't trust him. He has always refused to become part of any camp in the ANC."

Mr Naidoo proposed a radical transformation of the economy which would involve tough economic choices — like cutting the deficit and the public service. Some ministers wanted softer options.

However, Mr Naidoo conceded yesterday that some of the criticisms were valid and said the office was trying to resolve the problems.

His office had failed to communicate the RDP's message to communities and this had resulted in expectations that could not be met.

"I agree that we have had a bad communications strategy, although it

improved with the Masakane campaign," he said.

He also agreed that the government had been slow to deliver RDP projects. But this was because government departments did not have the capacity to implement projects once they had been approved.

Departments were having problems spending their own money let alone the RDP funds, he said.

He said the RDP office had tried to become more accessible to communities by establishing offices to help people prepare project applications. However, more work had to be done to simplify the complex processes, he said.

He angrily refuted the allegation that he had sidelined African intellectuals.

He said five of the 10 professional positions in the RDP office were held by African people and three of the remaining posts were being kept open for African applicants.

Of the four African

employees who had left the RDP office, two were still used as consultants and two had been encouraged to take more senior and permanent jobs with other departments.

The chairman of the RDP parliamentary committee, Max Sisulu, said Mr Naidoo had a "thankless task".

Despite the problems, "I think he is doing a good job," Mr Sisulu said.

He said people should stop whining about the lack of delivery. Instead, they should find out where the problems were and help to set them right.

He said that there were many models being floated as to where the RDP office would be best located.

But he believed the RDP office was correctly located in the office of the president. The president and his two deputies had to play a more active role with Mr Naidoo to drive the RDP, he said.

A POWERFUL faction within the ANC wants Jay Naidoo, the minister in charge of the RDP, removed as head of the programme.

The lobby, which a senior government source said could include up to half the ANC ministers, wants the RDP to be run by a cabinet committee headed by Deputy President Thabo Mbeki.

The RDP minister's supporters say the move is a power play, but Mr Naidoo concedes that some of the criticisms against him are valid.

The move to oust him comes at a time of widespread unhappiness over the RDP's failures.

Critics blame Mr Naidoo for, among other things:

- The lack of delivery,
- Creating unnecessary bureaucratic structures,
- Introducing red tape which causes delays, and
- The inaccessibility of the RDP office.

Among the proliferation of structures spawned by the RDP are the National Information Project, the Forum for Effective Planning and Development, the Macro Economic Working Group, the Programme Management Unit, the National Development Unit, the National Development Co-operation Committee and the National Development Agency.

Mr Naidoo's critics also say he has been unable to communicate the RDP in an understandable way, that he lacks stature and that the programme would stand more chance of success if it was managed by a senior politician with clout.

Their criticism also extends to Mr Naidoo's personal conduct. One detractor alleged that the former general secretary

of the Congress of South African Trade Unions (Cosatu) had sidelined African intellectuals in his office and employed his old "union buddies".

However, Mr Naidoo's defenders said this week that the criticisms of the RDP office masked another motive.

"It is all about power, power and power," said an official in Mr Naidoo's office.

Jay sees his job as a lot more than simply running the RDP fund. He sees a larger role for the RDP office in determining a macro-economic strategy for transforming the economy. Some people do not want him to play such a powerful role in the government.

The official said that the discussion on which structure the RDP office should fall under should be debated in the open and not kept to the "quiet corners".

"People must come out and say where they stand. About half the ministers would support the proposal to make the RDP office a function of a cabinet committee. But at the moment it is just whippersnappers who make as believe that there are personal agendas involved," he said.

RDP officials said they believed the real reasons Mr Naidoo was coming under attack were that:

- He had become unpopular with some ANC ministers for turning down their requests for extra money, because they could either not justify how they would spend it or had not reported their budget.
- They resent his attempts to tell them what to do in their own departments.
- As a former minister, he was seen as too independent of the ANC. This view had gained currency following Mr Naidoo's

To Page 2

A caring giant who gave hope to those who had lost it all

By RAMOTENA MABOTE

IT TOOK a bullet from a policeman in 1974 to change the life of Friday Mandla Mavuso for ever.

Although he was paralysed, unable to play the soccer he loved, Mr Mavuso's injuries would force him to become a national figure, someone who gave hope to disabled people all over the country.

After lying in a hospital bed for four years and going through two protracted court cases, Mr Mavuso set up the Self-Help Association for Paraplegics (Shap).

Fourteen years after he took the decision to help paraplegics to help themselves, Shap employs more than 100 disabled people from all over Gauteng.

This self-taught man-about-town, a former boxer and soccer star, died in a car accident last week.

When he eventually left hospital in his wheelchair, Mr Mavuso appeared in court, charged with robbery, resisting arrest and obstructing a policeman in the execution of his duty.

However, Mr Mavuso was acquitted after telling the court that the policeman, who had been drinking with colleagues, had attacked him while he was looking for a friend in a shebeen.

The acquittal was the beginning of a new life.

Mr Mavuso took what little money he had and instructed attorneys to bring a claim against the police.

It was a long, hard road he had embarked on.

His lawyers withdrew from the case so Mr Mavuso went to the Legal Aid Bureau, which agreed to help him.

Eventually, the court ruled in his favour and awarded him R75 000 in damages.

In 1981, almost two years after his court victory, Mr Mavuso founded Shap — and began giving hope to the disabled.

As the organisation went from strength to strength, Mr Mavuso

became the voice of paraplegics in South Africa. His business acumen and wit saw him, despite his lack of education, frequently being invited to address national and international conferences.

He received an honorary degree from the University of Cape Town, served on the Transnet board, became chairman of the Disabled People of South Africa and won the Paul Harris Fellowship Award.

Said Popi Buthelezi, a co-founder of Shap: "When he suggested this organisation to me it was like the second coming of Christ... I had just lost my mother and, with my disability, I was

dejected and hopeless."

Ms Buthelezi, who is also wheelchair-bound and now the manager of Shap's finances, described Mr Mavuso as a brother and a friend.

Another long-time friend, Mandla Mafika, said although Mr Mavuso never beat about the bush when something annoyed him, he was quick to forgive and get on with the job.

Mr Mavuso will also be remembered for his unquenchable — and sometimes shocking — sense of humour.

For Siphiwe Khumalo, who was recruited to Shap last year, Mr Mavuso was a mentor. Siphiwe was called to his office every day

and guided through Shap's plans.

"He actually put a cellular phone in his car just to call me daily from wherever he was to get an update of what was happening in the office."

Mr Mavuso died last Sunday when his car was involved in a head-on collision on the road between Balfour and Greylingstad.

He will be buried today at the Doornkop Cemetery in Soweto.

"We shall take his baton and run with it. Shap will never die as long as we live. We will do it in his memory," said his friends, colleagues and those he helped at the association.



NO LIMITS . . . Friday Mandla Mavuso fought for years to help disabled South Africans



WHEELCHAIRS AND WALKING STICKS: Mourners wept for Friday Mavuso, campaigner for the disabled, who died in an accident last weekend PHOTOGRAPH: MOTHALEFI MAHLABE

Wheelchair-bound campaigner remembered as a man of 'many words and many actions'

By **ABBEY MAKOE**

Sowetans were this week shocked by the death of one of the township's most prominent leaders, Friday Mavuso, a wheelchair-bound campaigner for the disabled.

Mavuso, described at his memorial service this week as "a man of many words and many actions", died in a car accident in Natal last weekend.

Mourners, most in wheelchairs or aided by walking sticks, others blind and guided by those who could see, wept

for the man credited with changing South Africa's attitude towards paraplegics.

At the time of his death, Mavuso (46) was a founder and executive director of the Soweto-based Self Help Association of Paraplegics (Shap). He also established Disabled People of SA, of which he was chairman.

Some of the highlights of Mavuso's career included involvement in the inauguration of President Mandela, serving on the Transnet board of directors and receiving an honorary masters degree in social work from the University of Cape Town in

1993.

Among those who attended Mavuso's memorial service were ANC stalwart Walter Sisulu, former Operation Hunger head Ina Periman and Soweto mayor Danny Kekana.

Sisulu said: "He (Mavuso) was a great man (of) great deeds. He never accepted defeat and fought for people to be given a chance."

Mavuso, who is survived by his wife and two children, will be buried at the Avalon cemetery in Soweto tomorrow. The service will be held from 10 am at the offices of Shap in Mofolo.

297 (297)

Star 1/7/95

Townships reaping the benefits of Mustadafin

□ *Helping without fanfare* (297)
ARL 3/17/95

ESANN de KOCK
Education Reporter

IN the violence-torn township of Crossroads of 1986, a few concerned individuals braved the harsh realities in an effort to bring some relief to the unfortunate people caught in the middle of the fighting between the Witdoeke and the Comrades.

They were Muslim students, lawyers, housewives, doctors and teachers — handing out food, looking after orphaned children and giving medical care.

Their efforts were so welcomed and the need was so great that a few months later they formed the Mustadafin Foundation.

Mustadafin is an Arabic word meaning deprived, destitute and oppressed. And it is exactly those people who fall in this category whom the Mustadafin Foundation assists.

But fundraising officer Ghairunisa Johnstone explains that far from relying on hand-outs the motto of the foundation is to empower communities to become self-sufficient and participate in running their own lives.

Today it runs a permanent office in Belgravia Road, Athlone.

From there it co-ordinates and helps in the running of seven day-care centres in areas such as Brown's Farm, Philippi, Khayelitsha and Nyanga. They train teachers, provide children with three meals a day and distribute equipment.

It has also started an adult education programme to help with community upliftment.

Apart from regular visits by a doctor to a clinic in Black City, Ms Johnstone says Mustadafin has focused on prevention at community level and trains volunteers from communities in basic hygiene, nutrition, immunisation, family planning and sexually transmitted diseases.

These volunteers conduct

home visits and give talks to mothers when they come to weigh their children and collect the milk the foundation supplies.

The feeding scheme sees to the immediate needs of people in squatter areas and provides food for the pre-school groups.

In some cases, the foundation pays for a cook at pre-schools to prepare three nutritional meals a day, and in other cases volunteers from mosques prepare the meals.

Ms Johnstone explains that the Mustadafin Foundation also responds to community needs as they arise. Last year volunteers helped with relief work for flood victims in the KTC squatter camp.

This crisis also gave the foundation an opportunity to link up with other organisations and groups such as the Presbyterian Church.

But, if it all sounds too good to be true, Ms Johnstone is quick to point out that the need is great and the money is never enough.

Funded almost entirely by the Muslim community and business people, the foundation relies on company and individual donations.

It also hosts various fundraising projects throughout the year.

Donations from the public and the odd donation from big companies also enables the foundation to carry on its work.

Although parents pay R30 a month for the crèche service, more money is needed to pay teachers properly, buy equipment for pre-schoolers, secure pre-school buildings from break-ins, buy a second vehicle and replace stolen equipment.

From the humble beginnings in strife-torn Crossroads, the Mustadafin Foundation has grown to become an organisation on which many rely in times of crisis, and many have thanked for a kick-start in becoming self-sufficient.

PAP FOR BREAKFAST: These tots at the Try Again Day Care Centre in Brown's Farm couldn't ask for a more enjoyable meal than mielepap, milk and sugar. Their breakfast has been prepared by a cook at the day-care centre with funds from the Mustadafin Foundation.



EU funds waiting on tardy RDP programmes

John Cavill

297
RD 30/6/95
MONTREUX — European money would "go elsewhere" unless SA came up with projects to fund under the reconstruction and development programme (RDP), European Union ambassador Erwan Fouere has warned.

Speaking at the Europe-SA '95 Business Forum, Fouere acknowledged that the SA government had correctly avoided a "populist approach" and had not simply "thrown money" at problems.

Nor was the EU, unlike some donors, interested in making sure that aid went to high profile projects or tying grants to purchases. "The EU wants to make sure SA's transition is a success."

But, he said: "There are urgent needs in SA. We want to make sure that the pace of delivery is speeded up."

The EU had allocated development grants of R500m in its 1994 budget, R600m in 1995 and proposed similar annual amounts for the rest of the life of the government of national unity.

Looking to the future, he said, "It is more and more difficult now to justify to taxpay-

ers in Europe the disbursement of funds around the world."

There were a lot of needs in SA, and the EU "must be able to show taxpayers its money is being put to use".

In putting up loans via SA banks, he said, Europe was "hoping to create an incentive for (those) banks to be more open to small and medium enterprises. If SA does not use the resources available they will go elsewhere."

Afterwards, Fouere said he was "satisfied" with the way grant aid in SA was being used.

"What I was getting at was the loans available through SA banks. If these are not put to use, the facilities will go to other developing areas such as South America," he said.

Answering a question on the perceived "slow delivery" of the RDP, Kagiso Trust CE Eric Molobi admitted administration had been partly responsible.

Against four provinces SA now had nine and "a lot of them are struggling", he said.

"There are blockages because of government, with problems of links between the RDP ministry and line functions."

gramme, is destined for the improvement and construction of infrastructure for people living in sugar growing areas of KwaZulu-Natal, the Eastern Cape and the Eastern Transvaal — an area populated by about 2,5m people.

What is significant is that Public Works Minister Jeff Radebe is using, rather than duplicating, administrative facilities established by the sugar industry to assist communities impoverished during the four-year drought.

There are several important spin-offs from this, the most notable of which is that virtually all of the R12m will be channelled directly into projects rather than funding a bureaucracy.

Other advantages are that the joint venture should encourage private-sector financial and technical contributions to the programme. The cash injection comes as the industry tries to extricate itself from the burden of bringing about upliftment in sugar industry-dependent communities. The industry insists that, to remain internationally competitive after the implementation of Gatt, part of this burden, which has led to the establishment of 45 000 small sugar farmers since 1972, must be borne by others.



Mandela

Effectively Siyakha will use the structure created by the Small Grower Development Trust's work-creation programme, implemented with a R5m Industrial Development Trust grant (supplemented by another

R2m from the sugar industry), to create work, provide skills training and improve the quality of community-owned facilities to offset the effects of the prolonged drought.

The scheme, which has already employed 900 people over 125 000 workdays, resulted in the refurbishment of existing classrooms, building low-level bridges and culverts, sinking boreholes and restoring land damaged by soil erosion.

Siyakha will also promote the implementation of feasible projects identified by communities.

Main objectives are job and infrastructure creation, human resources development and community empowerment.

SUGAR INDUSTRY ~~297~~ (297) Sweetness and light

FM 30/6/95
Last week saw the launch of a project aimed at uplifting impoverished rural communities with links to the sugar industry.

President Nelson Mandela gave R12m to the SA Sugar Association Small Grower Development Trust's Siyakha (building together) programme.

The money, channelled through the national community-based Public Works Pro-

EMERGING BUSINESS

Safmarine contains the problem

THE POOR STATE OF THE South African economy, aggravated by a lack of international investment in recent years, coupled with discriminatory legislation based on colour and gender, are some of the major causes of mass unemployment.

This has resulted in millions of lesser-privileged people suffering from a lack of basic housing and community support services says Tembisa Qukula, public affairs executive of Safmarine.

Qukula says that although these facts have been highlighted by the media and are well known, two aspects are clearly evident

These are: a recently enfranchised population looking to the new Government and to the business community for speedy improvement in their standard of living; and the difficulty of knowing where to start, given the size of the problem

Meaningful contribution

Against this background, Qukula says Safmarine wants to contribute to eradicating unemployment in a meaningful and material way that is appropriate to its own business activities and to the Reconstruction and Development Programme

"It is also important to devise a scheme that is practical, and which meets the specific needs of the people that it is intended to help, in both the short and longer terms," says Qukula.

"Effective projects have to be developed that will directly and immediately improve the day-to-day living standards of the peo-

Shipping, line contributes to eradicating unemployment in accord with the RDP and appeals to other lines for help

ple on the ground, in a sustainable and self-supporting manner. This concept is felt to be far more satisfactory than throwing money at the problem or in quick fix solutions," he adds

"As the major ship owner and ship operator in southern Africa, Safmarine continually replaces its holder containers. These 'retired' units, although no longer suitable for the stresses and strains of international sea freight transportation, are still structurally sound, waterproof and easily converted into classrooms, clinics, small shops and many other purposes.

Moreover, the containers can be deployed immediately, whereas conventional structures may take months or years to erect," explains Qukula.

"Often, the conversion of the containers can be undertaken by craftsmen from the local community, thus creating much-needed jobs," he adds.

National survey

However, not wanting to make assumptions or force ideas, Safmarine commissioned a leading market research company to undertake a national survey to test the acceptability of the old containers in less privileged communities.

A total of 1000 respondents were inter-

viewed, comprising black home-owners, tenants and informal residents throughout South Africa

The results showed that, while a certain number of the respondents felt a container could be used for basic housing purposes, most respondents would prefer to see the containers used in a community support role — as a shop, clinic, pre-school, library, classroom or resource centre.

Remarkable spirit

"These results showed a remarkable community spirit among people living in adverse conditions, where one might have expected a 'winner takes all' attitude," says Qukula.

The first step was to obtain Safmarine Board approval for the donation of some 3 000 retired containers, with a realisable market value of more than R15 million. This was done by Safmarine executive director Mr Peter James.

The second step was to create a department of four people to manage the projects under Qukula.

"News of the Safmarine initiative was disseminated via the media, and via a system of 'networking' among

local community leaders, civic associations, churches, welfare organisations and the like. At the same time, the Government was kept fully informed. Positive feedback has been received from all quarters, including Government

Applications screened

Qukula says applications for containers poured in, but each was carefully screened by the team to check its appropriateness and the bona fides of the applicant. Where possible, the applicant paid a nominal fee to cover storage and other costs. But in many cases this charge was waived, and the containers were donated gratis.

"Communities were encouraged to convert the containers, but in special cases where larger projects were involved, Safmarine paid for the conversion," says Qukula. "At the end of December 1994, almost 3000 containers, representing some 400 different projects, had been deployed. Although this represents a donated value from Safmarine of more than R15 million, the received value in the community is at least double this amount, since it is not possible to build comparable structures in brick, timber or other materials for the basic value of each container.

"The containers have been used singly, for example for shops and other small businesses, or bolted together in pairs, with the side panels

used, as for classrooms or as a double-storey structure, with the owner living on top and working below, or in multiples with roof and walls added to create small community centres," explains Qukula

Many benefited

Certainly, tens of thousands of people have benefited from the container projects, which are ongoing, and it is likely this number will increase to hundreds of thousands in the years to come.

"Safmarine will continue its container projects in 1995, and into the future, using its own containers as and when they are withdrawn from service.

"Many more are needed, however, and Safmarine has issued an appeal to other international shipping lines, which have an interest in assisting the disadvantaged communities of South Africa and which may have old containers on hand, to make them available to Safmarine," says Qukula

Containers are easily converted into classrooms, clinics, small shops and many other purposes



Friday Mavuso ... his colleagues at Shap are determined to make his dreams come true.

Dream lives on after sad death

By Bongani Mavuso

BRA Friday "Dla" Mavuso will be buried at the Doornkop Cemetery, Soweto, on Sunday.

But his unique ideals and vision to uplift the living conditions of the disabled will not rest with him. His colleagues have vowed to continue from where he left off.

Friday Mavuso was born on a Friday. He was shot on a Friday. His mother died on a Friday. He was married on a Friday. He once said he would probably die on a Friday.

Mavuso, the president of the Self-Help Association for Paraplegics (Shap) in Mofolo, died in a road accident last Sunday while on his way home from Newcastle in KwaZulu-Natal.

He had gone there to resolve problems facing paraplegics at the Zamazisa Centre for the Disabled.

Mavuso was paralysed by a police bullet in 1974. He spent four years in hospital. Thereafter, he worked relentlessly to bolster — economically and socially — the standard of living of disabled people.

When he met his untimely death, Mavuso was working on several projects which his close associates at Shap say, if they could materialise, would "greatly" empower paraplegics.

These include plans to build a computer school at Shap Centre. Literacy programmes would also be conducted at the school, said Mavuso's personal assistant Mr Tsietsi Louw.

About a month ago, Bra Dla built a hydroponic garden at the centre. Negotiations with top hotels to purchase vegetables grown there were still under way.

Last Friday, before leaving for Newcastle, Mavuso had visited several shops in Soweto where disabled people were carrying out a painting

project. Mavuso was awarded this project by a chocolate manufacturing company. It got off the ground last week.

Louw said Mavuso was also negotiating with a top hotel group for Shap to manufacture hand lotions, insect repellents and conditioning shampoos for the group.

He was also negotiating with a Johannesburg college to offer his employees electronic courses.

"All these projects are aimed at empowering the disabled economically and educationally. Daily, Mavuso fought to see disabled people living an independent normal life. He lived for the disabled," Louw says.

"We are determined to work very hard to keep his vision and ideals alive. He dreamt of seeing the disabled community accepted and respected by society."

Bra Dla founded Shap in 1981 after realising the difficulties faced by disabled people. The factory, as he preferred to call Shap centre, employs about 120 disabled people.

Products manufactured at the centre include underground mining cables and protective wear for mine workers. Slide projectors and cameras are also repaired. The factory is managed and staffed by the disabled.

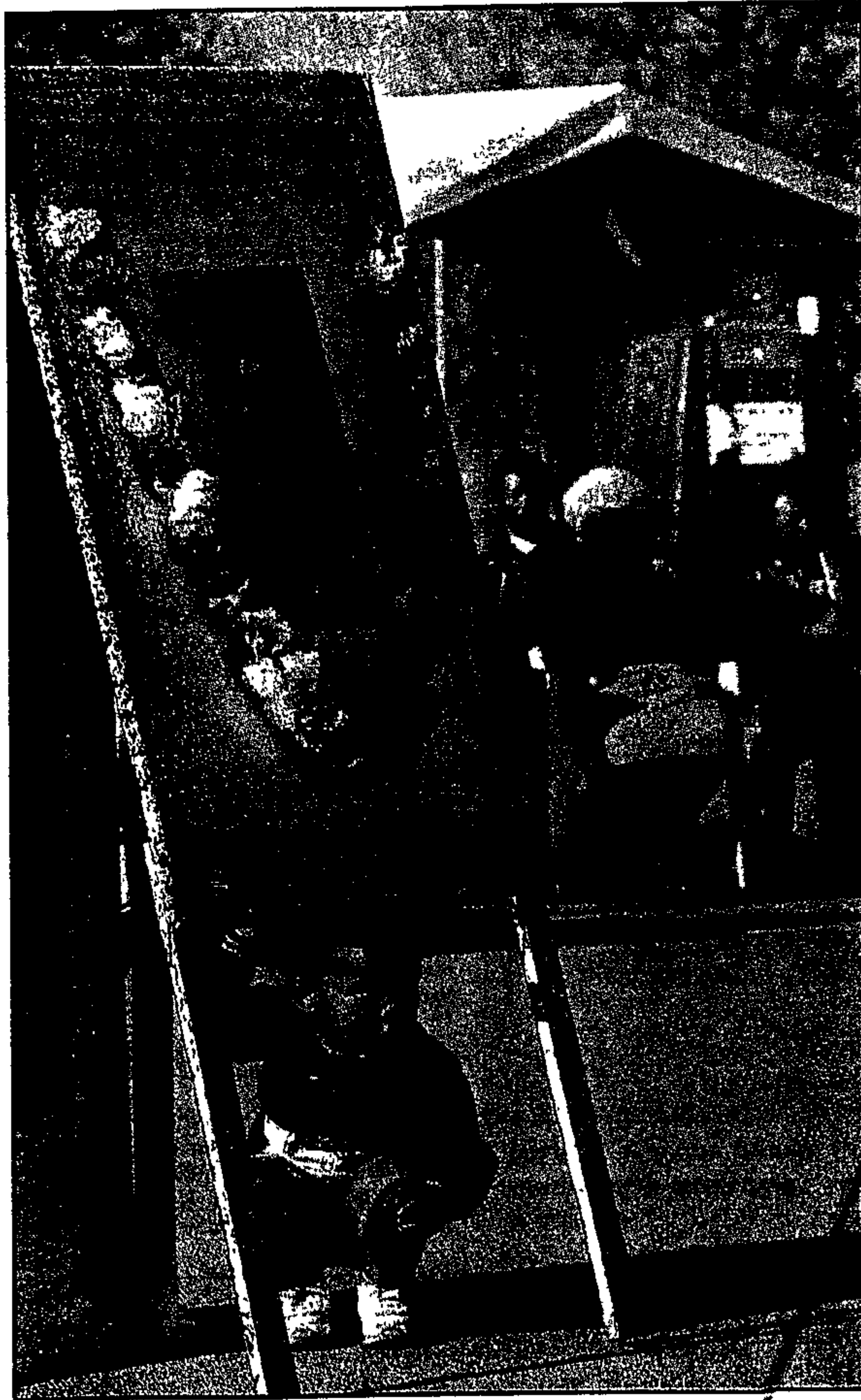
Renowned poet Mzwakhe Mbuli has written a poem in tribute to the fallen champion of the disabled.

It reads in part: "God why take away Friday? ... so and ... and others who are selfish alive?"

"Why remove the shepherd from the sheep?"

"When Friday Mavuso enters thy Kingdom ... honour him with your noble crown."

"When he enters thy Kingdom ... ask him who should look after his flock. When he enters thy Kingdom ... tell him his departure was too early and too soon for Heaven..."



Irreplaceable loss . . . Jabulani Mkhali (2) of Soweto at the memorial service for Friday Mavuso.

PICTURE BY HLABE

Star 30/6/95
**Disabled
activist's
memorial**
(297)

■ BY ABBEY MAKOE
SOWETO BUREAU

Friday Mavuso, the activist for paraplegic rights who died this week, was described by many speakers yesterday at a memorial service in Mofolo, Soweto, as a true champion of the disabled.

Catherine Tindall, who represented Johannesburg Consolidated Investments, said of Mavuso, who was killed in a head-on collision in Natal on Sunday: "Friday brought brightness to all of us. He was a man of tremendous courage, and absolute determination."

"He led a lifestyle of service and enriched our lives," she said.

Mavuso was a founder and executive director for the Soweto-based Self-Help Association of Paraplegics (Shap). He was also chairman of the Disabled People of SA, and served on several boards of directors, including that of Transnet.

A spokesman for the rail company at the memorial service said Mavuso's death was a big loss to the board.

Mavuso will be buried at Doornkop cemetery, Soweto, on Sunday. The service, from 10am, will be held at the Shap offices in Mofolo.

Richards Bay container terminal may go private

The planned new container handling terminal, which seems destined to go to Richards Bay, may be managed by a private sector operator.

This was revealed in parliament by the minister of public enterprises Stella Sigcau in reply to a question asked by the National Party MP Piet Welgemoed.

But Sigcau said Portnet had no immediate plans to allow shipping companies harbour facilities to handle their own containers to relieve current port congestion. Portnet would continue to operate the three container terminals which have been in operation since 1977, she said.

A final policy was still to be decided on the operation of a new container terminal. The terminal should be in operation by 1999. It is decided to put the operation of the new terminal out to tender "it would be preferable to have an independent operator (and not a shipping line or cargo operator) running the terminal as that would be in the interest of optimal capacity utilisation". — Bruce Cameron

Broadacres changes name: Broadacres Investments, now listed on the JSE's diamonds sector, will change its name to Baobab Solid Growth and list on the JSE's investment trusts board from Monday. The company holds 14,9 percent of Mercantile Bank and 49 percent of Premier Freight as well as R10 million in cash.

SA urged to join African Development Bank:

South Africa would benefit enormously from becoming a member of the African Development Bank as it was a major force in African finance said Kobus van Rensburg, managing director of MBB Consulting Engineers

Sanlam awards R22 million contract: Sanlam Properties said it had awarded a R22 million contract to Ovcon to build a mini-factory project, known as Kyalami Industrial Park, on a 3,8ha site near Pine Town, Durban. The facility would provide 17 000m² of factory space, with units of varying size.

Black businessmen in demand: David Hutton-Wilson, director of RES International Executive Search Consultants, estimated at a Geneva conference that the demand for black professionals could reach about half a million by 2013. According to reports, black businessmen enthused their Swiss and other European counterparts.

Packaging company sub-divides shares:

Packaging print and paper company, Holdains, said it would sub-divide its shares 10-for-1. Richard Bruyns, chief executive, said the motivation behind the split was to make Holdains shares more affordable to a broader spectrum of investors and so increase their marketability.

Motor industry hails new labour dispensation

By ROY COKAYNE

PRETORIA BUSINESS EDITOR

The new industrial relations dispensation for the vehicle manufacturing industry has been welcomed by industry participants.

National Association of Automobile Manufacturers of South Africa (Naamsa) executive director Nico Vermeulen said a key feature of the motor industry development programme would be the opening up of the South African market to international competition and the requirement for a continued focus on the export business.

Vermeulen said realities required employers and trade unions to join forces to control all cost items and to improve substantially the productivity of all factors of production.

Numsa auto sector chief negotiator Gavin Hartford said this agreement laid the basis for the South African car manufacturing

industry to survive in the global market while at the same time significantly improving the conditions of workers.

Numsa general secretary Enoch Godongwana said the agreement was a great victory for the union in pursuing the goals of the bargaining strategy which it adopted in 1993. "Within the next three years it guarantees that enormous strides will be made in closing the apartheid wage gap and readdressing the legacy of poor education and training of the majority of workers," he said.

Gwen Prinsloo, collective bargaining manager of the SA Yster, Staal and Verwante Nywerhede Unie (Iron, Steel & Allied Industries) said the agreement's most significant aspect was it zoned in on the long-term viability of the motor industry and the economy.

She said wage rates would be linked to the consumer price index for the next two years.

Sappi woos international investors

By CHARLOTTE MATHEWS

INVESTMENT EDITOR

Paper group Sappi plans to issue dollar-denominated Euroconvertible notes, Eugene van As, executive chairman, said yesterday.

The notes will be convertible into Sappi ordinary shares and marketed to international investors.

The reason for the issue is that the group's funding costs have soared since last year's \$1,6 billion

acquisition of control of American paper maker SD Warren.

Sappi also intends to reduce debt through an initial public offering of equity in one or more of its subsidiaries "in due course".

The group plans to make a series of investor presentations in mid-July and the notes will be placed in international markets outside South Africa. The issue is subject to the passing of the necessary resolutions by shareholders and Reserve Bank approval.

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German aid for SA: For the first time, Germany has become a donor to the South African government and will give the country 75 million marks in development aid, the German ministry for economic co-operation said. Of the total, 50 million marks will be earmarked for building housing and the remainder for technical help.

Huge gambling lotteries show for SA

(297)
ET 30/6/95

JOHANNESBURG: An international conference on gambling and lotteries in Africa will be held at Sun City next month, the South African Chamber of Business (Sacob) announced yesterday.

Sacob has teamed up with the Washington-based Public Gaming Research Institute to present the GamingTech-Africa conference and trade show.

The conference, billed by the organisers as the biggest yet in Africa on gambling, will be held from July 29 to August 2.

Sacob said with the likely advent of a new gaming dispensation in SA, "wide economic and business opportunities will be created.

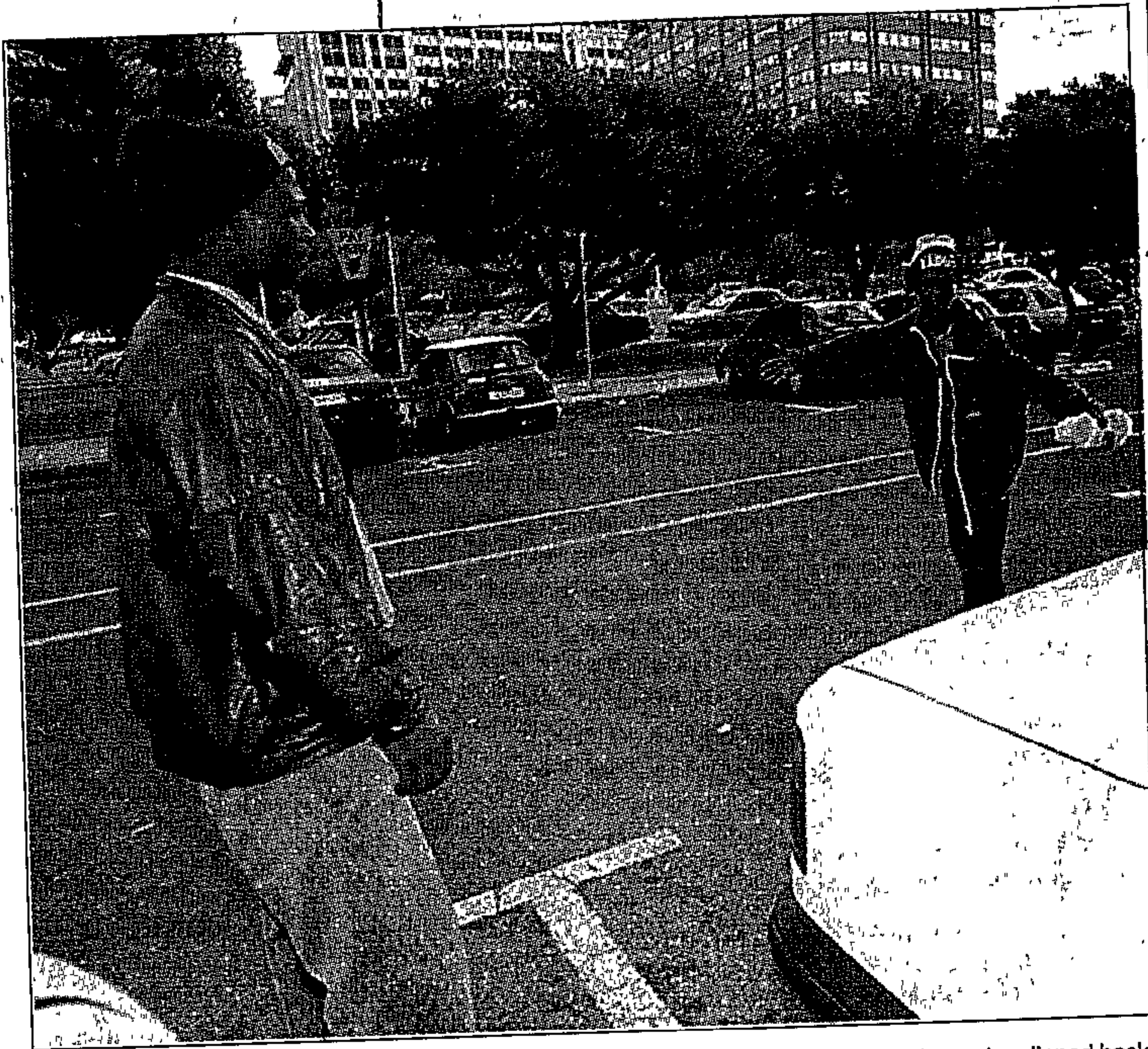
"Thousands of small and medium sized businesses around the

world prosper as suppliers of products and services to lotteries, casinos and other gaming activities. Big businesses also benefit through joint promotion, consortia and technical spin-offs from lotteries and gaming."

Mr Duane Burke, chairman of the institute, said: "Africa represents the best new lottery and gaming market in the world today.

"The results of a newly-released South African government study on gambling indicates a real boom for gaming of all types in just SA alone," he added.

The conference will be attended by lottery, casino and government representatives from throughout the world, including industry experts from the US, France and the UK. — Reuter



BACK IN BUSINESS: An unwilling local is "helped" out his parking bay by illegal car-parkers who slipped back into this city centre parking lot when traffic police turned their backs.

PICTURE: YUNUS MOHAMED

The man called Friday is gone

ON THE SURFACE, Friday Mandela Mavuso was a disability rights' activist. But, reports Medical Correspondent Janine Simon, he was much more: his name was legend, his life made a difference to others' lives

Friday was late for the official opening of the Chris Hani Memorial Hall in Crown Mines. When he arrived, President Nelson Mandela left the podium, walked through the crowd to the back of the hall to greet him.

In Transkei, long-time friend and colleague Mike du Toit is stopped by traffic police. "I work for Friday," he says. "Go on your way, they reply."

In Dunderland, Gugulethu, Plot Netter, Welkom, Virginia, Alexandra and 124 other remote places people lined the streets when he visited.

David Malinga of Great Reinet travelled 1 000km to Egoli to find the man called Friday because he'd heard this man helped disabled people to create work for themselves. He and others came on one-way tickets, with not so much as an address to guide them to be taught by Friday to start their own projects, which he would visit.

He was killed in a motor accident on Sunday night, returning from the Zimwaza Centre for the Disabled in Newcastle.

The shock and tears this week were because Friday, sunglasses wedged on his head, match between his teeth, and towering charismatically from his wheelchair, would never again be able to give what they had come to depend on: inspiration.

Little work was accomplished this week at Shap in Motolo, Soweto, the Self-Help Association for Paraplegics Friday founded in 1981. All work.

He used as seed money R74 000 awarded after a seven-year civil court battle against the Minister of Police. Friday's was one of the first civil cases against then-Minister Jimmy Kruger. In July 1974, as a 16-year-old, he had

intervened in a scuffle, took a police bullet in the lower back, and was wrongly charged with an offence.

He spent four years in Baragwanath, watching other disabled patients cut chunks of flesh from their backs with razor blades to prolong hospital stays. He knew and that the world did not owe disabled people a living. He tried a knitting project, drying a text and selling vegetables before Shap took shape.

For his achievements, Friday, whose formal education ended in Std 2, has been honoured with an appointment to the board of Transnet, an honorary doctorate from the University of Cape Town, and a string of other awards including Rotary, Jaycoes, Bona magazine, and, in 1988, a medal from the then Prime Minister, P W Botha, which he chose not to accept.

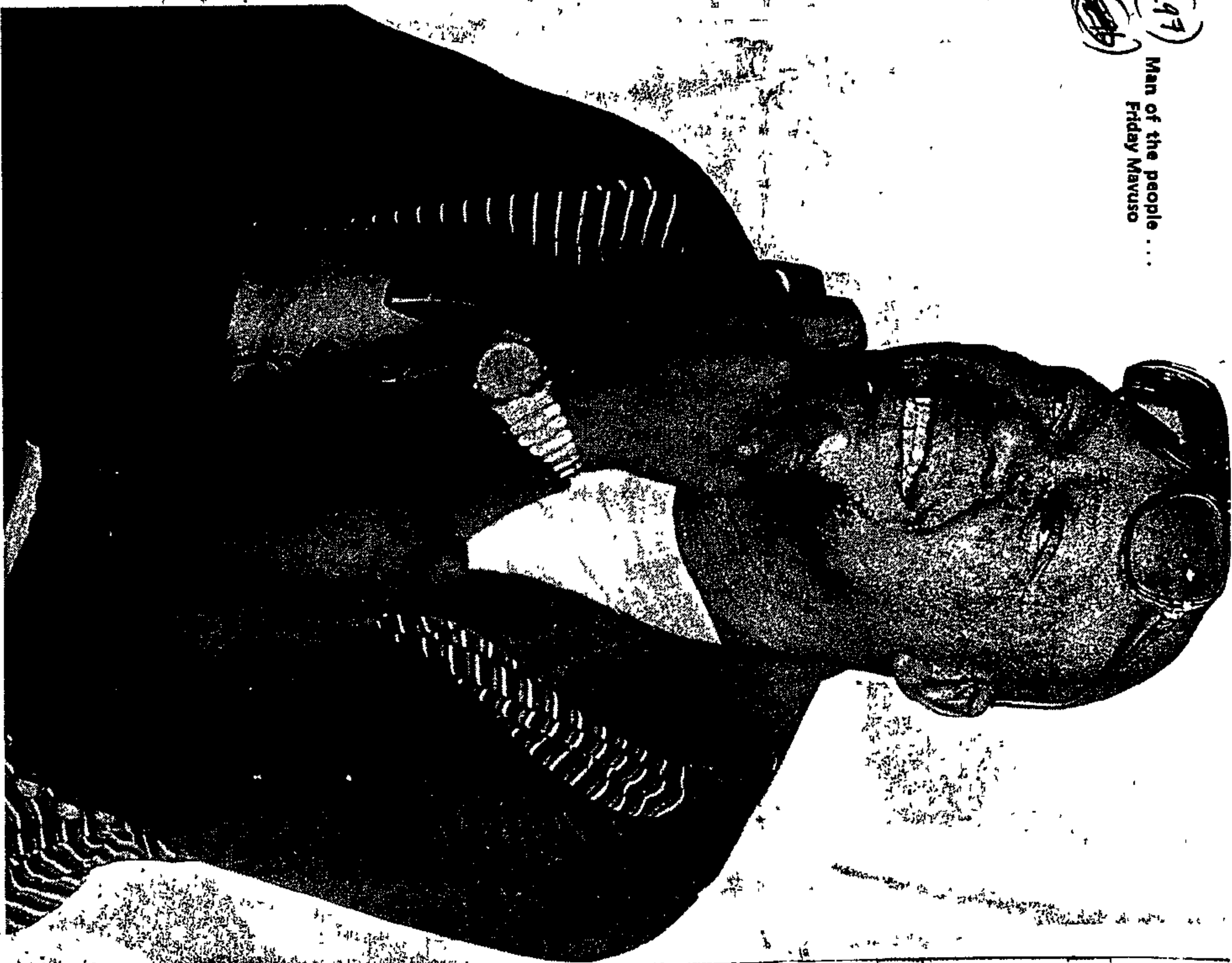
He was elected chairman of Disabled People South Africa in April, a feat secretary-general Mike du Toit described as "like Mandela taking office".

But Friday is no longer there to share the pain of bedsores, loss of income and self-esteem, nor transport problems. He can no longer appeal decisively for contracts and money for Shap, which has been forced to lay off almost half its 150 workers.

And he can no longer throw his considerable weight behind the disability lobby, only just beginning to gain ground with a voice in the Senate and in the National Assembly, a disabled person sitting in the Union Building's RDP office, and the Government's new policy on disability due in September.

Friday is survived by his wife Thandi and three children. A memorial service will be held today and the funeral on Friday.

(297)
Man of the people ...
Friday Mavuso



INTERPELLATION

The sign * indicates a translation. The sign †, used subsequently in the same interpellation, indicates the original language.

Disabled persons: accessibility of public buildings

1. Mr M CHIKANE asked the Minister of Public Works: (297)

(1) Whether any steps have been taken with a view to making all public buildings accessible to disabled persons, if not, why not, if so, what steps,

(2) whether he or his Department has given consideration to the inclusion of such persons in job creation schemes under the Reconstruction and Development Programme; if not, why not; if so, what are the relevant details?

Answered 3/5/95 N529E INT

The MINISTER OF PUBLIC WORKS: Mr Speaker, hon members, first of all, I would like to congratulate Mr Chikane on having brought this very important interpellation on such a sensitive issue in South Africa to this hon House. As we all know, it is estimated that between 10% and 12% of the South African population is disabled. Becoming aware of this sensitive issue is going to do all of us a lot of good.

I now come to the questions that have been asked. The simple answer is yes. Concrete steps have been taken by the Department of Public Works to make all public buildings accessible to disabled persons. In the planning of all new buildings or additions to public buildings, it has been the policy of the department since 1987 to make provision for accessibility in the planning.

In June 1993, the department embarked upon an extensive ongoing programme to make all existing public buildings under its control accessible to disabled persons. An amount of R1 million per year was earmarked for this purpose with the specific intention of completing the buildings by 1998.

Quite obviously, these measures and the R1 million per annum are not adequate to address the issue of accessibility of public buildings to disabled people. For this reason, we have been interacting very closely with the national

co-ordinating committee on disability on a national environmental accessibility programme. We have made a provisional situation analysis of the environmental accessibility to the parliamentary complex here in Cape Town and to the Union Buildings, and we have discovered numerous deficiencies. These deficiencies are symptomatic of the wider built environment in South Africa where accessibility can vary from being marginal in newly developed urban areas to non-existent in rural areas, including the hundreds of schools which we built in the three years before the advent of the democratic Government last year.

The disability programme therefore seeks to address the creation of an environment that enables disabled people to have access to public buildings such as schools, hospitals, government buildings, and so on. The programme will ensure that plans to have public buildings constructed in such a way that disabled people will also have access, are implemented. It also seeks to ensure that the implementation of all RDP-related projects takes into account the needs of our disabled population [Time expired]

Mr M CHIKANE: Mr Speaker, one of the issues which I believe this Parliament needs to pay attention to is that on the last day of the debate on the President's speech, Senator Grové had to speak away from the podium, and this can be interpreted as not giving equal access to all members of Parliament. I accept what the Minister has said, but I do believe that much still has to be done.

The majority of our disabled people—who did not ask to be disabled—cannot reach the majority of public buildings, schools, post offices and even police stations. I believe that in this process of healing, it must be the responsibility—I am referring to yesterday's speech—of each one of us. Each one of us has to make sure that all South Africans are treated equally, and have access to this important House of decision-makers, as well as to schools, post offices and all other public buildings. This must not be done as a half measure. It must be something that is embodied in the whole programme of the RDP, otherwise we shall never be able to build South Africa, especially because some of those people are disabled today because of the process that South

Africa finds itself coming out of—the process of liberation.

We believe that the majority of our people who are trapped in hospitals, especially in Voortrekker Hospital in Pretoria, are victims of war, and they need to be able to hear from the horse's mouth about this process and the decisions being taken. I am not saying that there are horses here, but I believe it is an English expression I have just used. [Laughter.]

I believe that while we can start this important process of healing, this House should be properly aligned. Instead of us debating whether people may continue to carry weapons of war which they claim are traditional weapons, we should be dealing with these issues. I do not believe that an FN rifle is a traditional weapon. I believe it is an assault weapon that has contributed to making other people disabled.

Once we are able to realise that carrying an AK 47 does not necessarily contribute to peace, I believe that this Parliament will be able to do its job much more efficiently under the scrutiny of those who have paid heavily.

*Mr P W GROBBELAAR: Mr Speaker, I am happy to see Parliament being made more accessible to disabled people, and I am just as happy to hear that the Minister is also giving attention to improving the situation in other buildings.

The Government will also have to give attention to the misconception some people have that when someone is physically disabled he is also intellectually disabled. I think they also have a big task to rectify that. It is the Government's duty to do so.

Physically disabled people are more conspicuous than the blind, for example, and attention should also be given to making buildings more accessible to the blind. In this regard I must mention that there are people who create work for the physically disabled, thereby enabling them to earn a living. It is very important that those people are also supported. One example that I am thinking of is the Worcester School for the Blind where many articles are produced. The State can support them by buying those articles. I think the least we privileged people can do, is to make places more accessible and friendly to these people in the new South Africa.

The MINISTER OF PUBLIC WORKS: Mr Deputy Speaker, some of the key issues which need to be addressed as a matter of urgency include the need for an increased awareness of the accessibility issue on the part of key policy planners and for lobbying for the implementation of international recommendations in this respect. We also need to take cognisance of the accessibility and housing needs of our disabled people.

We also need to transform existing legislation and formulate a new law to regulate accessibility measures and to lobby for enforcement mechanisms to make such a law binding on the construction industry in particular. Planning and implementing action-oriented research into practical accessibility needs and alternative strategies for dealing with the accessibility and housing needs of mainly township and rural sections of our disabled population are also important. We should also equip disabled people themselves with advocacy skills to enable them to lobby local authorities on accessibility requirements. We also need to establish a permanent infrastructural programme to deal with issues of accessibility and housing for disabled people.

The success of this programme aimed at the disabled depends on the active participation of the disabled people's organisations, groups and individuals and their affiliates. The programme therefore seeks to involve a wide section of organisations dealing with the disabled, and for this to succeed, we need to lend the necessary support to this entire initiative.

The DEPUTY SPEAKER: Order! The next speaker is Ms Ranttho. I think this is her first speech in the House, and she is the first disabled person to be sworn in as a member of the National Assembly in this country.

Ms M M RANTHO: Mr Speaker, first and foremost I wanted to commend the Minister of Public Works for acknowledging that accessibility is a very thorny issue among a large group in our country, viz disabled people.

However, related to that, while the issue of disabled people is addressed by Parliament, I think we should remind ourselves that according to the previous government, our disabled people in 1986 made up 12,5% of the total population, while the United Nations indicated that the total

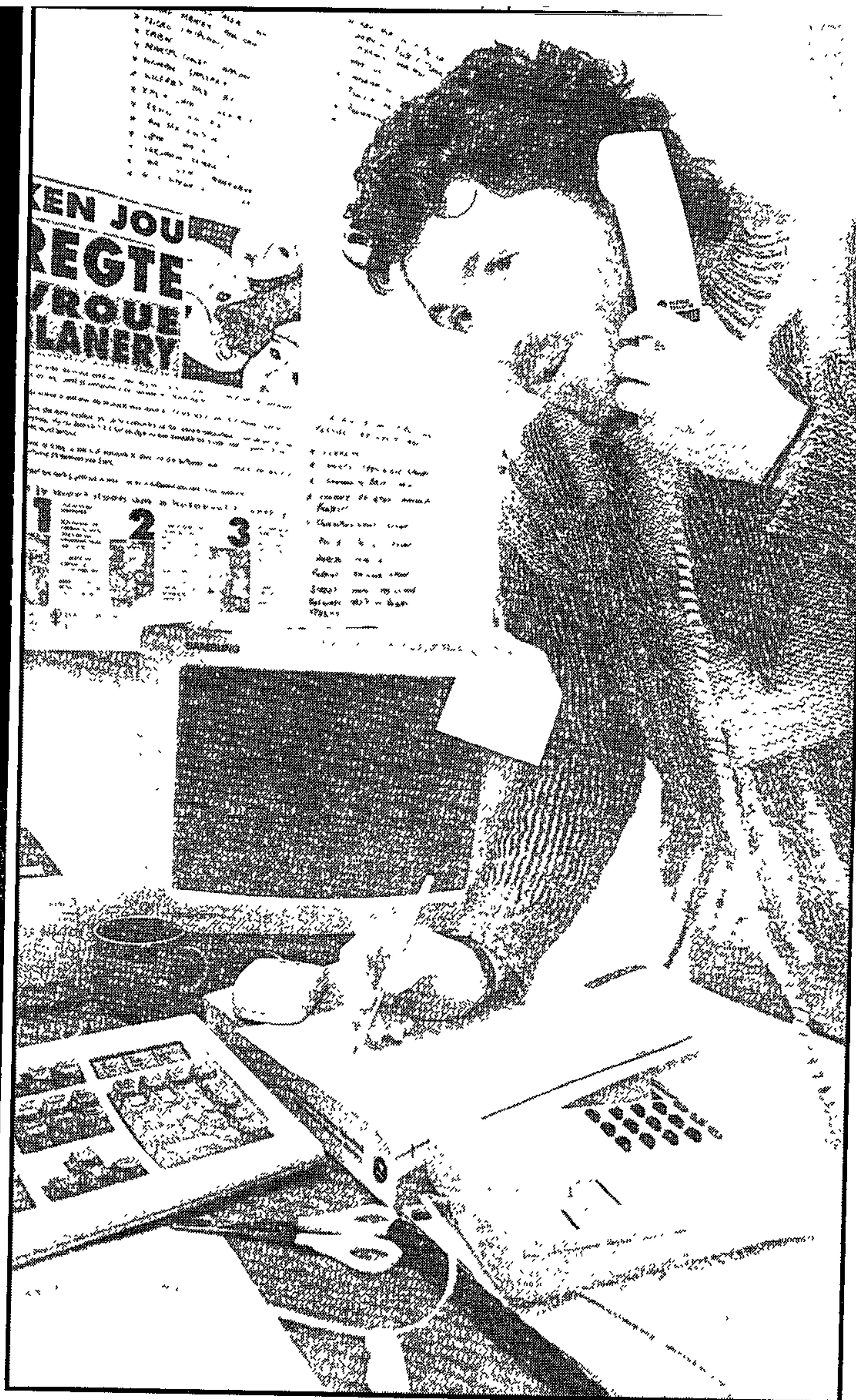
16

Weekend Argus, June 24/25 1995

Men who help men who batter women

ALT 24/6/95

(297)



Picture HANNES THIART, Staff Photographer.
MAN TO MAN: Charles Maisel hard at work on a project which enlists the support of men to stop male violence against women.

women. They respond angrily if asked about previous abusive relationships. Women should always check the relationship history of their partners," he said.

There are a spate of men's groups operating in Gauteng

which Mr Maisel says are not connected to his project.

"Many of these groups are pro-male and anti-feminist. They are often organised around affirmative action or custody issues. They comprise mainly white middle class

males who appear to be threatened by women who are becoming more equal," he said.

The 5 in 6 project, while only operating in the Western Cape, plans to become a national initiative.

ADELE BALETA
Staff Reporter

ORDINARY men in South Africa are being asked to help stop other men from abusing their partners.

For the first time in South Africa, laymen are being seen to be crucial in confronting those men who physically, emotionally, financially and sexually abuse their partners.

Leader of the Catholic welfare development project Charles Maisel says the statistics used in South Africa are that one in six women are battered by their partners.

"We want to work with the five men who do not abuse their partners. That is how we came up with the project's name — Working With Men The 5 in 6 project.

The project aims to contribute towards the creation of a culture of safety in the Western Cape through the reduction of violence perpetrated by males

The project's crux, according to Mr Maisel, is to equip men with the resources to challenge and confront those men who beat their partners.

Jane Keen, co-ordinator of the Nicro women's support centre says it is very difficult to quantify how many women are battered in South Africa.

"One of the figures available arises out of the number of interdicts granted by the courts.

"In 1994 5 000 interdicts were granted to women in seven magisterial districts of Cape Town. That's about 400 interdicts a month," said Mrs Keen

The interdict system, which only came into being when the Prevention of Family Violence Act was passed in December 1993, is not yet familiar to all women

Mrs Keen said police could not supply statistics because family assault was lumped together with other assault cases

"Many women who have gone to the police but have been turned away because they say they cannot get involved in domestic affairs."

Working With Men The 5 in 6 project, was researched in 1994 by interested parties including academics and was launched this year.

"So far we have one task group of about 20 people — both men and women — who want to reduce the rate of violence in their community.

"Because abuse of women

□ in a groundbreaking initiative in the Western Cape, ordinary men are being asked to support moves to help stem endemic domestic violence.

occurs across the spectrum of class and race we are planning to set up task groups stretching from Sea Point to Khayelitsha," said Mr Maisel.

The task groups identify what the problems are in their specific communities that could be contributing factors to domestic violence.

The idea is to set up training and awareness programmes.

Drug and alcohol abuse, the difficulty men have in expressing themselves, male friendships and the myths men use to justify violent behaviour have all been identified as causes by the Atlantis task group

"One popular myth is that men believe their victims exaggerate the violence meted out to them."

He adds that the idea was for men and the broader community — which included the police — to begin taking responsibility for spiralling domestic violence.

Mr Maisel believes that all men have generally benefitted from women being abused or raped

"If a man batters his wife, and nothing is done about it, it means that society condones the behaviour. The result has a ripple effect in which women continue to be abused through the generations.

"The subtle implications are that women continue to be undermined in the workplace and at home. There are very few women in positions of power in the workplace for example

"Rape makes women scared to walk alone in the streets, thus taking their freedom and power away," he adds

The project gives men who batter an opportunity for psychological help. It gives them the opportunity to change if they want to

Mr Maisel says there are various signs which indicate that a man has a propensity towards violence against women

"They are often angry men who will talk about beating

Leadership qualities

When Sisulu moved out to advance her career Mokwena was elevated and replaced her as director of the organisation

Mokwena's leadership qualities already showed as a young boy at school. Without being told to do so he volunteered to give direction to his peers and would often have the last word on most matters

Mokwena admires his mother for having allowed him the latitude to express himself, a characteristic that has stood him in good stead in his professional life.

Even though he once wished to become a historian, Mokwena is quite happy with what he is doing now — making history himself and being part of the struggle to liberate his people, especially the youth

Mokwena's task as director of JEP is to ensure that the various projects undertaken by the organisation are carried through

These include youth development projects, training the youth to acquire life skills and a socialisation process aimed at strengthening black communities

Gigantic task

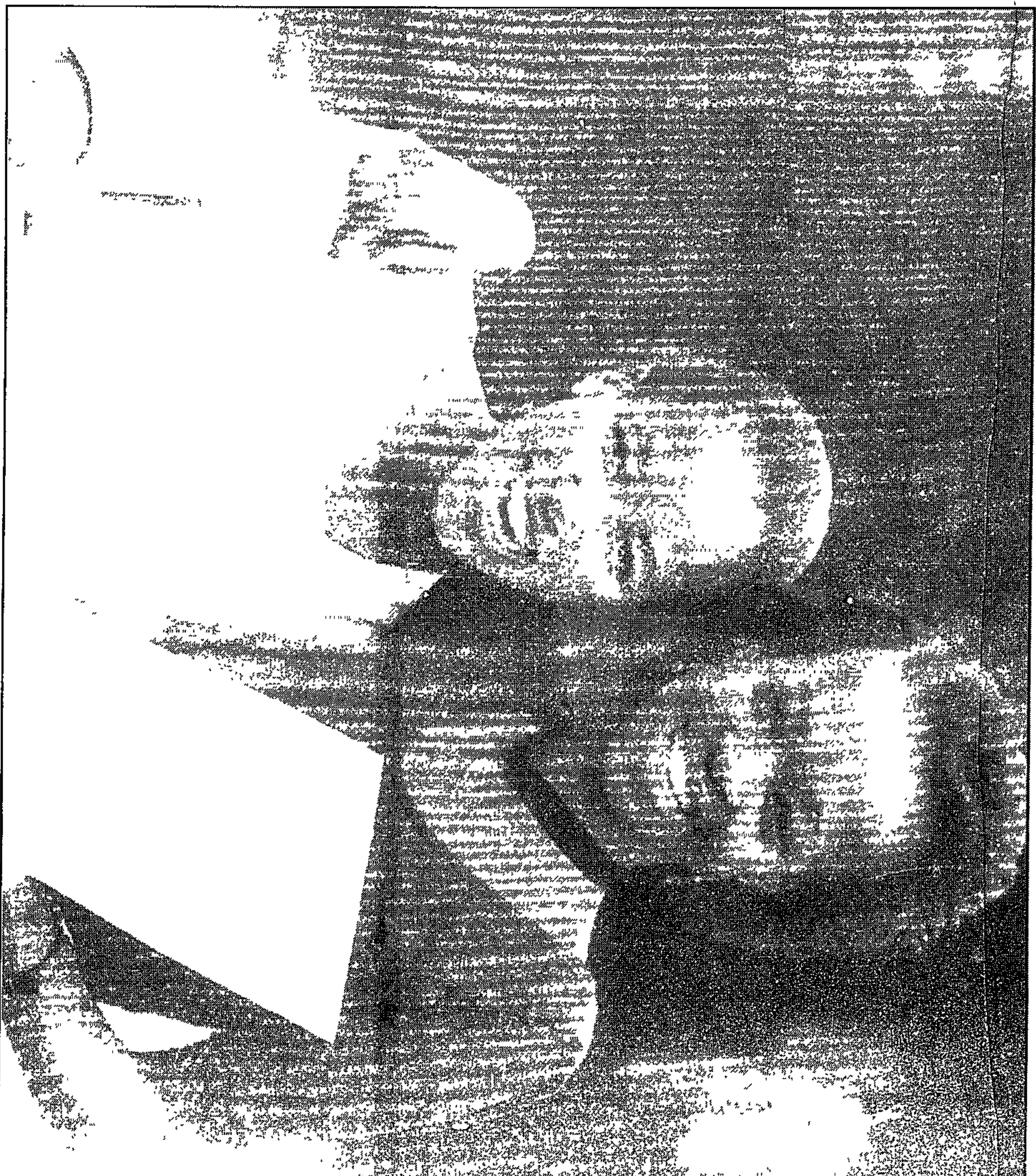
The gigantic task facing Mokwena and his organisation is how to prevent black youth from becoming marginalised

To come to grips with this matter, Mokwena says JEP is presently engaged in campaigns to provide opportunities to young people regarded as "marginalised"

The other strategy JEP hopes to use is to ensure that the word "marginalisation" ceases to become a word used to describe the disadvantaged youth

Mokwena says: "One indicator of a healthy society is a range of activities and opportunities being made available to young people to keep them interested, learning and occupied."

He believes that projects should be extended even to school premises and to



The Joint Enrichment Project helps youth to assert themselves and lead meaningful lives.

FEATURE NEWS

Young man fills mentor's shoes

Sowetan 13/6/95

297

Joe Mdhlela takes a look at Steve Mokwena and the challenges facing him and his organisation

Young Steve Mokwena, a Soweto man who was only nine years old when the June 16 uprisings erupted in 1976, has stepped into Mrs Sheila Sisulu's shoes as director of the Joint Enrichment Project

At an age when some people still hold relatively junior positions, Mokwena is already a director at the relatively young age of 28.

However Mokwena came into this position by accident rather than by design. His earlier ambition was to become a historian so he could reflect on the country's history.

That was not to be. Fate ruled that he would be guided into a different career.

He joined the JEP under Sisulu's guidance.

Sisulu, whose love for the betterment of the youth and their welfare is well known, soon spotted Mokwena's talent as a leader.

In a learning period that started in 1992 she showed the young man skills in leadership. Born and reared in Moroka in Soweto, Mokwena proved an instant success.

all other areas where marginalisation has its roots.

The other source of concern for the JEP is the question of young women, who do not feature prominently in youth leadership.

"Young women on the whole are not active in the leadership of youth organisations and are not elected as representatives of their organisations," he says.

Opportunities

"In many instances young women do not hear about opportunities and initiatives available to young people. If they do know about them they tend to be less able to access them."

To overcome some of these problems, JEP has adopted "pilot projects" which involve networking with community organisations to ensure that rel-

evant information filters through.

Some of the projects include the Young Women's Network, the Youth Exchange and Intern Project, the Skills Training Projects, the Creative Skills in Schools Projects, and the Orlando Community Children's Library.

Workshops to empower women take place at high schools, churches, universities, social groups and other places where young women are present

Women who participate in these workshops identify areas of concern and afterwards contact appropriate service organisations and other resource organisations.

Important schemes

One of the most important schemes undertaken by JEP was the establishment of a project called "Job Bank."



Mrs Sheila Sisulu, the mentor of Steve Mokwena, who now heads JEP.

This project provides information on job and training opportunities for young women through newsletters and net-

works. It also lobbies institutions to provide support and training for young women.

The fruits of some of the projects undertaken are now beginning to manifest themselves.

Life-skill projects

Former self-defence unit members are involved in a variety of life-skill projects including bricklaying and carpentry and lead useful lives.

Some also testify that projects run by JEP have brought meaning to their lives and that they will be eternally grateful to the sponsors of these projects (which include the South African Council of Churches and the Southern African Catholic Bishops' Conference).

Reality

And making sure the ideals of JEP become a reality is a young man called Steve Mokwena.

● To have another view of this organisation watch NNTV tonight at 7.30. The programme will be repeated tomorrow on CCV at 2pm and on NNTV on Friday at 1pm.

'Green' alert for RDP

Warning: A prosperous economy cannot be built on a bankrupt environment

JOHN YELD
Environment Reporter

SOUTH Africa's "hopes and dreams" for a successful Reconstruction and Development Programme (RDP) could be undermined by a deteriorating environment.

This is the warning from the Lorimer committee, appointed by Environmental Affairs Minister Dawie de Villiers, to advise him on the restructuring of the existing Council for the Environment and other related matters.

The five-person committee, headed by Democratic Party spokesman on the environment Rupert Lorimer, has recommended that the Minister of Environmental Affairs be located in the President's Office — similar to the position of present Minister Without Portfolio Jay Naidoo.

It has also suggested a statutory Commission for the Environment to replace the Council for the Environment, with a full-time chief commissioner also acting as an environmental ombudsman.

The Lorimer committee, whose report was released yesterday — World Environment Day — warned that South Africa's soil, water and biological resources were collapsing and that the country was facing "enormous problems" on the environmental front.

There could be no sustained political settlement without sustained economic growth, and in turn no sustained economic growth without wise and sustained environmental management, the committee said.

"A prosperous economy cannot be built on a bankrupt environment."

"The present deteriorating state

of the environment is regarded in a very serious light, and urgent action is required to assist the successful implementation of the RDP

"Public awareness must be directed towards the fact that sound environmental practice and behaviour will contribute significantly to South Africa's capacity to build a winning nation."

The term "environment" was not defined in the interim constitution

and in the Environment Conservation Act was defined too broadly — "an unsatisfactory and imprecise interpretation"

Much previous advice from the Council for the Environment had been ignored by environmental affairs ministers and other cabinet ministers

Environmental factors did not recognise political boundaries and the fragmentation of environmental responsibility, partly because of

the interim constitution, was "highly undesirable"

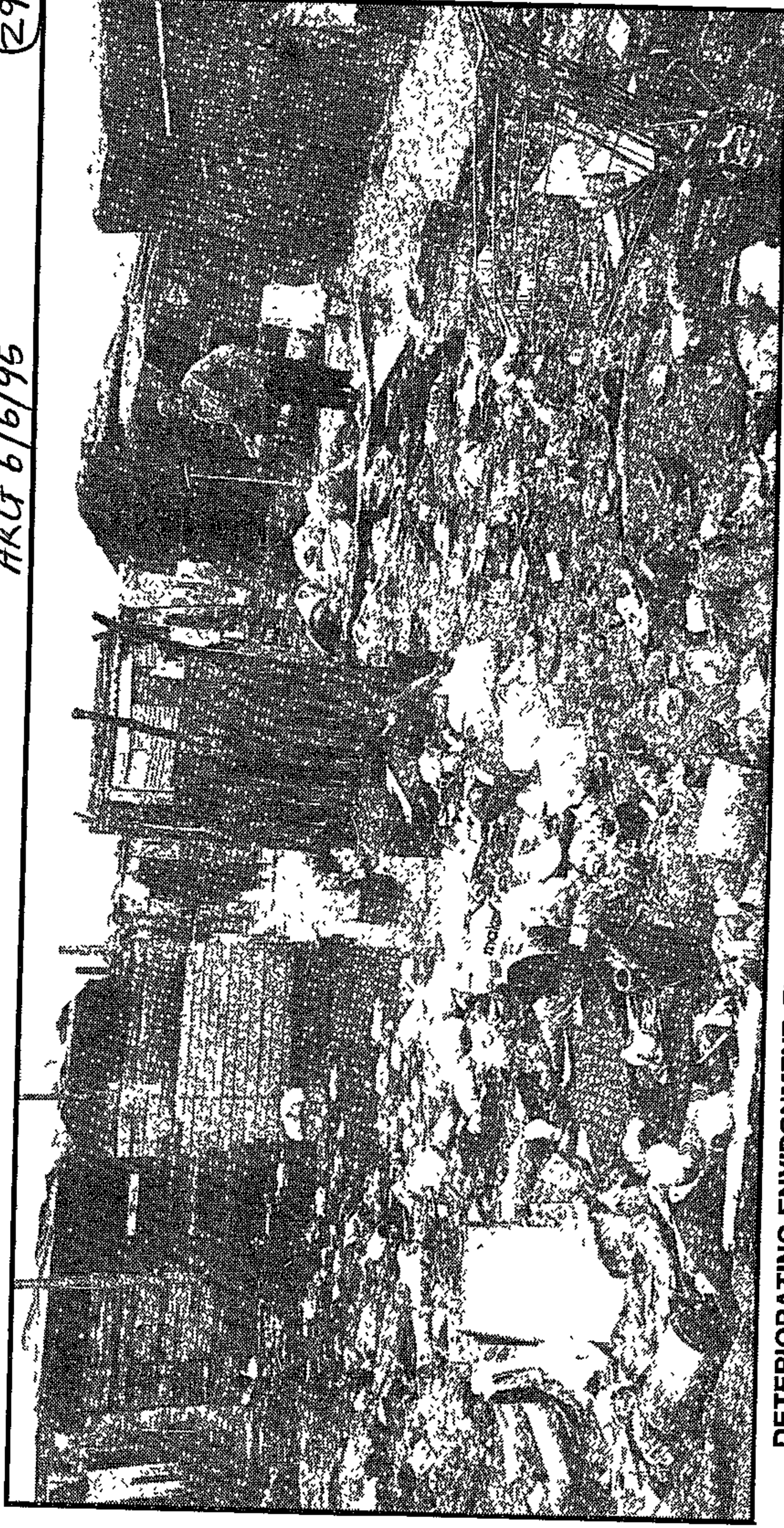
Policy formulation and responsibility for ensuring compliance should be vested with the central government, but a "super-Ministry" with responsibility for all environmental matters was impractical

To deal with the pressing problem of fragmentation of environmental control, a minister should be placed directly under the president, with a responsibility to ad-

vise the cabinet on environmental policy and ensure compliance with approved policy, the committee recommended

"There is a precedent for such an appointment. The present cabinet includes a minister without portfolio directly under the president with a special responsibility for carrying out government policy in respect of the RDP

"The RDP is administered by many government departments at



DETERIORATING ENVIRONMENT: The government's reconstruction and development programme (RDP) — aimed particularly at communities like Milnerton's Marconi Beam, pictured here — is at risk because of the deteriorating environment

both central and provincial level. As with national RDP policy, a national environmental policy could be co-ordinated in a similar structure.

"The minister would, in a sense, become the 'environmental champion' in the cabinet to ensure compliance with norms and standards as laid down in policy and the resulting legislation."

Its major recommendations are

- A 24-person, statutory Commission for the Environment should be established, with 15 people appointed by the president and one each by the nine provinces,

- It should be chaired by a full-time chief commissioner who would act as an "environmental ombudsman".

- This commission should be purely advisory, and should advise the cabinet on a national environmental policy,

- It should have the right to make its advice public;

- There should be a statutory obligation on the minister to respond within a reasonable time;

- The commission should have its own budget and be independent from the Department of Environmental Affairs and Tourism,

- The government should produce a comprehensive "State of the Environment" report, at least every three years,

- The Minister of the Environment should operate from within the president's office, with the right to consult with any other minister at national and provincial level, and

- Every department at all three tiers of government should be compelled to compile an environmental management plan, and include an environmental audit in its annual report.

SOCIAL SECURITY — GENERAL

1996

JANUARY — APRIL

Secret police 'stole Scandinavian aid'

(297) CT3/1/96

STOCKHÖLM: Scandinavian aid money sent to the anti-apartheid movement in South Africa was stolen by the SA secret police and used to discredit the intended recipients, a former agent has claimed.

In an interview with the Swedish daily Svenska Dagbladet yesterday Mr Michael Leach described how the secret police lured Scandinavian aid organisations in the 1980s by bugging telephones and opening letters.

"If an organisation in Scandinavia sent \$1 000 to a union, we (opened the letter) and took care of the cheque. We always made sure to send a thank-you note, so it looked like the money had reached

the addressee," said Mr Leach, who is now a member of the ANC.

"Then we would put the money in the union head's or treasurer's private bank account and spread a rumour that he was corrupt and stealing the union's money," Mr Leach said.

"If the secret police needed a new photocopier, we would write ... and pretend to be an anti-apartheid organisation. When we received the copier, we would claim to have sent a thank-you note but say it got lost in the mail."

The money stolen was from smaller, less-experienced aid donors, Mr Leach said. Secret Swedish state aid was out of the secret service's reach. — Sapa-AFP

Bank (297) funds

major areas

By Isaac Moledl

THE Development Bank of Southern Africa has spent more than three quarters of its budget for 1995-96 on funding urban and rural infrastructure.

The bank says of the R1 147,2 million disbursed in the 1995-96 financial year, R917 million was disbursed for infrastructure in rural and urban areas.

Bulk infrastructure projects such as dams, roads and electrical substations took R290 million of this money; R400 million to connector and distribution infrastructure projects such as sanitation pipelines, water and electrical cabling and R227 million was spent on basic services such as standpipes and house connections.

The bank says in its interim financial report that special attention is paid to labour-intensive construction approaches, employment creation and use of emerging and small contractors to ensure that infrastructure projects have a sustainable impact on the local socio-economic environment.

The bank's infrastructure programme is mainly directed at meeting the needs of the expanding urban population. "The focus is on upgrading of the urban infrastructure, for which R510,3 million was disbursed in the 95-96 financial year," says the report.

The bank says household electricity connection, water and sanitation were high on the priority list of project applicants.

"The overall emphasis has been on the provision of economically productive infrastructure, such as electricity, water, sanitation, roads and storm-water drainage."

According to the report, the bank is in final negotiation with the Government for the restructuring of its balance sheet to reflect its mission of financing the infrastructure to underpin economic growth and development of South Africa and SADC.

Since the beginning of the year, DBSA has advanced its development loans up 45 percent by R650 million, net income up seven percent to R90,9 million and borrowings raised up 32 percent to R333 million.

The bank disbursement of R650 million for the six months up to September 30 this year shows a substantial increase over the comparative figure of R447 million for the previous year.

Omar, Kahn to get Boesak report

ARG 4/1/96

(297)

Political Correspondent

CAPE: Attorney-General Frank Kahn and Justice Minister Dullah Omar are soon to be handed the final report by the Office for Serious Economic Offences (OSEO) on the investigation into Allan Boesak's Foundation for Peace and Justice.

The report is being drawn up by OSEO assistant director Tommy Prins in Cape Town and is expected to be finished towards the end of the month.

Transcripts of interviews with 88 witnesses — 34 of them overseas — run to more than 5 000 pages.

The last, critical interviews were conducted in early December with Dr Boesak himself and with his wife, Elna.

The Boesaks three-month sojourn in the United States meant the investigation could not be completed by its initial deadline of November.

However, OSEO is confident the re-

port will be completed by the end of January.

It will bring to a close the controversial probe into the activities of one of South Africa's most prominent anti-apartheid figures, a saga that drew national and international attention and raised serious questions about the control and use of funds donated from abroad to help apartheid-victims.

The controversy cost Allan Boesak his posting to Geneva as South Africa's ambassador to United Nations European headquarters, and presented the African National Congress — of which Dr Boesak was the Western Cape leader — with an electoral headache.

The OSEO investigation followed allegations by Nordic donors that Dr Boesak had personally enriched himself with money intended to help victims of apartheid.

Dr Boesak has repeatedly denied the allegations.

Star 5/11/76
Boesak probe nearly complete

Cape Town - Cape Attorney-General Frank Kahn and Justice Minister Dullah Omar are soon to be handed the final report by the Office for Serious Economic Offences on the investigation into Dr Allan Boesak's Foundation for Peace and Justice.

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RDP needs doers, not more talks say critics

**MAUREEN MARUD
and JOHN VILJOEN**
Business Reporters

ANY new strategy for implementing the RDP in 1996 must overcome the critical lack of delivery, say business leaders.

And top of any agenda to find a new strategy must be a watertight plan to overcome crime and violence.

Less consultation and more implementation were needed, business figures said after the yesterday's announcement that RDP minister Jay Naidoo had called a bosberaad.

The minister will meet members of parliament's RDP portfolio committee on Thursday and Friday at a venue in the North West Province.

Up for discussion is progress made so far, plus a new strategy for implementing the RDP in 1996.

Paul Hatty, Johannesburg

based industrial consultant, said the bosberaad would be productive as long as participants included people experienced in delivery rather than just in attending "talk shops".

"Governments in general, and a new government like ours in particular, have great difficulty in delivering new programs like housing, water, electricity, and so on," said Mr Hatty.

"It is only when these are put into the hands of private enterprise, where the people involved are going to be compensated for performance, do they actually start happening."

Charl Adams of the Cape Chamber of Commerce and Industry said there needed to be delivery on the ground.

"Instead of consultation we need implementation. Consultation has now been done very widely and comprehensively, but we need to start seeing results on the ground," Mr Adams said.

The top priority should be fighting crime and violence, he added.

"If we can't put a cap on crime and violence, the consequences will be dire. In terms of investment, one of the first questions asked is what is the situation in terms of stability."

University of Cape Town economist Philip Black said the RDP as it now stands should be phased out and substituted with a growth strategy instead.

"That would include providing the necessary incentives, including tax cuts to stimulate both foreign and domestic investment. It would also include privatisation."

Professor Black said the costs of administering and implementing the RDP were proving to be too high.

"We need a significant shift in focus towards growth, because through economic growth we will ultimately sort out the problems."

The government's role within a growth environment should be to encourage education and health, particularly pre-primary education and a more technical skills occupation oriented education.

Gavin Lewis, editor of the RDP Monitor, said Mr Naidoo had called politicians to the bosberaad.

They had to face voters and answer for the lack of delivery in three critical areas: health, education and housing.

Housing was the aspect of RDP activity where Mr Naidoo would face the most heat from the politicians, he said.

"The complete paralysis of government housing construction has led to a growing number of squatter invasions which is going to get worse, not better."

"The politicians will want some answers on that. Naidoo's response will be to point to the government's strict fiscal policy."

cles and say 'What must I do?'. There were strong arguments as to why housing was not the most important problem, but it was the most visible, Dr Lewis said.

As for a new strategy, Dr Lewis said Mr Naidoo's options were limited.

"Naidoo has not indicated any new strategy, apart from a more modest approach involving individual business projects and local authorities, rather than five year plans."

The proposed budget leaked in November showed no significant increases in allocations to key RDP areas, apart from water, Dr Lewis said. "I can't see what other options he has. His main concern must be to keep the politicians on side."

The Government of National Unity was approaching the middle of its term of office and delivery on the RDP was crucial. "People are going to get edgy. It is very important that things should be seen to be happening."

ARL 6/1/96

(297)

Men killing women

EVERY SIX DAYS, a woman is killed in South Africa by her husband or boyfriend. Last November Mrs Susan Hamilton-Sithole became one such woman.

Accompanied by friends, the 36-year-old producer at Ulwazi Radio Project had returned to the Bellevue flat she shared with her husband to collect her belongings, an act that signalled the end of their turbulent one-year marriage.

Yet like so many women attempting to make the final break, she did not leave alive. Her husband allegedly repeatedly plunged a knife into her heart.

Each year, scores of women are murdered by their husbands or boyfriends, says Ms Lisa Vetten, author of *Man shoots wife*, a pilot study detailing intimate femicide (the murder of a woman by her intimate partner) in Gauteng.

Vetten wrote the study for People Opposing Women Abuse (Powa).

"We teach women about stranger danger," she says, "but we do not teach them that they are more in danger of being murdered by someone they know."

Unlike in homicide, the victim's gender and the power inequality in the relationship play key roles in femicide.

Man shoots wife chronicles 118 cases of femicide committed in Gauteng since 1986, and suggests that the sense of loss men experience when they realise the relationship has ended often leads to femicide.

Abusive men often see their wives or girlfriends as possessions rather than partners, says Powa's Sally Shackleton, who counselled Hamilton-Sithole at Rand Clinic in Hillbrow, where she had been admitted after being beaten by her husband.

"It was a classic case of proprietariness," Shackleton says. "Abusive men often have the attitude of: 'If I have to live without you, you should not live'."

Shackleton encouraged Hamilton-Sithole to take action. "She did everything we had instructed women to do," she says.

"She encouraged her husband to enroll in Nicro's (National Institute for Crime Prevention and Rehabilitation of Offenders) anger management course. She laid a charge at the magistrate. She called the police."

The response by the authorities was – at best – lacklustre, Shackleton says, which could explain the disproportionately high number of policemen convicted of femicide.

"I don't know if this is because they have greater access to weapons or if it is because of the stress of the job," Vetten says, adding that she has begun lecturing at police stations to sensitize police officers.

Every year more than 50 women are killed by their husbands or boyfriends in another form of domestic violence in South Africa. Why? Reporter **Betsy Spratt** takes stock of the situation... (297)



Susan Hamilton-Sithole ... yet another victim of femicide in South Africa.

The lecturing is one of the final steps in curbing the incidence of femicide.

The process began in 1994 when the Young Women's Christian Association in Zambia launched a femicide study at the Dakar pre-Beijing planning meeting, the forerunner to the United Nations conference held last September.

During the conference, Women in the Law and Development in Africa (Wilda) presented a draft of the study at a joint Southern African workshop.

The study revealed that men's view of women as "property" is one of the key notions behind femicide.

"A man views his wife's leaving as being a loss of property," Vetten says, "a loss that threatens his sense of well-being."

Laws and customs – like marital power and *lobola* – also contribute to this view.

Abolished in 1993, marital power deemed

women as perpetual minors in need of their husband's permission to enter into legal or business transactions, Vetten says.

And *lobola*, the African tradition of paying brideprice to the wife's family, has taken on a new meaning. "The meaning behind *lobola* has become distorted," she says.

"It was meant as more of a contract between two families, not as a form of purchase of the wife."

Although many of these laws have been abolished, they entrenched attitudes within the nation's psyche, attitudes that relegate women to third-class citizens.

"It is still South Africa's understanding that women are less important, are inferiors," Vetten says. "The one thing that saves them is being viewed as good women – wives, mothers. Once they step out of that realm, they are viewed as fair game."

Hamilton-Sithole's parents arrived in Johannesburg from New Zealand last December for her

funeral service at St Mark's Church in Yeoville, Johannesburg, to take her ashes back home.

Solomon Sithole appeared in the Hillbrow Magistrate's Court on January 5 for sentencing for the assault that led to his wife's hospitalisation.

Along the wall of the court, protesters had posted signs carrying the messages "Stop domestic violence" and "Every six days a woman is murdered."

Because of a delay of the report by his social worker, a document that must be brought in evidence, Sithole's sentencing was postponed to January 26.

Until society accepts the full humanity of women, Vetten says, more women will suffer the same fate – dying at the hands of their partners. "Men must realise that one person can't be your everything," she says, "because if she leaves, then your life falls apart."

New-look Cafda gears up for changing role

(297) ARG 9/11/96
Southern Reporter

THE Cape Flats Distress Association (Cafda) has changed its name to the Cape Flats Development Association in keeping with its changing role.

Established during World War 2, the association's task was to alleviate poverty, which it did by distributing soup and secondhand clothing.

Over the years Cafda has evolved its own reconstruction and development programme based on empowering people through its skills-training and educational programmes.

People approaching Cafda for help through the food-aid programme are given the choice of being linked to a prospective employer or are trained to become self-employed at the Cafda neighbourhood learning centre.

Long-established projects are being encouraged to become community driven.

One of these is the Sunshine Corner pre-school in Retreat.

Commenting on the move, Cafda manageress Asma Sam-sodien said: "Response from the community has been positive, with parents taking the initiative to run areas of management like maintenance and fundraising."

She explained that in running the creche Cafda had provided the initial infrastructure and funding in such a way that those running the creche were virtual employees of Cafda.

A second creche in Retreat is scheduled to go it alone in 1997 and other smaller schemes like the "income-generating project" are well in hand.

Conservation wins in a trailblazing RDP project

Everyone feels warm about a project that eradicates alien trees, writes Bruce Cameron

Cape Town — The sound of chopping and the buzz of chain saws is echoing through narrow, uninhabited kloofs and gorges in the catchment areas of the rivers of the Eastern Cape as the reconstruction and development programme does battle with a foreign invader.

The enemy is the prolific blue gum that has claimed hundreds of thousands of hectares of often fertile, arable land.

The blue gum is not alone. Its allies are the hakka and the Port Jackson willow.

The battle is taking place on a wide front in the Western Cape, Eastern Cape, KwaZulu Natal and Mpumalanga.

It is one of the RDP projects which is moving ahead with speed. It is also one of the most recently announced projects and was initiated

ed in the Eastern Cape.

Port Elizabeth, facing annual water shortages, was making plans to build a new dam.

The Eastern Cape department of nature conservation objected, because it saw even more land disappearing under water, wiping out eco-systems and land.

The Eastern Cape's alien vegetation project leader Japie Buckle, who is with the Eastern Cape nature conservation department, says for years an argument had been made that if the exotic tress, growing in the river valleys of the Eastern Cape, were removed the need for new dams would be reduced.

Researchers estimate that the water saved by eradicating the blue gums in the riverine systems would be enough to supply Cape Town for six months.

After being pushed by the ANC MP allocated to the Tsitsikamma area, Gill Marcus, the cause was taken up by Water Affairs Minister Kader Asmal, who in turn convinced RDP minister Jay Naidoo that it was worth his attention.

Everyone could feel warm about it — jobs would be created, environmentalists could feel happy (even though there are a few who don't) and the private sector could look to another growth driver.

The RDP put R25 million into the project for the first six months to this March. A further R3 million was contributed by the Forest Owners Association and R4 million by Sappi.

The amount from the RDP is expected to be substantially increased next year for what is now seen as a 20-year project.

Brian van Wilgen, the leader of the entire project, says there are now 3 500 formerly unemployed people in the field slashing, hacking and sawing. The number is expected to grow.

Every proposal is fully discussed with the result that it has the full backing of local communities. The project is not limited to chopping down exotic trees but is being designed, literally as it is implemented, to have sustainable multiplier effects to stimulate economic growth.

Eradicating blue gums will save enough water to supply Cape Town for six months, say researchers

Project drivers hope that a new industry based in harvesting exotics will develop, ensuring it will be ongoing, eventually not having to rely on state funding.

The jobs being created directly are not limited to unskilled labour. A quick selection process has been under way to find people with matric-level education to be trained as administrative clerks; others, chosen for physical strength, as chainsaw operators, and others as team leaders. Those doing unskilled jobs are paid R25 a day and those doing the more skilled work receive R40 a day.

Buckle says the object is to train people to the level where they will create their own teams and tender for areas to be cleared from next year.

The trees being chopped down are owned by the property owners and the private sector is being encouraged to take advantage of the situation.

Private sector initiatives being encouraged range from production of charcoal products, chipped and compressed wood fuel blocks, pulp and paper and bark for tanning extract.

With the exotic trees estimated to cover 7 000ha of land in the Eastern Cape alone there are vast quantities of timber available.

Marcus, who was inspecting the project in the Eastern Cape recently, is optimistic that the RDP tree alienation project will be a driving force in developing the wood product

sector, particularly for small and medium size industry.

There have been other spin offs — job creation, for example. A clothing manufacturing project started by Marcus in Humansdorp, with financing from the Liberty Life Foundation, has won the contract to supply the protective clothing for the workers.

Speaking at a function in the upper reaches of the Krom River, where the project is well under way, Marcus said it was an example of how people in the new South Africa would work together in the future.

The project was about water but "more than this it is about people. The government cannot make the country grow — only people can do this. The challenge is how to get people to work together."

One of the advantages of the project was that it had not been planned from Pretoria but each area had been permitted to work out its own approach.

This is one of the reasons why it had been possible to get the project up and running so quickly.

(297)

ET (BR) 9/11/96

New agency set to help less experienced MPs (297)

CT 11/1/96

BY BARRY STREEK
POLITICAL STAFF

AN AGENCY has been established to help less experienced MPs with information and research.

The Khululekani Institute for Democracy said yesterday its head office would be in Johannesburg.

It has already opened a satellite office in Cape Town and three constituency offices in Gauteng.

Although the institute said it would be guided by a "non-partisan board of directors", its board of trustees will be chaired by senior ANC MP Father Smangalis Mkhathshwa and will include ANC MPs Sister Bernard Ncube and Ms Priscilla Jana and ANC senator Dr Sam Motsuenyane.

The other trustees are Dr S Rataemane, Dr S Mncube and Mr A Mkhwanazi.

The institute said it was formed as a

non-government organisation to explore ways of bringing Parliament closer to the public over the next two years.

This would be achieved through implementing programmes to equip "historically disadvantaged Members of Parliament and other elected officials with resources that will enhance their effective performance in Parliament and with their constituencies".

The programmes would also support MPs in their work with their constituencies, NGOs and civil society, support information and research needs of new MPs and provide technical support for strategic planning, management and administration.

The institute said the members of its board were chosen for "their respected professional work and participation in the community in the struggle against apartheid".

NGOs envious of Mandela's Children's Fund

President Nelson Mandela's high-profile Children's Fund has netted more than R12-million since its inception last year, with a further R24-million pledged to it, while humbler NGOs are battling for money. **Marion Edmunds reports**

(247)

MTG 12-18/1996

NON-GOVERNMENT organisations are frightened that President Nelson Mandela's Mdas touch is proving so successful that it is threatening their own ability to raise funds to care for South Africa's poor and homeless children.

These NGOs, many of which have lost foreign funders in post-apartheid South Africa, are desperate for larger donations from big business to help disadvantaged children, and are eyeing the millions in Mandela's Fund with envy and reservations.

Mandela's Children's Fund has received R12-million, with a further R24-million pledged to it over the next five years. There are now 28 members in the President's Club — individuals, businesses and foreign governments that have matched Mandela's donation to the fund and whose members are giving R150 000 or more over five years. The club includes US actor Denzel Washington, the Norwegian government, Barlows, Coca-Cola, Pierre Cardin and M-Net.

The marketing director of the South African National Council for Child and Family Welfare, Hennie Oosthuizen, said this week: "I believe that the Nelson Mandela Children's Fund has the potential to take donors away from child welfare organisations because it can offer exposure to donors, and all we can offer is accountability. We need some of that money in our organisation and we could use it successfully."

The chief executive trustee of the Fund, Jeremy Ractliffe, responded by saying: "I do not know of any of our donors who have given to the Mandela's Children's Fund through not funding some other NGO in the field we concentrate on... I would welcome discussions with NGOs who feel that they have lost out to the Fund."

It cannot be disputed that Mandela's name sanctifies his Children's Fund, giving it a political and emotional appeal of international standing. (Those who become part of the President's Club receive a certificate signed by Mandela, as well as a photograph of the donor with Mandela.)

Smaller, humbler NGOs — which have worked for decades in South Africa's forgotten communities — are throwing up their hands in despair, saying that they just cannot compete with the Mandela

name. This is ironic, given the fact that these NGOs were the unofficial conduit for foreign funds during apartheid years, funds which, in many instances, helped prepare South Africa and the African National Congress for the transition to democracy.

Chairperson of the Save the Children Fund, Mary Hanna, said this week that it was becoming increasingly difficult to raise money and that high-profile funds were attracting donations which had previously gone

Smaller, humbler

NGOs are throwing up their hands in despair, saying that they just cannot compete with the Mandela name.

to Save the Children.

"The demands are increasing and the funds are not — we have had to severely curtail our nutrition programmes in places like the Northern Province, for example, and as far as we know there is no other organisation working there to take our place."

Johannesburg Child Welfare has retrenched 22 social workers this year to cope with the drop in funding, according to Anne Bown, manager of funding and public relations.

Bown said people

were much less generous than they used to be and that they were struggling to find donors, especially needed as the state had cut its subsidy by R1-million, and foreign governments were giving to the Reconstruction and Development Programme.

The funding and development manager of the Child Welfare Society in Cape Town, Jetty Botes, said that the society's 1996 to 1997 budget was short by more than a million rand and that it would have to cut projects unless saved by a windfall.



Mean streets: Street children such as these are to be the beneficiaries of the Nelson Mandela Children's Fund, but other NGOs caring for children say they are losing donations to Mandela's fund. PHOTO: HENNER FRANKENFELD

"Corporations provide 15 to 20 per cent of our funding currently — this is less than it used to be," she said.

Ractliffe said this week that information and application forms were freely available and that he had distributed R3 500 brochures about the Fund.

He said the Fund focused on organisations that were on the coalface of development work and working directly with communities. The Fund's brochure states that it assists organisations working with disadvantaged children, with a particular emphasis on children in detention, children who have had no formal education, who are handicapped, and homeless children.

Ractliffe said 92 grants had already been made, many to projects involving street children. Altogether R1.5-million had been disbursed and more than R5-million would be paid out in 1996, he said. The Fund intended to allocate not less than 75 per cent of the interest from its capital base and 25 per cent of its annual operating capital to projects every year, he said.

The Mandela Children's Fund has, in conjunction with other NGOs, helped to fund a Youth Development

Centre at Leeuwkop Prison in Gauteng, a similar centre at Newwastelle in KwaZulu-Natal, and has donated R38 000 to the NGO Streetwise. The decisions about which NGOs and organisations to fund would be made at quarterly meetings by a committee of 14 managing trustees.

While the NGOs' official line is one of regret and restraint, their off-the-record comments tend to be resentful and, at times, vicious. "Nobody wants to say anything because it is politically incorrect to criticise the Mandela Fund," said the source.

But Ractliffe is not exempt from criticism. He has been accused of trying to turn the Mandela Fund into a personal empire, and of eluding telephone calls by NGOs attempting to establish information about the Fund.

"Ractliffe is the Fund," said a source. "You can't get past him."

Ractliffe said, "I have no desire to create a personal empire. All the information about the Fund is freely available. People who want to talk to me should keep trying, because I am always here."

SA's lawlessness a major stumbling block for RDP

Business Reporter

(297) (S) ARC 13/1/96
UNLESS lawlessness was brought under control and the lives and property of South Africans were protected, the noble principles enshrined in the RDP would become dead letters, the Cape Chamber of Commerce and Industry warned this week.

In its latest Business Bulletin the chamber said it would support an action programme where the priorities and needs of civil society were re-assessed. This included re-examining the approach to the RDP.

Fighting crime and violence had to be elevated to top RDP status. Improving police pay, training and infrastructure were more urgent concerns than even education and health.

The police should become "the heroes of society" backed up by a streamlined criminal justice system. Once a semblance of law and order had been established with law breakers strongly vetoed, the task of restructuring society as outlined in the RDP could be given renewed attention, the chamber said.

Frustration among chamber members was mounting over the government's reluctance to take decisions, particularly at a regional and local level, the bulletin said.

Some vacillation was understandable as local government elections had been delayed and Cape Metropolitan elections not yet held.

However, the lack of predictability and certainty, essential ingredients to any business, was harming the economy.

Most of the chamber's members were in the formal sector which, instead of being viewed as the

engine which would grow the economy, often appeared simply to be judged as "white business" — at best a cash cow to be milked, the chamber said.

This situation had been further aggravated by the removal of the "business vote", for many years a feature of Cape Town, although the business sector continued to shoulder the largest share of the rates burden.

The failure to pass by-laws in regard to street trading and hawking stood out as a glaring example of the inability to govern and a lack of political will, the bulletin said.

Uncontrolled street trading is causing enormous disruption to the commercial activity within the heart of Cape Town and in many of its major surrounding commercial trading centres.

"A continued lack of control runs the risk of setting in motion a process of urban decay from which it will be extremely difficult to recover."

Effective government meant taking often difficult decisions — no decision was far worse and ran the risk of feeding "a state of anarchy".

The government also urgently needed to address the culture of entitlement, where rent and service boycotts continued. "Having moved from a state of euphoria following the elections, South Africa is now in a state of informed pessimism and the challenge must be to move to a state of informed optimism."

In his New Year message chamber president Geoff Ashmead said it was government's unequivocal responsibility to provide business with the infrastructure which the business community required in order to prosper.

Police recover RDP razor wire that cost millions

(297) Star 13/1/96

By TEFO MOTHIBELI

On Thursday morning, residents of the Orange Farm shantytown were awakened by hordes of policemen moving into the area. Their mission was to recover razor wire worth millions of rands believed to have been stolen by the squatters from the Golden highway running outside the area.

According to Orange Farm's station commander, Supt Madi-metja Seaba, the theft of the wire, which was erected as one of the Reconstruction and Development Programme-related projects, has been going on since 1994.

"Even though there had been a lot of reports of theft in the past, we could not act because we did not have the necessary information - but now we are able to do something about it because we have full information about where this wire ended up," said Seaba.

The wire was erected to curb the killings of horses, dogs and

children cutting across the busy road. "It is quite disheartening to see people stealing this wire, which was erected for their personal safety and that of their animals in the first place," lamented one community leader involved with the project.

The wire has been stolen in 200m rolls. Seaba continued: "Every time we put it up, the following morning it would be gone and spotted around the people's yards."

The task of identifying the stolen wire was made a lot easier after it was painted red to distinguish it.

The recovering of the stolen goods was carried out by members of the South African Police Service assisted by concerned members of the local black-owned Qinisela subcontractors, whose services were employed for the erection of the fence.

Most residents who had the wire in their yards claimed that they had bought it from "some people" who were selling it and

that they did not know it was stolen property.

Suzan Kunene, a squatter who owns a spaza shop in Extension 6, told the *Saturday Star* that she regretted having bought the wire.

"Those men came to me while we were busy fencing around my yard and asked me if I was interested in buying the wire for R200 for the five rolls I picked," she said.

Kunene, who was visibly surprised and terrified by the entourage of police vans parked outside her yard, said she was angry at the men who allegedly sold her the goods that got her into trouble.

The police were determined to work around the clock recovering the stolen property since they feared that most of it would be removed and hidden from sight if they delayed their operation.

SAPS officers managed to remove the wire from only two houses but are planning to continue with the operation next week with more members.



WIRE LESS: Stolen wire from Orange Farm is reclaimed by contractors

PHOTOGRAPH THYS DULLAART

Mar 13/1/96

Jay needs help, says RDP team

(297)

Cape Town - A two-day meeting between members of Parliament's Reconstruction and Development Programme committee and RDP Minister Jay Naidoo ended yesterday with the committee calling on the Government to employ more staff in Naidoo's ministry.

The committee said the ministry was playing an important role driving development and development planning.

The Government should increase the resources, especially staff, to the ministry.

The meeting also critically reviewed implementation of the RDP, expressing concern at the pace of delivery while acknowledging successes.

Steps were proposed to ensure local government and communities played a bigger role.

Naidoo was asked to meet Constitutional Development and Provincial Affairs Minister Roelf Meyer to discuss how to build capacity to implement "people-centred" development.

- Sapa

Squatters lose out on RDP

(297) (ET) 15/1/96

CHRIS BATEMAN

RESIDENTS of the Peninsula's most famous shanty town, Old Crossroads, who have seen no development for six years, are being denied R38 million in "transformation" funds because their political leaders cannot agree on an integrated RDP Forum.

While the latest upsurge of bitterness is aggravated by jostling for position before the Cape Metropolitan elections in May, the two main factions remain split along apartheid dispensation lines. The mainly tribal-based councillors (now the Transitional Local Council) and their predominantly white administrators and an ANC-aligned group, riven with splinter groups, but dominating the pivotal RDP Forum.

The lack of a social compact and an inclusive RDP Forum means R12 million immediately available and another R26 million available from April 1 remain frozen while 45 000 squatters face yet another miserable wet and muddy winter.

In the latest bout of tit-for-tat fighting, TLC mayor Mr William



INFIGHTING: Crossroads mayor Mr William Sidinana (right) and his chief executive officer Mr Andries Wessels.

PICTURE: CHRIS BATEMAN

Sidinana's home was set alight on January 5. His cellphone, office and car keys were allegedly "confiscated" by RDP Forum members and their allies a month earlier.

This followed the TLC repossessioning a bungalow loaned to the RDP Forum — whose members allegedly removed its door and lost the keys.

According to veteran Cross-

roads administrator and current chief executive officer Mr Andries Wessels, metre-high walls of a partly-built creche near Unathi village were smashed (December 12) after claims by the RDP Forum that they were not consulted.

"Our dilemma is that we cannot give full recognition to a broad RDP Forum because the PAC, the Western Cape United Squatters Association (Wecusa) and the

Crossroads Residents Association are simply excluded — it's very, very frustrating," he said.

There were Forum walkouts by the PAC when an ANC chairperson was elected and vice-versa.

Integrated Serviced Land Project co-ordinator Mr Colin Appleton said: "It is terrifying that we're breeding another generation of kids to grow up in this environment."

He warned that development undertaken without agreement by all parties would "return Crossroads to a war zone".

The province's Economic Affairs and RDP Minister Mr Chris Nissen said it was "completely unacceptable" that anybody could hamper improved living conditions for people.

"In terms of RDP philosophy everyone should be involved. We are sick and tired of people jostling for positions at the expense of development in the area."

RDP forums are advisory bodies that monitor implementation of the RDP by local authorities and provincial governments.

Mr Nissen promised to intervene in Old Crossroads.

R100m project for Cape Flats

MAGGIE ROWLEY

THE Cape Flats is to get a major boost from the construction of a R100-million retail shopping centre and light industrial park on a 20ha site off Lansdowne Road, near Crossroads in Philippi.

To be developed by Thebe Retail Developments, the project will include a 25 000m² regional shopping centre to be anchored by major national retailers, light industrial warehousing, tourist and community facilities.

Aimed at revitalising the Cape Flats

ET 15/1/96
(297) and meeting the developer's aims of "providing facilities in previously underdeveloped areas with growth potential", the project — 14 months in the planning stage — is community driven and has RDP Forum approval.

Thousands of temporary jobs are expected to be created during the 18-month construction phase, which is scheduled to start in mid-1996, and at least 500 permanent jobs will be created when the centre and other facilities are up and running from early 1998.

● See Page 16

Summons served on handicapped

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Sowetan 16/1/96
By Wilson Ramothata

SIX residents - who are all confined to wheelchairs - at the Soweto Home for Disabled People have been served with summons by lawyers to evacuate their rooms by next week or face forcible removal.

The residents, who live in Cheschire Home for the Disabled in Mofolo, were instructed last week to pay outstanding rent of R15 000 each or evacuate the property within 10 days. If they do not leave voluntarily, they will be removed by force.

The company, Lambani Maphanga and Attorneys, issued the

Residents given 10 days to pay outstanding rent or face eviction

summons which were delivered to the rent defaulters, stating that the defendants' rights to occupy the property ended on January 11 last year. It said the agreement between the property owners and the six was cancelled on the basis that they had failed to pay their rent since 1993.

This follows eviction letters served on the residents last year by the home for failing to pay R277 a month in rent.

The residents are in arrears of

R15 000 each because they have been boycotting their rent since 1993. The rent was increased twice in 1993 from R150 to R277.

The residents have claimed they cannot afford to pay the amount charged by the owners of the home. The little money they receive from the Government is used for tuition fees and transport. Their monthly rent, which includes food and lodging, takes up almost three-quarters of their disability pensions.

Boesak probe report ready

AR 16/11/96 (297)

ROGER FRIEDMAN, Staff Reporter

THE investigation into alleged financial irregularities at the now-defunct Foundation for Peace and Justice, headed by former Western Cape ANC leader Allan Boesak, is complete and a report will be handed to Minister of Justice Dullah Omar tomorrow.

A copy of the 72-page report will also be handed to Cape Attorney-General Frank Kahn, who will make a decision on whether to prosecute Dr Boesak or any of his foundation colleagues for the alleged irregularities concerning donor funds.

Dr Boesak served briefly as Western Cape Minister of Economic Affairs, and was the ambassador-designate to the United Nations in Geneva, before withdrawing from public life after allegations by Danish donors that the foundation had misappropriated millions of rands.

He is presently in the United States as part of a working invitation from a church group north of New York.

Assistant director of the Office for Serious Economic Offences, Tommy Prins, said today the investigation transcript ran to about 5 700 pages of statements from witnesses, and "thousands" of pages of exhibits.

Dr Boesak and his wife, Elna, returned to Cape Town briefly in December to be interviewed by the investigators. They were said to be the last witnesses called.

The report to be handed to the Minister and Attorney-General contained various recommendations, but Mr Prins said he could not divulge the specific contents.

Farmers abuse drought relief aid, say officials

(297) (S) Star 16/1/96

Northern Province agriculturists shocked by misuse of vouchers while area still suffering crippling drought

By KARIN SCHIMKE
AND NORMAN CHANDLER

Farmers in the Northern Province are bemoaning the drought which is continuing despite recent rains – as evidence emerges that they are abusing drought relief aid given to them in the form of vouchers.

Under a scheme implemented in November last year, farmers received 125 000 vouchers totalling R40,3-million to be used to buy equipment, fertiliser, seeds, diesel or anything they needed to tend their land.

Vouchers for each farmer from the provincial government are worth between R100 and R5 000, depending on the size of their farms and whether they had irrigation or were dependent on rains.

However, officials say they had discovered farmers are buy-

ing groceries and other goods unrelated to agriculture with the vouchers.

Vic Kleingeld, chairman of the province's drought committee, said the scheme was started to help large and small-scale farmers during the difficult period following a four-year drought, which has been only partly relieved since it started raining in November.

"We found some people were buying groceries like maize and sugar with their money from agents who were not appointed by the government," said Kleingeld.

The agents are now clamouring to be reimbursed for the vouchers.

However, the Department of Agriculture and Forestry in the province is reluctant to pay out, pending a decision about the vouchers by the MEC, Tienie

Burgers

Kleingeld said: "When the scheme was introduced, we negotiated widely with shops and co-operatives and decided on those which served farmers the best and were easiest to reach.

"The agents now claiming money for the vouchers were never appointed by us."

He said a decision on how to proceed on the question was expected later this week.

■ In spite of the recent rains, agricultural officials yesterday said the drought was far from over, calling it "the worst in history", having devastated large areas of the province, particularly the Venda area and north of the Soutpansberg mountains.

Meanwhile, the citrus-growing Letaba area is in crisis, said David Nthankheni, the province's director of agriculture and rural development.

Millions lost in drought fraud

By Khathu Mmaila

THE R67 million drought relief scheme – a project launched by Northern Province department of agriculture to alleviate the plight of farmers – will not be stopped despite allegations of gross abuse by farmers.

Secretary for the drought committee in the province Mr Vic Kleingeld told *Sowetan* yesterday that although

Dishonest ward officers are helping fraudsters obtain relief vouchers

there had been reports that the scheme was being abused, it would not be stopped because vouchers of R40,2 million had already been issued.

He said it had been reported that some farmers were using the vouchers to buy items – including groceries –

that had nothing to do with farming.

Director for agriculture Mr David Nthakheini had earlier confirmed that the scheme had several loopholes that were being exploited by the farmers.

He said the department had issued vouchers to assist farmers to buy

(297) agricultural equipment and other items such as seed.

In terms of the scheme, a farmer can get a voucher of up to R50 000 for agricultural inputs.

An official at the department of agriculture said this week that his office had been flooded by people who wanted to get money, arguing that people who were not farmers had obtained the vouchers.

"They confronted me and accused

me of refusing to give them money as other people who had no farms had been given vouchers worth thousands of rands.

"The scheme has serious flaws. For instance, the applicant only needs to have a form signed by an agricultural officer from his area to get his voucher.

"There are no mechanisms to check if the applicant indeed has a farm," said the official.

(3) Sowetan 17/11/96

Omar, A-G to get report on Boesak

Star 17/1/96

Kahn will decide whether to prosecute the former Western Cape ANC leader or any of his colleagues for alleged irregularities concerning donor funds

OWN CORRESPONDENT
Cape Town

The investigation into alleged financial irregularities at the now-defunct Foundation for Peace and Justice, headed by former Western Cape ANC leader Allan Boesak, is complete and a report will be handed to Minister of Justice Dullah Omar today.

A copy of the 72-page report will also be handed to Cape A-G Frank Kahn, who will make a decision on whether to prosecute Boesak or any of his foundation

colleagues for the alleged irregularities concerning donor funds.

Boesak served briefly as Western Cape Minister of Economic Affairs, and was the ambassador designate to the United Nations in Geneva, before withdrawing from public life following allegations by Danish donors that the foundation had misappropriated millions of rands.

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Assistant director of the Office

for Serious Economic Offences, Tommy Prins, said yesterday the investigation transcript ran to about 5 700 pages of statements from witnesses, and "thousands" of pages of exhibits.

Boesak and his wife, Elna, returned to Cape Town briefly last month to be interviewed by the investigators.

They were said to be the last witnesses to be called.

The report, to be handed to the minister and A-G contains various recommendations, but Prins said he could not divulge the spe-

cific contents.

In April last year a government appointed inquiry into the foundation's affairs appeared to clear Boesak of any involvement in the alleged irregularities.

At the time, President Nelson Mandela said Boesak deserved a high diplomatic posting as he was "one of the most gifted men in this country".

But Deputy President Thabo Mbeki later said the government inquiry "did not get to the bottom" of charges that Boesak had embezzled money.

Proceeds from sale to go to the RDP

Samantha Sharpe

(297)

CAPE TOWN — Cape Town's elite will soon be making a R54,3m contribution to low-income housing and urgent RDP projects through their purchase of prime beach properties in Clifton and Bakoven.

Proceeds from the sale of Clifton bungalow sites and other strategic Cape Town landholdings — estimated to reach R54,3m by June 30 — are to be earmarked for council-owned rental housing and RDP projects.

A Cape Town City Council spokesman said yesterday that while the funds were not yet allocated to specific projects, the council was awaiting a report from the city planners on the cost implications of a council-owned rental housing scheme.

The rental housing project could become one of several benefiting from the

property sales, he said.

Deputy city treasurer Peter Léver said that provision of new rental units should be agreed in principle, but that not more than R10m be allocated from the social development capital fund.

"Not less than 50% of the balance of the social development capital fund should be earmarked specifically for the alleviation of conditions in and around informal settlement areas in the city," he said.

Léver said it might be some time before a final decision was made on the fund's allocation, but "we hope there will be some spend before the end of the year".

An application that 25% of the net proceeds of the sale of all council land zoned for residential purposes also be allocated to the social development capital fund was still under consideration by the Western Cape premier.

Kahn to assess

Boesak probe

(297) ET 17/1/96

JOHANNESBURG: The Office for Serious Economic Offences (OSEO) said yesterday it had completed its probe into the alleged misuse of Danish donor funds by Dr Allan Boesak's Foundation for Peace and Justice (FPJ).

The report will be given to Justice Minister Mr Dullah Omar and Western Cape attorney-general Mr Frank Kahn today.

"It now depends on the attorney-general what should happen next," said OSEO lawyer Mr Tommy Prins, who headed the investigation.

Dan Church Aid has accused the FPJ of wrongly diverting two to three million Danish crowns (R1,3 million to R2m) intended for apartheid victims. — Reuter

R82-m upgrade of Parliament to be funded by RDP is finalised

By **PATRICK BULGER**
Political Correspondent

Cape Town – Parliamentary officials have finalised an R82-million upgrade of Parliament to be funded by the Reconstruction and Development Programme.

The 11 projects will largely be financed through foreign donor aid and are intended to avert the chaos that hit Parliament last year, resulting in embarrassing absences of quorums in the National Assembly and the com-

mittees.

Business plans for the projects in accordance with RDP procedures have been initialled.

On Monday National Assembly Speaker Dr Frene Ginwala announced that 44 of the 73 additional staff had been recruited and that political parties would be able to employ more than 100 extra support and secretarial staff.

Details of the spending plans include: R556 235 for management consultants to evaluate the organisational structure of

(297) 8/10/18/11/96
the Office of Secretary to Parliament, about R15-million to train and assist MPs to carry out their tasks, about R9-million to train and provide training and administrative support for the various committees, R37-million for the promotion of democracy, R1,8-million to develop a South African parliamentary culture and about R2,5-million to democratise Parliament.

Parliaments' expenses have gone from R187-million in 1994-95 to R307-million in 1995-96.

Danes come bearing kroner and goodwill

Star 18/1/96

Govt to announce R1 125-m aid package for SA

(297)

SOL MAKGABUTLANE
Copenhagen

A Danish delegation of more than 120 members, and bearing a 750-million kroner (R1 125-million) transitional assistance package, will visit South Africa next month.

The visit, seen in diplomatic circles as a seal of approval by the Danes to our fledgling democracy, has sparked intense excitement in Scandinavia.

Among the delegation will be the Danish Monarch Queen Margrethe II, her husband Prince Frederik, Foreign Minister Niels Helveg Petersen, businessmen, artists, mu-

sicians, athletes and about 40 media representatives.

The 27-year-old crown prince, Prince Frederik, will accompany his parents on the trip, which begins on February 18.

While here, the Danish government will announce a five-year, multi-million-rand package geared towards assisting SA in the field of education and black business, amongst others.

Some of the aid money is to be used for the provision of water, promotion of industry and the creation of jobs, as well as development programmes for some non-governmental organisations in South Africa.

The Danish government, like its neighbours, is a traditional ally of the former liberation movements, to whom they gave substantial financial assistance during the struggle against apartheid.

Petersen, Prime Minister Poul Nyrup Rasmussen and the Queen all spoke warmly about South Africa, and the country's transformation to a democracy.

In separate interviews with a group of South African journalists, they revealed their deep admiration for President Nelson Mandela, and their faith in the country's potential role as a stabilising one for the subcontinent.

If charged, Boesak could be extradited from US

POLITICAL STAFF

CT 18/1/96 (297)

DR Allan Boesak would be extradited from the United States if he were charged, officials told the Cape Times yesterday.

A highly placed source in the attorney-general's office said extradition procedures against Dr Boesak, living near New York with his wife Elna and their child, would be certain if he refused to return.

Officials in the attorney-general's office yesterday began poring over a 5 000-page report received from the Office for Serious Economic Offences (OSEO), on alleged misuse of millions of rands in Danish donor funds by Dr Boesak's Foundation for Peace and Justice.

OSEO handed copies of their report to Western Cape attorney-general Mr Frank Kahn and Minister of Justice Mr Dullah Omar this week after months of exhaustive interviews with FPJ employees and funders. Yesterday Mr Kahn said two things could happen.

"If I withdraw a case I'll make everything available to the public — but if I prosecute I won't make anything available as this would pre-empt the ensuing court case."

Mr Kahn emphasised that the OSEO recommendations would not influence his own investigator, deputy attorney-general Mr Johannes Gerber, and a junior, who would "independently make up their minds as lawyers".

POLITICAL BRIEFS

Danes to visit bearing kroner

(297)
COPENHAGEN: A Danish delegation is to visit South Africa next month bearing a 750-million kroner (about R484m) transitional assistance package next month.

Among the delegation will be the Danish monarch, Queen Margrethe II. The whole group will number more than 120.

CT 18/11/96

'Science policy must support RDP aims'

ARG 19/11/96 (297)

A NEW policy framework for science, engineering and technology (SET) would have to take into account the distortions, inequities and failures of the existing SET system, says the government's green paper on science and technology.

The policy should include a commitment to reassure all South Africans that the future activities and benefits of the system will support the development agenda set out in the Reconstruction and Develop-

ment Programme, the document, published yesterday says.

The document proposes certain goals for a well-functioning national system of innovation. These include:

- Providing coherence, co-ordination and focus to SET activities by establishing national social, environmental and economic goals as their foundation;

- Developing a clear and common understanding of the roles, re-

sponsibilities and accountabilities of the different stakeholders;

- Maximising and redirecting benefits to the population at large instead of to a minority;

- Developing an enabling and cost-effective infrastructure;

- Implementing the principles of sustainable development;

- Promoting and supporting the generation of knowledge and curiosity-based activities. — Sapa.

Forum 'not preventing' service delay

(297) ~~297~~
POLITICAL STAFF

CT 19/1/96

THE Old Crossroads RDP Forum yesterday responded angrily to claims by their Transitional Local Council (TLC) that the forum's alleged "failure" to include all local organisations was preventing R38 million-worth of service delivery.

RDP Forum co-ordinator Mr Loyiso Tyalimpi said insinuations by TLC mayor Mr William Sidi-nana that RDP Forum supporters had also set his home alight in January, and "confiscated" his cell phone, car keys and office keys were "blatantly untrue".

He accused Old Crossroads chief executive officer Mr Andries Wessels of being "inconsistent and contradictory" in saying he did not recognise the RDP Forum.

Mr Wessels has said he is unable to constitutionally recognise the forum because it did not include several significant local organisations.

Mr Tyalimpi said that Mr Wessels had recognised the forum at a recent meeting, adding that he had "the minutes to prove it".

The impasse stems from a mass meeting last year at which the six current RDP Forum members were elected but in which objections from Section Four — a traditionally conservative area — were noted and the "door left open" for future negotiation.

Six slots remain on the forum, and a team from Economic Affairs and RDP Minister Mr Chris Nissen's office is trying to negotiate a settlement.

Report on Boesak kept under wraps

ARG 20/1/96

■ It could take months before a decision is taken whether to prosecute Allan Boesak or not — although a 5 000-page report on alleged financial irregularities has been completed by the Office for Serious Economic Offences.

GLYNNIS UNDERHILL

Staff Reporter

THE much-awaited report by the Office for Serious Economic Offences on alleged financial irregularities in the now-defunct Foundation for Peace and Justice headed by Allan Boesak is being kept under wraps.

Jan Swanepoel, director of the Office for Serious Economic Offences (Oseo) said yesterday he believed the bulky report was "complete and comprehensive."

A copy of the 5 000-plus page report of interviews and evidence has been handed to Minister of Justice Dullah Omar and Cape Attorney-General Frank Kahn. Mr Kahn has decided not to make it public.

He said he did not want to be unduly influenced before deciding whether anybody would be charged.

Dr Boesak, former Western Cape ANC leader, was forced to resign his position as ambassador-designate to the United Nations in Geneva after the scandal broke.

The Boesaks are now on a working holiday in America, where Dr Boesak is back in the pulpit.

The report was "sub-judice" and would not be released until he had made a decision, said Mr Kahn.

Two of his staff would sift the evidence and it could be months before he made a decision.

"I want to make up my mind in a calm and objective legal atmosphere," he said.

Births

Deaths

A-G puts top-secret label on Boesak file

Cape Town – The much-awaited report by the Office for Serious Economic Offences on alleged financial irregularities at the defunct Foundation for Peace and Justice headed by Dr Allan Boesak is being kept closely under wraps.

Jan Swanepoel, director of

(297) the Office for Serious Economic Offences, said yesterday he believed the bulky report was complete and comprehensive.

A copy of the completed 5 000-plus page report of interviews and evidence has been handed to Minister of Justice Dullah Omar and Cape Attorney-

General Frank Kahn, who has decided not to make it public.

Kahn said he did not want to be unduly influenced before deciding if anyone will be charged. The report was sub judice and would not be released until he had made a decision, said Kahn.

— Own Correspondent

SABC to retain Afrikaans news

BD 22/1/96 (216)

Ingrid Salgado

THE SABC would continue to broadcast Afrikaans news bulletins on TV1 when new scheduling was introduced next month, spokesman Ken Modise said at the weekend.

However, English news broadcasts would be replaced by Sepedi, Tswana and Sesotho bulletins.

These changes — subject to amendment — complied with the broadcaster's existing licence conditions, which stipulated that programmes be predominantly English and Afrikaans. Modise said the SABC's TV1 licence did not stipulate the broadcaster had to provide English news bulletins.

The times of TV1's news bulletins would also change. The SABC would offer two daily broadcasts at 6.30pm and 8.30pm, alternating between Sepedi, Tswana, Afrikaans and Sesotho.

The corporation has raised the ire of a number of Afrikaans groups who have claimed that Afrikaans will receive insufficient attention.

Modise said English bulletins would probably be transferred to

NNTV (or SABC3) screened nightly at 8pm.

He said the SABC had not made final programming changes for its planned relaunch on February 4. Final details would be made available shortly.

The broadcaster was forced to abandon its original programming reshuffle after the Independent Broadcasting Authority (IBA) last week warned it would violate its TV licences if it proceeded with the changes.

Tony Banahan from advertising agency Lindsay Smithers said at the weekend that following meetings between the SABC and the IBA, the SABC had proposed a number of amendments to keep within the existing licence parameters. Prime time schedules would remain largely unchanged, with vernacular and multilingual programmes flighted in shoulder and off peak time slots.

"The SABC will launch with new station names, but the new format will be introduced only in prime time slots. Advertisers will have the option of following the programme, buying new time or cancelling bookings," he said.

Danish royal visit to cement ties

Dianna Games

BD 22/1/96

COPENHAGEN — Denmark's government was satisfied that SA was doing its utmost to work for human rights and good governance and had authorised a special foreign aid package for it, Danish Foreign Minister Niels Petersen said last week.

Addressing visiting SA journalists, Petersen said: "We are in some cases faced with difficult decisions where human rights are being oppressed. This is not a dilemma with SA."

SA is the recipient of a five-year R500m "transitional assistance programme" from the Danish government which targets violence and policing initiatives, the building of democratic institutions and reform and water provision, education and the promotion of business and jobs, aimed at small and

medium enterprises

SA does not technically qualify for foreign aid in terms of Danish criteria based on average per capita earnings. However, a special case was made because of SA's size, potential, resources and infrastructure, which surpassed those of other countries in the region, some of which did qualify for long-term aid.

Petersen said Denmark was among many countries that felt a strong and stable SA would contribute to the stability and wealth creation of countries in the region.

He hoped that the visit of head of state Queen Margrethe II next month would improve an already rapid growth in trade relations with SA.

The queen, who was invited by President Nelson Mandela, will spend a week in SA, visiting politicians and Danish aid projects.

RDP projects *Sowetan 24/1/96* may collapse *(297)*

By Russel Molefe

PRESIDENTIAL RDP lead projects on adult education may collapse by February 15 because of financial difficulties caused by delays in establishing new funding mechanisms, *Sowetan* has been told.

The collapse of the project will lead to the closure of nine Community Learning Centres and the regional support services in Thokoza, Winterveldt and Garankuwa in Pretoria, Lamontville in Durban, Zwelitsha and Motherwell and Grahamstown in the Eastern Cape, Observatory in Cape Town

and Colesberg in the Northern Cape.

The entire staff also face retrenchment and about 1 000 learners, the first to study courses under the new Interim Guidelines for Adult Basic Education and Training, will be without the necessary basic education skills, according to Sached Trust spokesman Ashley du Plooy.

"Adequate funding for these centres and regional support services are not forthcoming despite the generous assistance late last year of some donors. The mechanisms for establishing new funding frameworks are still subject to extensive delays," Du Plooy said.

RDP's R50-m boost for sport

(297) *Sowetan* 24/11/96
A R50 MILLION project to build 126 sports facilities in underprivileged communities would start within the next two months, Sports and Recreation Minister Steve Tshwete and Minister without Portfolio Mr Jay Naidoo said yesterday.

In a joint statement in Pretoria Naidoo said R4,9 million had been allocated to each of the nine provinces to build 14 new sports facilities.

He added that it was the first time the Reconstruction and Development Programme steering committee had allocated money to the Department of Sport and Recreation.

The programme would provide at least 3 000 temporary jobs for semi-skilled or unskilled workers, and 200 permanent jobs in the construction and maintenance of the new facilities.

Tshwete said it would cost about R350 000 to construct each facility, which would comprise a grassed, irrigated soccer or rugby field, two tennis courts, netball or basketball courts, change-rooms and toilet facilities, a kiosk, a ticket office and fences around the area.

The Department of Sport and Recreation aimed to provide basic outdoor and indoor sports facilities to all disadvantaged communities by the year 2000.

"We estimate that 621 communities in South Africa lack even the most basic facilities for sport and recreation, and the situation is getting worse," Tshwete said.

Alcohol and drugs

He said people deprived of sport facilities often turned to more damaging pastimes such as consuming alcohol and drugs.

"Their inactivity leads to frustration, with a corresponding increase in crime," he said in Atteridgeville, one of the communities earmarked for one of the sport centres. "It is a futile exercise to try to address these problems while not making provision for people who have nothing to keep them occupied in their free time."

A survey conducted among communities which had received basic sport centres last year showed an increase in sports participation from two percent to 106 percent, the statement said. — Sapa.

RDP funding

signs seen

as positive

(297)

ARG 24/1/96

□ *R1 billion by year end is target*

JOHN VILJOEN
Business Staff

PROMISING signs of effective delivery of Reconstruction and Development Programme (RDP) projects have been reported by Futuregrowth, Southern Life's RDP focused investment portfolio.

The portfolio aims to have R1 billion available for investment in RDP projects by the end of the year.

Futuregrowth co-ordinator Michael Leeman said yesterday he was confident the portfolio would be able to identify RDP projects totalling more than R500 million in the next three months — if the funds were available.

The portfolio's growth was evidence that RDP delivery was taking place on an increasing scale, Mr Leeman suggested.

Futuregrowth was opened two years ago with funds of R90 million. Last year it doubled its assets to more than R500 million, attracting 40 of the country's major retirement funds as investors.

Recent Futuregrowth investors included the Murray and Roberts Retirement Fund, the Imperial Group Provident Fund, the Firestone Provident Fund and the Transvaal Municipal Pension and Retirement Funds. The Iscor, Sappi and First National Bank pension funds made additional investments in Futuregrowth.

Mr Leeman said Futuregrowth had three major objectives for the year, the first of which was to attract foreign investment.

"We've consolidated locally and we are in good shape to tap the foreign markets."

A further aim was to increase total funds invested in Futuregrowth to R1 billion by the end of the year.

"Then we will be a significant RDP player. Once we are past the R1 billion mark we can take on major projects."

The third objective was to establish a property fund, which would focus in-

vestment on property in township and other disadvantaged areas.

Southern Life executive director Adrian Arnott said in a statement that Futuregrowth had recently invested more than R100 million directly in RDP-related projects.

"The two most significant investments were in the provision of potable water to disadvantaged communities through holdings of R50 million in Rand Water and R10 million in Northern Transvaal Water bonds.

"An estimated 12 million people nation-wide do not have access to drinking water. Through Rand Water we will contribute to the provision of potable and affordable water to more than 200 000 people in certain unserved or underserved communities in Sebokeng, Evaton, Vosloorus, Garankuwa, Mabopane, Soweto and various communities on the West Rand."

The Northern Transvaal Water investment was expected to give some 10 000 people in the Northern Province access to a water supply.

Another recent development was the Futuregrowth Equity Fund. Opened three months ago, the fund invested in unlisted black business projects.

Because of the higher risk profile in this fund, it had been set higher performance benchmarks, Mr Leeman said. Some R30 million has so far been invested in a range of projects.

The endorsements by many of the country's leading pension funds reflected a growing confidence in the RDP and Futuregrowth's ability to contribute toward its success, Mr Leeman said.

"We anticipate there will be major new RDP capital requirements over the next six months, particularly in the areas of electrification, housing and telecommunications.

"Now that the local government elections are to a large extent over, municipalities will also be coming to the market for capital."

RDP gives R50-m to boost sport

(297)

Super-Mbolekwa Stadium in Atteridgeville will undergo a facelift, in about two months time, to give reality to the Government's Reconstruction and Development Programme's objective of improving the quality of life of people in underprivileged communities.

With R50-million available to the Department of Sport and Recreation to spend in the nine provinces, the stadium will be one of 126 venues with basic sports facilities. Each centre will consist of a soccer or rugby field, two multi-purpose courts for tennis, netball and basketball, a kiosk, goal posts, ticket office and a fence around the perimeter. - Staff Reporter.

Star 24/1/96

Total spending reaches R1,6bn

Pace heats up in transfer of RDP funds

BD 24/1/96 (297)

Greta Steyn

TRANSFERS from the RDP fund this fiscal year surged in December — almost doubling in one month and raising hopes that RDP delivery was at last speeding up.

Finance department figures showed the charge against the RDP fund in December was nearly R800m — almost as much as the R877m drawn during the preceding eight months.

The December allocations brought the total this fiscal year to more than R1,6bn from the R2,5bn RDP fund.

The sluggish pace of disbursements from the RDP fund in the first eight months of the fiscal year had raised the possibility that government was heading for another year of substantial underspending. But officials warned against seeing the latest exchequer figures as proof that the pace of spending had in fact picked up substantially. They pointed out that disbursements from the fund did not necessarily represent actual spending.

Economists said a worrying sign was the huge size of government's

bank balances in the money market, which suggested that money could have been taken from the fund and not yet spent.

RDP national programme manager Roy Page-Shipp said: "Our intention was to reduce the rollovers from the fund and we will be reporting soon on our progress." Cash transfers from the fund, reflected in the exchequer figures, bore little relationship to actual expenditure, he said.

However, officials said there was little other concrete evidence of the pace of RDP spending.

Page-Shipp said action had been taken by the RDP office, in collaboration with government departments, to divert funds to areas where delivery would be possible.

The action became necessary when it became clear that the housing department was unable to spend the subsidy allocation it had received from the fund. When the problem first became apparent, the RDP office expected as much as R2bn to be left over at the end

Continued on Page 2

RDP (297)
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Continued from Page 1

of the fiscal year.

Page-Shipp said infrastructure and related spending had taken up the slack left by housing. He could not name the departments that were doing well and those that were not, as this would form part of a report being prepared for the Cabinet.

Asked how many jobs the RDP had

created, Page-Shipp said: "A distinction has to be drawn between employment creation and job creation."

"The RDP is generating a lot of employment directly in RDP projects, but we cannot yet say that many permanent jobs have been created. That will only come later."

At the end of the last fiscal year, less than R1bn of the R2,5bn fund had been spent. The fact that there were unused funds, which were transferred to this fiscal year, led to accusations that the RDP was bogged down in red tape.

UNDERPRIVILEGED COMMUNITIES TARGETED

W Cape to get 14 sports facilities

(297) CT 24/1/96

UNDERPRIVILEGED COMMUNITIES will receive a sports boost over the next two months with the building of 126 sports facilities nationwide. **BARRY STREEK** reports.

FOURTEEN sports facilities costing R4,9 million will be built in underprivileged communities in the Western Cape, with construction starting over the next two months.

This is part of a R50m programme to build 126 sports facilities in underprivileged communities nationwide within two months, Sports and Recreation Minister Steve Tshwete, and the minister in charge of the RDP, Jay Naidoo, announced yesterday.

The facilities in the Western Cape, to be built at a cost of R350 000 each, will be at Elandsbaai, Robertson, Grassy Park, Raithby, Kleinmond, Ocean View, kwaNongaba (Mossel Bay), Kaya-mandi (Stellenbosch), Mfuleni, Mbekweni (Paarl), Villiersdorp, Crossroads, Zwelithembe (Worcester) and Lwandle.

Naidoo and Tshwete said it was the first time the RDP steering committee had allocated money to the Department of Sport and

Recreation.

The building programme would provide at least 3 000 temporary jobs for semi-skilled or unskilled workers, and 200 permanent jobs in the building and maintenance of the new facilities.

Tshwete said it would cost about R350 000 to build each facility comprising a grassed, irrigated soccer or rugby field, two courts for tennis, netball or basketball, change-rooms and toilet facilities, a kiosk, a ticket office and fences around the area.

The Department of Sport and Recreation aimed to provide basic outdoor and indoor sports facilities to all disadvantaged communities

by 2000.

"We estimate that 621 communities in South Africa lack even the most basic facilities for sport and recreation, and the situation is getting worse," Tshwete said.

People deprived of sport facilities often turned to more damaging pastimes such as drug and alcohol abuse.

"Their inactivity leads to frustration, with a correlating increase in crime. It is a futile exercise to address these problems while not making provision for people who have nothing to keep them occupied in their free time," he added.

Tshwete said the programme was a practical way to fight crime,

reintegrate marginalised youth and help to organise communities.

A statement from the two ministers said a survey conducted among the 95 communities which received basic sport centres last year showed an increase in sports participation from two to 106%.

In Gauteng several sports facilities will be built.

These include Sebokeng, Evaton, Lenasia, Boipatong, Eldorado Park and Ennedale.

In about two months time, Super/Mbolekwa stadium in Atteridgeville, which has to serve 36 schools and a population of about R750 000 people, will also undergo a facelift.

Tighten your belts Warning to W Cape

□ Province 'desperate' to avoid welfare cuts to elderly, sick, disabled

AKG 25/1/96

(297)

ROGER FRIEDMAN
Provincial Affairs Reporter

PEOPLE of the Western Cape have been warned to tighten their belts — the coming financial year is going to be "difficult", with the province trying "desperately" to avoid welfare cuts to the elderly, sickly and disabled.

Provincial Minister of Finance Kobus Meiring said provincial planners were working flat out to smooth the potential effects of a money-short 1996/97, but it was up to all people to play their part.

The 1996/97 budgets have not yet been finalised, but Mr Meiring said yesterday the Western Cape did not expect its budget allocation to keep pace with inflation.

He appealed to citizens to be aware of the situation and to employ general fiscal discipline to help the province through what was looming as a crunch year for the reconstruction of society.

Residents could take practical steps to lessen the burden on the provincial coffers. People attending tertiary health facilities when they could seek help at primary ones and vandalism of state property such as schools were a particular drain on provincial resources, said Mr Meiring.

"We are all inhabitants of the Western Cape, we live in the best province of the country and we must all make it better. This is the responsibility of all residents — not just the government."

Mr Meiring was speaking at a media briefing having just returned — flushed with success — from talks with the central government on the estimated R800 million budget shortfall in the Western Cape for the present financial year.

He declined to disclose how much help the central government had undertaken to give the province, but praised the "frankness and openness" that had characterised the talks.

He gave an assurance that teachers' and health workers' jobs were safe for the present financial year, ending in April. But job cuts were unavoidable later in the year.

Mr Meiring said the Western Cape's present financial shortfall was largely because of "underfunding ... or overspending" by the education and health departments and the province having earned about R60 million less than expected in "own income" — mainly because of the provision of free health care to pregnant women and children.

"To have gone into the new year with a projected deficit of R800 million would have crushed us," he said.

But Mr Meiring said the next financial year — 1996/97 — was going to be tricky anyway as the central government embarked more vigorously on its effort to distribute money equitably among the provinces.

"It (1996/97) is going to be a difficult year for the Western Cape, but we knew that and have been planning for it."

Financial transformation — "especially in the provinces" — was essential, he said.

It would be necessary to "tune down" education, which would unfortunately entail teacher job cuts, while the coming year would also "probably" see the closure of some beds at tertiary hospitals, which would lead to job losses in that field too.

Multimillion-rand aid trust for NGOs opens doors soon

Alling non-governmental organisations (NGOs) will receive a boost when the Transitional National Development Trust (TNDT) opens its doors in the last week of February with at least R125-million in its coffers, the trust said yesterday.

The trust was established late last year with the aim of providing professional developmental

support and financial assistance to NGOs and community-based organisations (CBOs), and has already been inundated with requests, said spokesman Jolyon Nuttall.

The R125-million comprises R50-million from the Reconstruction and Development Programme, and R75-million flowing from a contract already finalised

with the European Union.

Applications in excess of R200-million requesting funds, mostly from Gauteng, have already been received, but the trustees have decided to devise a "system of fairness" aimed at attracting and accommodating applications from rural areas as well.

Bridging finance made to NGOs and CBOs had to be seen

as the initial stage of a development process, not a bail-out system, Nuttall said.

In funding programmes, the TNDT would focus on broad RDP priority areas, she said.

These programmes and projects would have to have discernible development objectives coupled with an appropriate means of measuring the impact of

the work done.

Funding would concentrate on education, health, rural and urban development, small, medium and micro-enterprises, development, good governance, and democracy, said Nuttall.

Business consultant and former KaNgwane chief minister Dr Enos Mabuza has been appointed board chairman. - Sapa.

(297)

Star 25/1/96

Lifeline for NGOs as trust receives R50m boost

CT (PR) 25/1/96

(297)

By CATO PEDDER

Johannesburg — The long-delayed Transitional National Development Trust (TNDT) will finally open its doors for business in late February after several months of silence.

The trust was created in October last year to provide professional development support in grants to non-governmental organisations and community-based organisations, many of which had complained bitterly that the RDP office was monopolising foreign aid and slow to utilise NGOs.

On Tuesday, the trust released funding criteria and the sectors they have selected for funding. The sectors to be funded include small, medium and micro-enterprises. They plan to concentrate on project-linked training and capacity building for

small black businesses. The trust will also help in accessing credit for small businesses run by women and youth, particularly in rural areas. Other areas include education, primary healthcare and rural and urban development.

Rams Ramashia, president of the national NGO coalition, said: "I am very excited that TNDT will be open for business at long last. The RDP will be seriously jeopardised if the drain on NGOs continues."

The trust was set up to provide support for NGOs as staff left in droves and many organisations closed down due to the lack of funding. Initially, the RDP office downplayed complaints about funding problems until a survey showed that it was true. They are now providing R50 million to the trust in instalments.

The start-up funding for TNDT stands at R125 million, of which the remaining

R75 million will flow from a contract signed with the European Union — although the trust has yet to receive the money.

TNDT says it will not fund projects which duplicate existing government functions. It is not clear whether it will fund projects offering government-type services in areas neglected by the government.

Trustees defined the role of the trust as financially bridging the gap as NGOs reduced their dependency on external funding and began to function as self-sustaining business enterprises.

The trust would prefer NGOs and community-based organisations to become service providers, with funding going directly to projects controlled by the recipient communities. The organisations would provide services on a commissioned basis.

"I hope that there will be no further delays in funding," Ramashia said.

Inadequate funding may shut NGOs

By Russel Molefe

THE imminent collapse of nine Community Learning Centres was due to a lack of resources from the National Transitional Development Trust, set up in October last year to channel funds to deserving projects.

Senior NTDT official Mr Eric Molobi said the trust has had no offices to operate from since its formation but the process of distributing

funds to entitled projects will start soon.

Molobi however warned that there was no guarantee that every project would be funded. All proposals would be subjected to scrutiny before funds were released, he said.

"We have about 54 000 NGOs in South Africa and cannot afford to fund all of them. We were given only R50 million," Molobi said.

He was reacting to reports that the

Community Learning Centres, run by Sached Trust for adults, according to the guidelines of Adult Basic Education and Training, which is one of the Presidential RDP lead projects, may collapse because of the delay in distributing funds.

Sached Trust spokesman Mr Ashley du Plooy earlier said the delay had resulted in other different projects laying off more than 10 000 people since late last year.

"We made our proposal for funding last year but up to now have not received a response from the NTD. The CLCs will collapse if funds are not available by February 15," Du Plooy said.

But this was denied by Molobi who said the NTDT had sent acknowledgement of receipt to every organisation that made proposals for funding. Spokesman for the RDP office Mr Connie Molusi also reiterated

ed that not all projects in the country would definitely be funded.

Molusi also raised doubts as to the Community Learning Centres being within Adult Basic Education and Training.

He confirmed that NTDT was given R50 million by the RDP Office to distribute among deserving projects run by NGOs across the country. A further R70 million was granted by the European Union.

Development Trust slow to develop

(297) MtG 26/1-1/2/96

Too little, too late was the response to the announcement that the Transitional National Development Trust is finally to begin work,

Rehana Rossouw reports

office, and it now promises to open its doors for business only at the end of February.

Meanwhile, classes have been terminated while grant agencies set up infrastructure for the TNDT at a snail's pace. Nearly 10,000 pupils have been affected by the delays.

The idea of the TNDT was first mooted in 1994 by Reconstruction and Development Programme minister Jay Naidoo after wide consultation with the NGO Coalition, the CBO Network, Mediac and grant organisations Kagiso Trust and the Independent Development Trust (IDT).

Naidoo announced that the government would allocate R50-million to the trust, in tranches of R10-million, after a business plan was submitted. The plan was handed to the RDP office in December and the TNDT said this week it expected a first cheque of R10-

million within days. A contract securing R75-million from the European Union has also been finalised, but that cheque has also not yet arrived.

The 21-month delay between mooted the idea of the TNDT and the organisation opening its offices has angered NGOs. The national director of Sached Trust, Roy Williams, said the delay in getting the trust off the ground did "not go down well". It was unimpressed with the announcement that the TNDT had found offices and was hoping to get a telephone installed within days.

Sached applied for funds from the TNDT in September last year, via the IDT. It has not yet received a response to its application. "We understood the TNDT to be an emergency fund and we had an emergency in September," Williams said. "We are now facing the situation where we will be curtailing programmes reaching 800 of our

learners by February 15. Many other organisations across the country are facing a similar situation. We estimate about 10 000 learners nationally will be affected."

Williams said Sached had attended a conference convened by Kagiso Trust and the RDP office at the end of 1994 where NGOs were told they must get in line with new parameters if they wanted to qualify for funding. These largely entailed restructuring organisations to make them more efficient.

Sached accordingly undertook a "painful" process of retrenching about 100 staffers and increasing efficiency. "On the other hand, the grant agencies like the TNDT, Kagiso Trust and the IDT have taken a leisurely approach to setting up infrastructure. While we got our act together at great personal sacrifice, they took almost two years to get their act together."

Williams said.

IDT communications director Jolyon Nuttall said these accusations were "unfair". The 17-member board of the TNDT had met twice since October where they had to finalise funding criteria, categories and principles.

"You can't organise a meeting of 17 people overnight, the board was assembled with full consultation with NGOs and CBOs, and they also agreed on its size. Its work was also affected by the government recess over Christmas," Nuttall said.

He said the IDT had seconded two senior executives to begin sorting out the funding applications the TNDT had already received which were in excess of R200 million. The absence of infrastructure had therefore not delayed work. "The TNDT will definitely be in a position to issue the first grants to organisations in March," Nuttall said.

MILLIONS of rand earmarked for education programmes have been held up by the failure of the Transitional National Development Trust (TNDT) to set up shop.

The TNDT was established in October last year to facilitate the flow of funding to NGOs and community-based organisations (CBOs). It took until this year for the trust to set up an

January 26 1996

EU youngsters to do volunteer work in SA

2 500 school-leavers from Europe will be paid R200 a week while here, but no reciprocal agreement is planned

STAR FOREIGN SERVICE
Brussels

The European Union wants to pay Europe's school-leavers R200 a week - to do volunteer work in South Africa. But Brussels chiefs have refused to offer SA's youngsters a similar chance to travel to Europe.

Brussels commissioner Edith Cresson yesterday gave details of a new EU-wide voluntary service scheme, which will be open to thousands of young people.

They will be offered the chance to spend up to a year in another EU state - or in a developing country, including SA - to work on worthy schemes.

These include projects to protect the environment or nature, and to help the homeless, the handicapped, the elderly, disadvantaged youngsters or immigrants.

Cresson said young Dutch people are helping to develop



Edith Cresson ... concerned only about EU youth.

sports in SA's townships, and she hopes similar work can be done in the framework of her EU-wide scheme.

This year 2 500 young people from around Europe will be involved, but Cresson wants the annual figure eventually to rise to 200 000. She said each youngster will have his or her travel

and accommodation paid - and will be given pocket money of R200 a week.

"It is good for young people to take a year off when they have finished their schooling, to learn more about themselves and others," she said. "This should give them a better idea about their future careers or education."

The scheme will be voluntary, and those applying will have to demonstrate that they are motivated.

Cresson, who is a former French prime minister, said SA's youngsters will be included in schemes run in SA - with one South African for every four young people from the EU. But she rejected a suggestion that the scheme should also be open to South Africans who want to do voluntary work in Europe.

"I have to deal with European youth," she said. "The aim is to broaden their horizons and improve their understanding of the rest of the world."

(297)

Star 26/1/96

'Poverty strategy' on the cards

(297)
Robyn Chalmers

BD 26/11/96
A POVERTY strategy was required to assist those who would be retrenched during the transformation of the public service, Minister without Portfolio Jay Naidoo said last night.

Naidoo was talking at the launch of a training course on the management of development planning and implementation, which was convened by the RDP office together with the land affairs department and the nine provinces.

Naidoo said that in certain instances such as in the Transkei, where a significant number of public sector posts could become redundant, it was important to look at ways of assisting those who were retrenched.

He said retrenchment packages were not necessarily the answer. Government should also consider ways of helping people set themselves up in small businesses, as well as ways of encouraging entrepreneurship.

In transforming the public service, government had to encourage public servants to become problem solvers, strategists and development activists if the RDP was to succeed.

"SA's public service has been left behind in relation to the rest of the world. In the past 10 to 15 years there has been an international movement away from a public service which is hierarchical, top down, law-driven, technocratic and inefficient... We must get rid of the rule-driven definition of a public servant's job (for) a results-driven approach."

Funding doubled for RDP in Eastern Cape

(297)

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CP 28/1/96

AN RDP BONANZA is about to hit the Eastern Cape – which was recently declared South Africa's poorest region by the World Bank.

The region's share of RDP cash will double to R1,6 billion this year, provincial Public Works MEC Thobile Mhlahlo said this week.

Mhlahlo said the Eastern Cape's RDP objectives for 1995 had been met, with the kick-starting of projects worth R800 million.

He said both the provincial and national governments were confident that the RDP would accelerate from now on.

"The people are saying this themselves

"When we go to communities, we are beginning to see electricity, roads and renovated schools.

"Women are no longer travelling 20 km a day for 10 litres of water; they are travelling 200 metres.

"Through thorough planning and strict adherence to RDP principles, the provincial government has secured the confidence of the national government, business, labour and society in general.

Progress

"The progress achieved in 1995 will form the basis for accelerated transformation and delivery in 1996, notably in the areas of rural development, urban reconstruction and multi-sectoral collaboration," he said.

He said that the atti-

tude of the region's lumbering civil service was changing for the better.

"The RDP is about transforming and changing government, including establishing a sense of responsibility in the civil service.

"Our civil service must be conscious of their own responsibility. We want individuals in government who will regard the public as their most important constituency to be serviced."

Mhlahlo said the formation last year of the Eastern Cape Socio-economic Consultative Council – a coalition of business, government, labour and non-government organisations – would "fast track" economic progress in the province.

Rural development programmes – mainly in the former Transkei and

Ciskei – would be similarly speeded up by a task team formed in December to deal with rural areas.

The R800 million allocated last year went to 10 priority projects, including the renovation of 42 schools, the electrification of 255 schools, and the provision of water to 56 rural villages.

Consolidate

Mhlahlo said that in 1996 the government wanted to consolidate what it had already established.

"All of us in the Government of National Unity are committed to making this province different to the state of affairs before" – Ecna

THE EASTERN Cape government needs an extra R35 million to expand the province's primary schools feeding scheme, provincial public works MEC Thobile Mhlahlo said this week.

Mhlahlo said: "An additional R35 million has been requested to meet requirements, over and above the budgeted R113 million in the current financial year.

"On average about 1,7 million school-going children benefited from the programme in 1995. – Ecna

Funding for NGOs just (297) a step away

ST(BT) 28/1/96

By SVEN LUNSCHÉ

NON-government organisations can expect their first bit of help from the government when the Transitional National Development Trust opens its doors next month.

The TNDT was established after NGOs complained that, since the end of apartheid, donor funds were being channelled via the Ministry without Portfolio but hardly ever reached them.

In response the government has established the TNDT with an initial grant of R50-million from the Reconstruction and Development Programme and R75-million funding from the European Union.

In a statement this week, issued after the TNDT's board of trustees held its first meeting, it was disclosed that the trust had already received funding applications in excess of R200-million.

This appears to give credibility to claims by many NGOs that the government is not doing enough to support them financially.

The TNDT mandate is also limited in that it will not fund NGOs directly unless they are part of a development programme or project.

The trust will also not fund projects which duplicate existing government functions.

The TNDT statement outlined a number of funding principles that have to be observed by applicants:

- ☐ Projects have to comply with RDP priorities;
- ☐ They must have discernible and measurable development objectives;
- ☐ They must have plans for reducing reliance on external funds;
- ☐ Impeccable financial management, preferably administered by recipient communities who pay NGOs on a commissioned basis.

Six sectors have been prioritised for TNDT funding: Education (adult literacy, pre-school learning and teacher upgrading), primary health-care training, rural and urban development training, small, medium and micro-enterprise development and good governance and democracy training.

The TNDT is chaired by businessman Enos Mabuza. Kagiso Trust's Eric Molobi is its chief executive.

Development Bank gets a new chief

Robyn Chalmers

GOVERNMENT has appointed Ian Goldin, a senior economist at the London-based European Bank of Reconstruction and Development, as the new CEO of the Development Bank of Southern Africa.

Finance Deputy Minister Alec Erwin said yesterday that Goldin had been selected after the bank's board undertook a thorough process to identify a new CEO with the skills and ability to lead the bank into a new era.

"Goldin's experience in development and in the crucial task of mobilising resources for that development, along with his knowledge of the South African economy, were decisive factors in his selection.

"Goldin will now lead the bank

through the final stages of the transformation process which started in 1994," he said.

Erwin said that for government, the transformation of the bank was a key part of the wider process of enhancing the delivery capacity of developmental financing institutions in SA. Detailed proposals were being discussed within government relating to the transformation of the institution.

In a separate development, bank operations GM Div Botha said that to date the bank had not encountered any problems with repayments as a result of serious financial problems facing the provinces.

It was announced yesterday that Cabinet had approved additional funds to shore up provincial government budgets.

A recent audit of provincial rev-

enue budgets had shown that loans from the public investment commissioner and the bank had been incorrectly accounted for in the assessment of the provinces' revenue bases for the 1995/96 financial year.

Botha said the provinces made two repayments a year, in March and September, and there was no indication that they would be unable to meet their obligations.

In line with the restructuring of the bank, new structures were being developed to enhance the bank's relationship with provincial governments, local authorities and the private sector, which Botha said, were still on track.

He said legislation due before Parliament this session on provincial borrowing powers would assist the provinces to raise funds and increase their resource base.

Linda Ensor

CAPE TOWN — The Western Cape provincial government had spent only R33m of the R52m originally allocated to it for RDP projects because of delays and red tape, said economic affairs and RDP minister Chris

Red tape stymies Western Cape's RDP spending

Nissen at the weekend.

The R52m excluded an additional R170m granted as bridging finance in December to deal with the province's hospital crisis.

Nissen said the out-

standing amount would be spent by the end of the fiscal year.

Most of the money had been spent on infrastructure related to the integrated service land project, a pilot land reform programme and schemes funded through the provincial cabinet's discretionary fund.

Other projects were building clinics and a school feeding scheme.

Nissen explained that the initial delay in using the R52m was due to the lack of systems to ensure that money spent under this new category of state expenditure was accounted for, and was directed to a priority project under the RDP. The funds had been received late in the year.

Also, the provincial administration and departments had not fully

understood that the RDP meant reprioritising expenditure rather than government hand-outs.

"We need to become more forceful in pushing through projects and making sure that the line departments are implementing projects," Nissen said.

Another cause of delay was adhering to the national criteria for RDP projects such as the fact that projects should form part of a development plan, have community support, a business plan and that they should involve a financial contribution and decision-making from the community.

"We spent a lot of time building up consultative forums, but now we have our policy and infrastructure in place," Nissen said.



Secure and pleasant ... Workshops at Irene Homes help mentally handicapped people to be self-sufficient and cater for their own needs.

Irene Homes give hope to handicapped

In its 83 years of existence the home has recorded many success stories

By Muzi Mkhwanazi

THE ANGLICAN CHURCH established a home for the mentally handicapped 83 years ago to show society that these people can be self-sufficient and cater for their own needs.

Now Irene Homes, near Pretoria, caters for 68 mentally handicapped women, whom they provide with comfortable family-type homes in a secure and pleasant environment.

A therapeutic section caters for the lowest performers in the group by giving them therapy and training.

A growing number of day patients are also employed in the home's workshops, which has created a demand for expansion.

But, despite the home's long history and continued popularity, at times it has struggled to be self-sufficient and to grow. It has embarked on a number of projects to raise funds and give mentally handicapped workers an income.

Contracts workshop

Three workshops are now well established. Workers build transformers, recycle stamps, weave and knit carpets and jerseys.

Mrs Mina Fineberg, the manager in charge of the contracts workshop, says a number of companies give them contracts, and the home is obliged to meet production deadlines.

The home has many success stories. On good days, it recycles up to 9 000 stamps. "And our electronics assembly section produces about 1 000 transformers and about 2 000 immobiliser switches in a day," says Fineberg.

Through their own efforts, mentally handicapped people have proved that they are as productive as anyone else in society. "With the number of orders and the number of outside patients increasing, we need to expand and cater for more people."

Mr Fransie Spies, the home's weaving manager, says although his department is the slowest in the home, it is also therapeutic and teaches patients a valuable craft.

"We sell our products to individuals and

workers earn a living in the process," he says. Fundraising campaign manager Mr Don Lennox says handicapped people are flocking to the home.

"Our workshops cannot cater for the growing number of people coming to the institution, especially the number of outside patients," he says.

The home has a long waiting list of people who wish to come and stay there, but due to lack of space, organisers are forced to turn away hundreds.

"Our situation has been exacerbated by dwindling Government subsidies," says Lennox. "We have resolved to embark on an ambitious but achievable plan to create more jobs in the workshops for the mentally handicapped people and to set Irene Homes on a path to self-sufficiency."

Fundraising campaign

Chairman of Irene Homes and Bishop of Pretoria, the Reverend Richard Kraft, says a major fundraising campaign has been started to raise more than R10 million over the next five years to implement the Irene Homes Job Creation and Development Programme.

He says the difficulties faced by mentally handicapped primary school leavers who are not able to get secondary or tertiary education, and cannot work by law until they are 18 years old is a problem.

In this regard, he says, plans are well advanced for a bridging course in life skills and general education to prepare mentally handicapped teenagers to earn an independent income through workshops.

Campaign chairman Mr Steve Ochse says: "The programme will have far-reaching implications for the home. Because of declining Government subsidies, there is an urgent need to secure the future of the mentally handicapped in a happy environment."

Lennox hopes that R5 million will be raised within six months to expand the industrial knitting workshop and other work rooms, and in this way create 60 new jobs.

Individuals, families and companies will be approached for funding. "We hope that people from all walks of life will help us to achieve this important vision," Ochse says.

IFC plans to spend \$200m on SA business development

By THABO LESHILO

Johannesburg — Jannik Lindbaek, the executive vice-president of the International Finance Corporation (IFC), arrived in South Africa yesterday accompanied by a top delegation from the corporation, part of the World Bank, with a commitment to spend about \$200 million on business development projects.

Lindbaek said the money would be spent mostly on broadening black participation in the economy. He said the IFC was keen to provide black-owned companies with either equity or loan finance in order help them acquire unbundled companies or privatised state assets.

The delegation is scheduled to

meet government and business leaders to discuss the IFC's role in South Africa.

He said the IFC, which has a decade's experience in privatisation, was encouraged by the government's "balanced" approach to the subject.

"Privatisation is necessarily a political decision and always sensitive. South Africa is not unique," Lindbaek said, referring to the tug-of-war between the government and the unions over restructuring.

He said the IFC was ready to lend assistance to the process if approached.

The IFC opened its South African office last year and has since made investments of \$36 million.



LOOKING FORWARD The IFC's Jannik Lindbaek says the organisation is encouraged by the government's view on privatisation

PHOTO JOHN WOODROOF

Goldin to seek partnerships

BD 1/2/96

(297)

Robyn Chalmers

THE private sector would be lobbied to play an increasingly important role in financing infrastructure in partnership with the Development Bank of Southern Africa (DBSA), new CE Ian Goldin said yesterday.

The structure of top management at the bank would be placed under the spotlight to ensure the spread represented SA's racial mix, he said.

Goldin, who is a senior economist at the London-based European Bank of Reconstruction and Development, will return to SA towards the end of March.

He was encouraged by the direction in which the bank was moving and believed his role would be to ensure transformation was completed successfully. "After discussions with Deputy Finance Minister Alec Erwin and bank chairman Wiseman Nkhulu, I have a good sense of the broad direction in which the bank is moving and the progress has been heartening.

"I am absolutely committed to ensuring the bank is ready to play its role fully in the new SA, and that role is the financing of infrastructure. This slots

in well with restructuring of the other development finance institutions, as there has been a degree of overlapping with functions in the past," he said.

At the release of the bank's results recently, it was estimated that the private sector could become involved in infrastructure projects totalling more than R1bn in the coming year.

Goldin said it was important to ensure private sector participation in the infrastructure projects was secured, and restructuring of management had to be addressed. The issue of affirmative action would also have to be looked into. However, he said government, the bank's board and all other involved parties would be consulted fully before decisions were taken.

Goldin has been involved in high-level policy discussions with the SA government on agricultural and rural strategies as well as budget and trade issues. He has experience in development economics and the workings of international institutions, having been a research and programme director at the Organisation for Economic Co-operation and Development in Paris. He also worked for the World Bank.

Call for social responsibility

Nicole Mordant

(144) 297 130 1/2/96
AS SA rejoins the international arena, management needs to be more competitive, productive and service-orientated but within an environment where experienced business leader numbers have been depleted over many years by the "brain drain", says Rand Merchant Bank Holdings director Wendy Lucas-Bull.

Over and above the effects of foreign competition, SA management also had to contend with political, economic and social changes taking place.

"We have for some time been struggling with the 'brain drain' (resulting in) a thin level of experienced management, and we now have international firms barrelling in here, where a few years ago they were actually distancing themselves, disinvesting, just leaving things," Lucas-Bull said at a breakfast organised by the Executive Women's Club.

Management had to take responsibility for training and development to "adjust the balance in numbers ... at the right level". But it also had a responsibility to help repair the moral fibre of society.

Several businesses and individuals, including Lucas-Bull, had established the Business Initiative Against Crime and Corruption which was involved, together with the SAPS, SANDF and SA Correctional Services, in developing a long-term crime prevention strategy.

Others committed to the initiative are Anglo American's Leslie Boyd, Rand Merchant Bank's Paul Harris and Fabcos and Nafcoc representatives.

Govt secures R1bn for RDP projects

Robyn Chalmers

GOVERNMENT has secured foreign aid of more than R1bn for RDP projects in 1996, out of the nearly R13bn pledged over the life of the Mandela administration.

RDP international development co-operation director Shaheed Rajie said yesterday that the total commitment for RDP projects could be more than double the R1bn figure this year. This would, however, depend on foreign donors' annual budgeting procedures.

Rajie said the figure changed constantly, depending on the negotiations.

"The European Union will probably boost the foreign aid figure for 1996 significantly, along with Germany. With the way negotiations are going and the interest being expressed in SA, I am confident that commitments for foreign aid will soar this year," he said.

The figures showed that of the R1bn secured, R883m had been negotiated and committed to projects. The remaining R146m had been committed, but discussions were still being held on how much aid would go to specific projects.

Housing would receive the most from foreign donors, with R163m committed to various low-cost housing schemes, followed by defence where R140m had been secured from Taiwan.

MD 1/2/96 (297)
Various pilot projects aimed at land reform would receive R132m while the EU had committed R93m to provide support measures for small and medium enterprises.

A total of R74m had been secured for the transitional national development trust and the October household survey, both of which fall under the RDP office. The remainder was committed to a range of projects falling under areas such as health and welfare.

Rajie said government intended integrating as much of the aid as possible into the Budget, although it was exceptional for donors to agree to such a measure.

Finance department international financial relations chief director Eltie Links said yesterday although an estimated R12,8bn had been pledged over the next four years, extensive negotiations still had to be held.

"We plan to have two meetings — one in the second half of February and another in mid-March — to talk about the commitments and the problems donors have with the system, as well as negotiate the pledges.

"The pledges of R12,8bn are a rough ballpark figure and are made up of a variety of different types of support such as concessionary loans, technical assistance and trade and import guarantees," he said.

Group hopes to smooth the way for the disabled

(297)

By BOBBY BROWN

Star 1/2/96

The only consolation for wheelchair-bound soccer fans who could not get into the FNB stadium to watch South Africa in the African Cup of Nations tournament is that access may be improved in the future.

This is due to the first meeting of the National Environmental Access Programme (Neap) Gauteng, at the Mandeville Sports Club in Johannesburg at the weekend. Neap will not only press for environmental access for wheelchair-users, but for all the disabled, such as the blind, the deaf, the aged and amputees.

The Star was invited to the meeting after publishing an article exposing inaccessible areas of the Johannesburg CBD.

Jerry Ngeli (36), a paraplegic lawyer specialising in personal damage claims, is one of the Neap activists who helped to make the Johannesburg Supreme Court wheelchair-friendly, and who will now help to tackle the architects of the FNB stadium, where it took him an embarrassing two hours to get to see a soccer match.

"It was terrible. I am used to being independent, and because I was so determined to see the game, I had to be content with being picked up and carried. It was very embarrassing," said Ngeli.

He had to park a long distance from the stadium since the entrance usually reserved for the disabled was reserved for VIPs.

Together with Neville Cohen, the acting chairman of Neap Gauteng, Ngeli has been battling with building owners about accessibility for the disabled.

"At first I could only use

Everything aimed at the able person

one courtroom at the Supreme Court, and now I can choose any court."

Cohen, who was paralysed 44 years ago in a car accident, says that "everything is aimed at the able-bodied person, but we are part of society and should not be ignored. From the banks to the airports, cinemas, shopping malls and even election polls are not accessible to us. Did anybody even stop to think how a blind person could vote in secrecy? The Government should by rights have voting sheets printed in braille."

Cohen played a key role in getting Neap started two-and-a-half years ago. Although the Disabled People of South Africa group was doing a lot, special focus was needed on environmental access, he said. Neap would join forces with other institutions to form a strong body with clout.

"My last individual battle was with the Johannesburg International Airport guys. The airport is now partially accessible, but a lot remains to be done and Neap will take over from here," Cohen said, adding that it was "extremely degrading for a disabled person to be carried on to an aeroplane".

Cohen said one of Neap's more ambitious projects would be to introduce a voluntary hotel grading system: "Just like the little stars, we will get hotel owners to put little wheelchairs beneath the stars to indicate how accessible the venue is."

"Of course, it will be voluntary, but those who choose not to participate will obviously lose our clientele and will get our bad advertisement."

The weekend meeting saw several suburban-based groups joining Neap and forming an executive committee, a task force and a future strategy. Cohen said Neap Gauteng already had sponsors who would donate R3 000 a month for 24 months, but that it needed more to get projects going and find permanent premises.

Radebe pushing for aid to help the poor (297)

Star 1/2/96
By JOVIAL RANTAO
Political Reporter

Intensifying delivery of services to the rural and poor, and completing the transformation process in his ministry and department, rank high on Public Works Minister Jeff Radebe's priority list for 1996.

Fresh from a two-week visit to the United States where he received an honorary doctorate in recognition of his services to the poor, Radebe told The Star in an interview that he would like to see the completion of projects he started last year.

"We're in the final stages of our transformation process which included, among other things, a complete overhaul of the Department of Public Works. We have in place management consultants who have made an audit from top to bottom. We'll be implementing some of the things we have learned in our visits overseas," Radebe said.



Caring ... Radebe says upgrading services to rural areas is important.

He said his ministry was close to completing an exercise to consolidate state assets and setting up a



Caring ... Radebe says upgrading services to rural areas is important.

He said his ministry was close to completing an exercise to consolidate state assets and setting up a management team to look after them. A computer management system to consolidate assets from former TBVC states and manage national assets would be in place soon.

"We will be appointing a project manager to manage the portfolio," he said.

On service delivery, Radebe said it was his plan to cut the implementation of capital projects from 18 to six months to expedite delivery. The delay, he said, was caused by public sector red tape which had to be eliminated.

"Our other task is to link our public works programme with economic growth and development," he said.

He said while 1995 was a learning curve for most provincial departments of public works, provinces would have to work at improving their services.

About his overseas visit, Radebe said a delegation from four US cities would arrive in South Africa soon to explore the possibilities of entering into joint ventures.

"The message I got from the top businessmen that I met was one of the need to intensify the US-SA Binational Commission headed by Deputy President Thabo Mbeki and his US counterpart Al Gore.

There's recognition of SA's need to achieve stability and promote economic growth, not only in our country but in the southern African region," Radebe said.

Nine community centres planned for Metropole

ET 1/2/96
METRO WRITER

THE Cape Metropolitan Council (CMC) decided yesterday to spend R31 million on building nine new community centres, and on another nine projects, including the establishment of a night shelter, a training centre and a health facility.

This RDP money comes out of this year's CMC budget.

Extensive consultations preceded the choosing of 18 projects on which the money will be spent.

All the local authorities in the metropole had a chance to put indicate their preferences.

The projects are:

Community centres in

(297)
Scottsdene (R2m), Grassy Park (R1m), Cape Town (R2m), iKapa (R1,1m), Parow (R2m), Belhar (R1,4m), Lingeletu West (R2m), Hout Bay/Llandudno (R2m) and Ocean View (R2m).

The other nine projects are:

The upgrading of flats in Atlantis (R2m), a health facility in Durbanville (R800 000), water infrastructure in Macassar (R1,7m), a sanitation upgrade in Strand (R1,1m), infrastructure for municipal services in Milnerton and Knolls River (R2m each), stormwater drains in Mfuleni (R1,7), a night shelter in Elsie's River (R2m), and a training centre in Fish Hoek/Kommetjie (R2m).

US agency to phase down SA aid

(297)

CT(MR)11/219b

From SARA

Johannesburg — The United States Agency for International Development (USAID) would gradually start phasing down aid to South Africa, the agency's administrator, Brian Atwood, said yesterday.

After visiting a USaid-funded programme in Lenasia, south of Johannesburg, Atwood said South Africa had to start providing for its own needs without external help. "This is a country of potential, a country that has more wealth than most in this region. With additional economic opportunities and adher-

ence to human rights, South Africa can become much more successful."

Atwood said he did not expect America's R600 million assistance to be dropped completely in the near future. It would be steadily phased out over three years.

Atwood, on a six-day visit to the country, will discuss regional development and conflict-resolution with South African government officials.

He will also meet President Nelson Mandela, Deputy President Thabo Mbeki and Education Minister Sibusiso Bengu.

He is to "deliver the United States' response to President Nelson

Mandela's opening remarks at the Southern African Development Community conference in Johannesburg today.

"It would be a great honour for me to share a stage with President Mandela," Atwood said yesterday.

His message to southern Africans was that they needed to make the region more attractive to foreign investors.

Issues such as an underskilled workforce and violence had to be resolved, he said.

"There is already a great deal of foreign investment, but there could be so much more."



LEARNED GAZE Gauteng Education Minister Mary Metcalfe in the revamped premises which will house the management of Gauteng education under one roof for the first time. The Gauteng department of education has taken a five-year lease for the 17 414m² office space at 111 Commissioner Street, helping to reverse the decentralisation trend out of the CBD in recent years. The building is owned by Southern Life and administered by Anglo American Property Services

R30m allocated for Western Cape RDP

□ 18 projects to benefit; R260m contributed in a year
AKG 12/96 (297)

ANDREA WEISS
Municipal Reporter

COMMUNITY centres, infrastructure for housing projects and stormwater clean-ups are among 18 projects which have benefited from a R30-million allocation by the Cape Metropolitan Council to reconstruction and development programme projects.

The allocation represents the largest amount of money to date released by local government to community initiatives in the Cape metropole.

The 18 projects were among 34 submissions sent to the CMC when it first advertised its intention to allocate the

money.

Andrew Madella, co-chairman of the RDP committee, said they were impressed with the high standard of creativity reflected in the proposals and the professional way in which the projects were planned.

"We believe this augurs well for RDP delivery in the forthcoming year."

CMC chairman Willie van Schoor said that aside from these specific allocations, the CMC had contributed about R260 million to RDP-related projects since February last year.

Of this money R50 million was spent on five strategic management plans for restoring basic services in Ikapa, Mfuleni, Lwandle, Crossroads

and Khayelitsha and a further R49 million on the integrated serviced land project.

Among the projects which have qualified for funding are the Du Noon housing project near Milnerton, where R2 million would be spent on infrastructure.

A similar amount would be spent on services for a new housing project in Kalkfontein, Kuils River.

Several areas, including Scottsdene, Grassy Park, Bontheuvel, Ikapa, Ocean View and Parow, were set to get new community and multipurpose centres.

In the case of Bonteheuwel R2 million would be spent on converting an existing cleaning depot into a multipurpose

community centre.

Macassar was in line for a R1 750 upgrade of its water infrastructure, and the Strand would benefit from a R1,1-million sanitation upgrade.

Mr Van Schoor said a night shelter was to be built in Elsie's River at a cost of almost R2 million, while in Belhar a community centre and industrial hives were to go up.

Fish Hoek/Kommetjie and Noordhoek were for a R2-million training centre, while Lingeletu West was to have a multipurpose community centre which would include a housing support centre.

At Hout Bay harbour a creche and community hall were in the pipeline.



R30 m RDP BONANZA: From left are Andrew Madella, RDP committee co-chairman; David Dlalali, executive committee chairman; Willie van Schoor, CMC chairman; and Danny de la Cruz, RDP committee co-chairman.

Picture ANDREW INGRAM, The Argus

Organisations Bill draws criticism

Bonile Ngqiyaza

THE proposed Non-profit Organisations Bill, which was due to be introduced into Parliament this year, was branded last night as an old-style attempt by government to squeeze out civil society and take over the control of non-governmental organisations.

At a meeting at the Rosebank Hotel in Johannesburg, called by The Centre for Development and Enterprise to discuss the future of NGOs, University of Cape Town professor Dennis Davis said NGOs were more efficient in terms of delivery than government.

He was "rather upset" by the composition of the non-profit organisation commission, to be set up in terms of the draft Bill, because a majority of members would be government appointed.

In terms of the draft Bill, the commission would have powers which include compulsory registration of non-profit organisations, the right to refuse or withdraw registration from any such organisation — without registration no organisation is permitted to raise funds — the right to suspend any or all trustees or officers of any such organisation and to appoint additional trustees of its own choice.

Development Resource Centre representative Zane Dangor said there was never any political intention behind the drafting of the Bill. It had

been drawn up by a legal team, after wide consultation with interested parties, to stimulate debate.

There were sections and certain provisions of the Bill that the Development Resource Centre "disagreed with fundamentally", he said.

Institute of Race Relations representative Colin Douglas said sections 29 and 30 of the Bill had not come about as a mistake but because it was felt there was a need for NGOs to be "accountable to the public".

National NGO Coalition representative Rams Ramashia said: "We believe that in spite of the Development Resources Centre's noble intention, the non-profit Bill in its current form is unacceptable to the majority of our members owing to its inherent flaws."

Centre for Policy Studies representative Khehla Shubane said although NGOs had the right to form coalitions, the choice engendered by their being diversified would be beneficial to SA's democracy.

The antagonism between government and NGOs, brought about by the apartheid dispensation and the dependence on finance from abroad of some non-governmental organisations, needed to be broken.

ANC Gauteng provincial executive member Stewart Ngwenya expressed concern about how certain NGOs conducted themselves in public.

Fraud spectre used to justify Nat-style controls

(247) 80 2/2/96

JOHN KANE-BERMAN

the commission carte blanche of the kind Nationalist ministers of justice had to ban and detain people without trial.

MOUNTING opposition to a plan for a whole new system of controls of non-governmental organisations (NGOs) has forced their proponents to start backtracking. They are now trying to pass the move off as little more than an attempt to prevent fraud and promote "transparency". The Development Resources Centre, author of the control plan, now also claims that the attorneys who drafted the much-criticised Non-Profit Organisations Bill "departed from several recommendations" when doing so.

Zane Dangor, one of the prime movers of the control scheme, is especially defensive about the sections of the Bill which would give a government-appointed commission the powers to remove and appoint directors of NGOs. He claims, firstly, that these provisions are already in the Companies Act. They are not.

Secondly, Dangor says the controls are aimed at preventing "fraudulent practices". This claim is also at variance with the facts. The powers the Bill seeks to give the commission are very much wider than this — trustees of NGOs can be removed merely if the commission thinks this is necessary to promote the "public interest". This is to give

further attention. According to the Development Resources Centre's own investigations, there are at least 54 000 NGOs in SA. In 1992 they raised R6bn in funds — R4bn from "individual giving", R1bn from foreign agencies, and R1bn from "corporate social investment" — and employed nearly 2-million people. In addition, of course, large numbers of people give their services and expertise to NGOs without being employed by them.

To suggest that fraud among NGOs is so widespread that a whole new bureaucratic structure with virtually untrammelled powers is needed to combat it is to cast a slur on this very large segment of the community. It is to suggest further that all the companies, governments, and individuals that contribute billions of rands in voluntary donations to NGOs are massively gullible, along with the auditors who vet their accounts. It would be interesting to know how many corporate givers and foreign donors have found fraud among NGOs to be

such a problem that they want the government to set up the proposed NGO control commission to put a stop to it.

Of course, fraud and other forms of white-collar crime are part of SA's larger problem of crime, including violent crime. Some years ago, the Development Resources Centre put out a report on NGOs that laid the foundation for the proposed control commission. The document described itself as "this 20-pager summarising the main issues". Nowhere does this report suggest that fraud is the huge problem Dangor would apparently have us believe it is. This gives rise to the suspicion that the spectre is being raised in an ex post facto attempt to deflect criticism of the draconian powers envisaged for the proposed commission to appoint and remove entire boards of trustees at will.

If Parliament were to give the proposed NGO control commission the powers sought for it, a precedent would have been created for the extension of these powers from the non-profit-making to the profit-seeking component of the private

sector — ie from NGOs to business — on the pretext that there too fraud must be combated by removing control from shareholders and giving it to the state.

This is not the only reason why the private sector should be concerned at the proposed controls of NGOs. Enactment of the kind of controls Dangor and the Development Resources Centre are seeking — even in watered down form — would be a victory for the regular ethos. They talk about the need to make NGOs "accountable" and "transparent" to "stakeholders". On the face of it, these buzz words are harmless enough. In practice, they turn out to be little more than euphemisms for greater state control. "Stakeholders" are thus defined as "donors, beneficiaries, the government, and public".

No allowance is made for the possibility that different organisations may have different "stakeholders". Why should the government suddenly be turned into a "stakeholder" in privately funded organisations? Why should privately funded and membership-based organisations be accountable to "the public"?

The answer to these questions depends on one's social and political

viewpoint. On the one hand, there is the mindset whose starting point is that the state has the right and the duty to regulate — and the more of it, the better.

The opposite viewpoint is that in a free society people should be free to do as they please provided they do not break the law or ride roughshod over the rights of others. It regards people as adults and the organisations they form as both able and entitled to regulate their own affairs.

One of the reasons given by the Development Resources Centre for the proposed new control regime is that NGOs must be freed from various "contradictory and hostile laws". In a recent circular, Dangor names two of these as the Affected Organisations Act and the Disclosure of Foreign Funding Act. They were repealed in 1993. The Fund-Raising Act remains in force, and there are certainly ways in which this could be dealt with to make life easier for NGOs. But if the new control commission is set up they will find themselves subject to laws that are less contradictory than down-right hostile.

□ Kane-Berman is chief executive of the SA Institute of Race Relations.

State's role in funding to be probed

Robyn Chalmers

GOVERNMENT will appoint the advisory committee of the National Development Agency this month to investigate the role of the state in the future support of cash-strapped non-governmental organisations.

Draft proposals on setting up the agency said the committee should investigate the feasibility of establishing an agency and its role, with the final decision resting with Minister without Portfolio Jay Naidoo and Cabinet.

RDP non-governmental organisations head Bongi Mkhabela, who is expected to chair the committee, said yesterday that the committee would consist of about 16 members.

BO 2/2/96 (297)
"We will have representatives from non-governmental organisations, government, business, labour, the human rights community, welfare institutions, international development agencies and development funding bodies, among others," she said. "I doubt we will see the agency up and running much before April next year."

Mkhabela said the committee would have to take a number of factors into consideration when assessing the role of the agency. These included the effect of civil society organisations in the delivery of the RDP, particularly with regard to poverty, unemployment, rural development and economic empowerment. It would look also at the roles of existing development funding institutions, includ-

ing the recently launched Transitional National Development Trust, the Independent Development Trust and the Kagiso Trust.

It was clear many smaller non-governmental organisations were in dire financial straits.

She said government acknowledged the role of civil society in carrying out the objectives of the RDP through accelerating the process of social and economic development, and was committed to facilitating the process.

"However, non-governmental organisations should also undertake a lobbying exercise with the private sector for funding, as there are untapped resources within the corporate sector which could be put to use by organisations," Mkhabela said.

New development at SA bank

MTG (Em) 2-8/2/96 (297)



Karen Harverson

NEWLY appointed chief executive of the Development Bank of Southern Africa (DBSA) Ian Goldin may face an uphill battle from some of the bank's staff who feel a black candidate would have been more suited to lead its transformation.

For the past 18 months the bank has been racked with mass departures, and controversy in its efforts to transform its operations and identity.

A new chief executive — preferably black — was considered a vital step in the bank's transformation from an apartheid organisation which funded "separate development" to one dedicated to providing finance for infrastructure to build the new South Africa. Goldin, who left South Africa in 1978 but has visited the country often, is unaware of the mixed feelings which may await him.

He says that his first priority as the new chief executive will be to listen, discuss and understand the bank's

operations and the government's vision for it. "I also plan to meet all the players involved."

Goldin appears to have all the requirements listed in the bank's transformation report of May 1995 which states: "The preferred profile of the new chief executive officer must include the following attributes: a visionary leader, banking experience, a credible political profile, good communication and people skills, and a sound background in development."

He has in-depth experience of managing lending activities and the identification and appraisal of projects gained while employed at the World Bank. He is currently employed by the European Bank for Reconstruction and Development in London, responsible for addressing major operational and policy issues concerning the financing of infrastructure development in Eastern Europe and the former Soviet Union.

Some staff members have questioned whether enough effort was put

into the recruitment process, both within the organisation and outside. "If we have black ministers running ministries, surely one can find a capable black person in South Africa for the bank?" they say.

But, says DBSA's board chairman Professor Wiseman Nkulu, every effort was made to find a black person with the right skills combination.

The recruitment process was very open; in addition to placing advertisements nationally and internationally, we had two placement agencies to source people with the right experience as well as inviting DBSA staff to come forward with names, both internally and externally."

He says that as chairman of the Black Management Forum, he is committed to the promotion of black people but adds, "It would be equally unfair to say no whites will be appointed at executive level."

However, some staff feel a programme is needed to groom an

appropriate black person for the position over a period of time.

Nkulu says such a programme will be implemented as soon as Goldin comes on board. "We plan to mentor a number of candidates at the next management level so that in five years' time, we can choose the new chief executive from a pool of four or five people."

In general, though, bank staff seem to have adopted a "wait and see" attitude pending Goldin's expected arrival in April.

Razal Sath, chairman of the bank's affirmative action committee, says he believes most people feel relieved that someone has been appointed to give the bank direction. "It was a national government decision and there's not much animosity in terms of the racial issues."

"It's important that we give Goldin a chance to prove himself," says Monde Zimema, one of several staff members who revolted against the white management of the bank in 1994.

"The bottom line is the institution's ability to deliver development to the people of South Africa, irrespective of who brings it about," he adds.

Heat is turned on in the RDP office

(297) M+G(BM)2-8/2/96

Simon Segal

JUST what does the Reconstruction and Development Programme (RDP) office, officially called the Development Planning branch of the President's Office, do? Is criticism around its delivery fair?

Deputy Director General Bernie Fanaroff is clear that the office has three primary functions:

- **Development planning:** This is the mobilisation of resources to match societal goals which are determined by government and its social partners.

- **The management of the RDP Fund:** This fund is by far government's largest development budget. In a five year programme R2,5-billion was allocated to the RDP in the fiscal year 1994 to 95, R5,6-billion has been

granted this fiscal year and this will increase to R7,5-billion, R10-billion and R12-billion over the next three fiscal years.

Of the R2,5-billion allocated in the first year, R2,8-billion has been approved, R1,9-billion released and R1,1-billion transferred to departments. The main users have been free health care, primary school nutrition, education and constitutional development.

Fanaroff explains that the initial

objective was to fast-track delivery with a number of high-profile projects, the so-called Presidential Lead Projects.

In the second year this was consolidated into fewer programmes and in the year ahead this will be consolidated further into seven major development programmes, the largest being in health and education, followed by housing, developing a common social service delivery, water and criminal justice.

- **Development Facilitation Process:** Fanaroff does not accept criticism that delivery has been slow, citing the main cause of the problem as being a lack of project management experience and a situation where government was structured to provide continuous services rather than be able to work on a one-off basis.

"Progress has been slower than we expected. We never realised the extent to which the culture of government had to be changed to think strategically and align policy with growth and development goals.

"The RDP Fund has been used as a wedge to get departments to reassess their core businesses and strategies. This is now starting in all departments and the process is now in place to speed up rapidly."

According to an RDP document,



Bernie Fanaroff: The initial objective was to fast-track delivery

PHOTOGRAPH WILLIAM MATLALA

the process of aligning departments has gone sufficiently far to allow government to publish its first National Strategy for Growth and Development this year.

This will set the stage that for 1997 to 1998 the budgeting process will be aligned to this strategy. This year's budget is still the other way round — the process starts with the budget, not the strategy.

This national strategy is a five-year rolling programme that sets out a broad strategy. Fanaroff insists this is no monolithic plan that seeks to control the country but rather a synthesis of the strategies of departments, provinces and local authorities.

It is in the delivery, rather than the broad well-intentioned strategy, that government will be judged. Indeed, the heat is on for the very survival of the RDP office.

Cape communities get R31 m RDP funds boost

MXOLISI MGXASHE

Staff Reporter

THE Cape Metropolitan Council has announced the allocation of more than R31 million to 18 reconstruction and development projects in the Cape metropolitan area as part of its strategic plan to help local authorities implement the RDP.

The CMC says the money will help in the construction of community health and training centres and also establish proper infrastructure for water and sanitation as well as upgrading of flats in, for instance, Atlantis.

Areas that will benefit include Grassy Park, Scotsdene, Bonteheuvel, Macassar and Kuilsriver. Others are Strand, Minerton, Durbanville, Ikapa, Belhar, Lingeletu West, Houtbay/Llandudno, Mfuleni and others falling within the jurisdiction of the CMC.

Shortly after its establishment early last year, the CMC formed an RDP committee to facilitate the realisation of RDP goals at grassroots levels. The RDP committee in turn formed a number of substructures to channel funding to needy communities, organisations and individuals.

These structures were asked to make submissions not exceeding R2 million to the CMC. The substructures submitted 34 applications, out of which the 18 were selected for funding.

According to CMC executive committee head David Dlal, the allocation of the R31 million was the first major delivery of RDP funds within the Cape metropolitan areas since the inception of the RDP.

Mr Dlal appealed to the substructures to make sure the projects were implemented as soon as possible.

Mr Dlal told Saturday Argus some of the projects submitted by the RDP substructures at grassroots levels might not really reflect priority interests in the areas, but they were nonetheless what people in those areas had asked for and in a democratic situation the CMC was obliged to try to meet their wishes.

He acknowledged that housing, for instance, was one of the most pressing needs at grassroot levels and appropriate structures were trying to deal with the issue.

He said there were continuing discussions to make it possible for funds to be channelled directly from the central government to the substructures.

Co-chairman of the CMC RDP committee Dany de la Cruz said the CMC's financial assistance to the substructures would be in the form of grants for capital expenditure only, and no operational and maintenance costs would be financed out of the R31 million allocation.

"We want to make sure that the benefits flowing from our RDP funds reach the communities as soon as possible. And in order to ensure accountability in the use of all RDP fund allocations, the RDP committee will closely monitor the progress and expenditure of each project," said Mr. De la Cruz.

Kim van Deventer, the CMC's RDP co-ordinator, said close monitoring of the expenditure on the projects would provide an opportunity to implement workable procedures that were beneficial to both the substructures and the communities.

"Lessons learnt from the 1995/96 RDP allocations will provide a valuable contribution to the way in which they are managed in coming years. Unsuccessful applications for funding in the 1995/96 financial year will be re-evaluated for consideration in the next year's budget," said Ms Van Deventer.

Individuals pull together to uplift community

By SUSAN MILLER

George Makanya and Juliet Radebe have always dreamt of providing jobs and services for their community in the small, dusty township of Sivukile in Mpumalanga.

While some communities wait motionless for assistance from the RDP office, the people of Sivukile have gone ahead and successfully built a creche.

They did this with the help of Norbert and Eve Bleckert of Randburg who discovered Sivukile, which adjoins the once-planned white "homeland" town of Morgenzon, when travelling through what was the south-eastern Transvaal.

"We wanted to give a community a brick-making machine which we had bought and after much consultation George came back to us on behalf of the community and said they needed a creche for their little children," said Eve.

This marked the beginning of a partnership between the Bleckerts and the community which has flourished since 1991.

Things have changed dramatically in the area and now many of the homes and shops in Morgenzon stand empty since the exodus of right-wing Oranjewerkers, led by Hendrik Verwoerd junior in the early 90s.

This is in sharp contrast to the bustling Sivukile, which remains poverty-stricken but has nevertheless achieved the building of a creche, against all the odds.

While the Sivukile community has gone ahead with only the Bleckerts providing support, they are still waiting for assistance from the RDP office.

"We need support because we want to build another creche and also a centre for the aged," said Makanya.

He said the community had submitted proposals to Mpumalanga's RDP office but these had been returned because of some technical query.

According to Makanya, this perceived lack of support makes some of the people bitter.



Juliet Radebe . . . community leader.

"The perception among some of our people is that the Government and the RDP office only support projects in the big cities, especially in Johannesburg, even though communities like ours are doing a lot of self-help without encouragement," he said.

His wife has also involved herself deeply in the projects, and feels what is really needed is practical help and materials.

"We need materials to make cement, like sand, we need wool for the women who have some knitting machines, and scraps of material for patchwork blankets," she said.

The plan is to make some money from other sources, like knitting, to subsidise the labour of the men - and to help the community go on buying materials for cement.

"It sometimes seems that communities which just sit back and expect help are noticed and those like Sivukile which try to help themselves are ignored," said Eve.

The Blackerts have supported all the projects the community has embarked on but outside help and support is urgently needed - not just because of the financial situation but for the morale booster it will give to the largely unemployed community.

They have received some funding from the TPA for children at the creche, some money from the Independent Development Trust (IDT) and other donations of furniture from various big companies, but the financial demands are an ongoing battle, which she points out can be "soul-destroying".

What the building of the creche has achieved is a sense of bonding, as men and women from the community work together mixing the cement and then shaping the bricks.

"We are hoping to use the skills we have picked up from learning bricklaying to work when the RDP housing projects come here. We want to be considered to make the houses and maybe learn how to make the steel window frames as well," said Makanya.

The completed creche, christened *Siqondenkanya* (Going Home), has 120 children attending it this year and has made an enormous difference to the community.

Building the clinic has meant a bonding

munity.

Radebe said many of the children attending the creche rely on the meals served there for survival.

"We have a vegetable garden so we can use the vegetables for part of our meals and we can give the children fresh carrots for their mid-morning snacks," she said.

However, the community of about 8 000 desperately needs another venue for its children.

"In terms of our funding by the TPA we can only take children between two and six years old, so we cannot take the babies, which causes a great problem for the parents in the community.

"We will make sure that this new creche registers to take babies and has the proper facilities," she said.

Radebe, who is a member of the elected council which runs community affairs, said one of the main problems facing them is that like other rural communities, almost 90% of the community is unemployed.

"They have some jobs in Morgenzon but we have no big factories around here so people have to travel far," she said.

One of the thorny issues which has been resolved is that of the Oranjewerkers, who in the early 80s wanted to use Morgenzon as the centre for their white homeland.

"There was some tension because some of those people did not want blacks in their shops and they made up quite a size of the town at one stage," said Makanya.

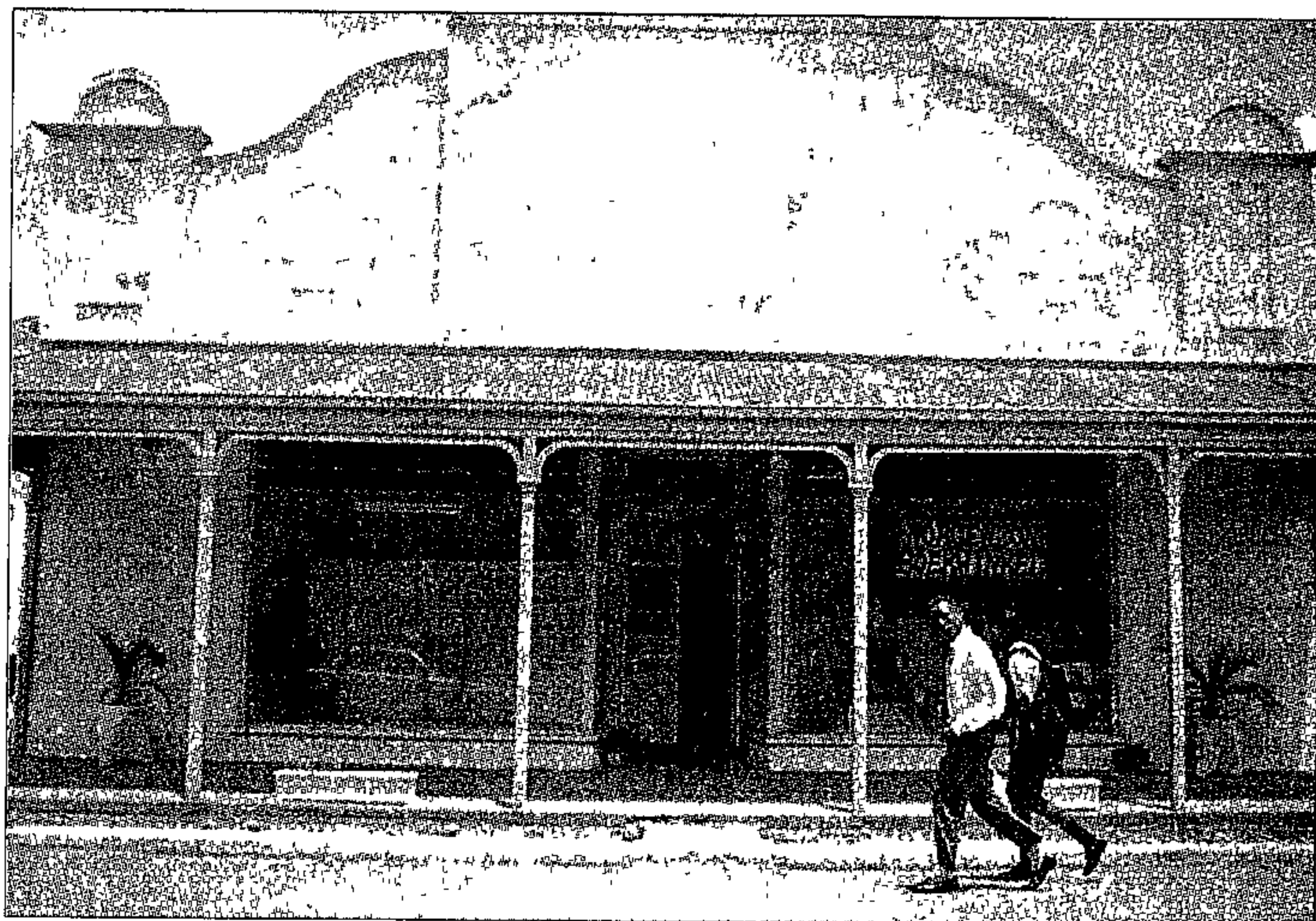
"However their businesses failed and many of them had to close their shops and leave because blacks could not buy from them and many whites would not buy from them," he said.

He said this had forged a bond between the residents of Sivukile and the remaining whites of Morgenzon and there were no problems any more.

One Oranjewerker bookshop does remain in the town.

It still does not allow black customers through the door and who buys books from it remains a mystery.

■ Anyone who can help the Sivukile community in any way should phone Eve Bleckert at (011) 886-0012/3.



Relic of the past ... pupils from Sivukile walk past the Oranjewerke bookshop in Morgenzon where they are still not welcome.

ALL PICTURES BY MOTLHALEFI MAHLABE



Work in progress . . . Norbert Bleckert making bricks with members of the Sivukile community.

Hobo sapiens

WHILE the Cape Town City Council's traffic department stands accused of the routine victimisation, assault and torture of vagrants, the council's ad hoc vagrancy committee is desperately trying to get the city to adopt a formal vagrancy policy. A report by ROGER FRIEDMAN.

Down and out in CT: The vexed question of vagrancy - and some possible answers

PUBLIC response to allegations last week that traffic officers regularly assault vagrants has ranged from outrage to calls that all indigents should be lined up against a wall and shot.

The city council immediately instituted an internal investigation, and the police opened an assault docket, but a stream of callers to The Argus have suggested that the traffic department deserves all the support it can get to eradicate the problem.

Some even suggested it was a "non-issue".

Head of the council's ad hoc vagrancy committee, Isobel Edelstein, however, hopes to persuade the city to pass a formal vagrancy policy this month, and is fine-tuning a set of proposals and recommendations as a starting point.

"They (vagrants) are certainly not going to go away," she argues. Ordinary citizens may view vagrants as noisy, smelly, objectionable, anti-social, frequently drunk, often mentally ill and usually very difficult to handle.

But from a social worker's perspective, vagrants are "multi-problem personalities" requiring help.

Vagrants generally have little formal education and therefore few job opportunities, no extended family, few social or employment skills, and rapidly fall into destitution in periods of economic depression.

Some are born with frail or vulnerable mental conditions which through some trauma in their lives creates irreparable damage, marginalising them from conventional society and forcing them into destitution.

Gradually, they assume the role

of societal outcasts.

They pick up habits such as alcohol abuse, drinking methylened spirits or taking drugs which add to their marginalisation.

Daily lifestyles reinforce these anti-social habits, which in time lead to further deterioration (both mental and physical), and eventually they become total outcasts. These are the people allegedly being victimised, tortured, abused and harassed by city traffic officials.

These are the people some would have lined up and shot, and these are the people the council's ad hoc vagrancy committee would like protected by the adoption of a formal policy on vagrancy.

A discussion document compiled by Co-ordinated Action with Street People (Casp) following a recent conference attended by a number of roleplayers, outlines the areas the intended policy might cover.

Whatever final form the policy takes, clearly, the attempted rehabilitation of such marginalised people is not a task any local authority can assume single-handed.

Education, skills training, job creation, family reintegration, improved relationships between vagrants and authority - each area will require a variety of government departments and non-governmental organisations to co-operate with the local authority.

Inter-sectoral approaches should be adopted with regard to health care, correctional services, nursing and detoxification programmes.

And programmes should be

designed for criminal elements and ex-offenders, the elderly, alcoholics and psychiatric patients.

Legislation should be introduced and a public campaign launched to prohibit the sale of solvents to minors, while regular and accessible primary health care for all homeless people was a necessity.

Access for the homeless to legal aid should be considered a priority, while local by-laws should be amended to allow for the washing of cars in public places and to outlaw the arrest of indigents for loitering.

There must be provision by council for adequate toilet and lock-up facilities at all times, street workers should be employed, and the Parks and Forestry Department should beauty and upgrade existing shelters.

Finally, the conference concluded, street people's rights were "continually" violated by policing agencies including the South African Police Services, the traffic police and private security companies.

While welfare organisations accepted people involved in crime should be dealt with by the justice system, they also had a right to humane treatment.

Resources such as counselling services and legal advice should be made available to street people to assist in their possible rehabilitation.

The police and traffic department could play a meaningful role in the transformation of unacceptable behaviour by street persons through proper co-ordination with rehabilitative services.

SPIRITUALLY

DEPRESSING: The causes of homelessness are deeply rooted in the socio-economic reality of South Africa. Rapid urbanisation and unemployment exacerbate the problem - and children become casualties of dysfunctional families unable to provide their basic needs.

SURVIVORS: Vagrants, below, are described by some as survivors clinging tenaciously to life in a hostile urban environment. Moves are afoot within the city council to ensure people living on the streets enjoy the same rights and benefits as the rest of society.



Norway keen to contribute to SA's development plans

BD 7/2/96

(297)

Trevor Bisseker

ICE-bound Norway seems as remote from SA as any place could be, yet few countries are as well-informed about the new democracy, or as anxious to contribute to its development.

"There is a meeting of minds between the SA government and ourselves," Foreign Minister Bjorn Godal told a group of SA journalists in his Oslo office last week. "We are close for historical reasons."

Those reasons, founded on human rights, are well known. Norway staunchly supported the liberation struggle and cut off trade and other relations with the Nationalists. Now its prime minister, Gro Harlem Brundtland, is coming to SA to cement ties with the ANC-led government. She arrives on Saturday, accompanied for the first time on an official overseas trip by Godal.

For Brundtland, leading her fourth government after being Norway's youngest prime minister when first chosen in 1981 at the age of 41, the trip is particularly gratifying. She was personally involved in "the struggle" for 20 years, both as leader of the Labour Party and prime minister.

"Now we can participate in the development of SA, politically and economically, and with it the development of the region, and Africa," she said.

She has previously met President Nelson Mandela, both in Norway and in SA, when she attended the Socialist International conference in Cape Town last July. But this time it will be different. Talks will "centre on making up lost ground in official relationships. She will address Parliament on Tuesday and make a symbolic visit to Robben Island with Mandela.

Brundtland confessed in the interview last week that Norway felt it had been unfairly punished economically for its principled stand against apartheid. "We were often unhappy to lose ground," she said. "It was difficult to have the political courage to do what we did. It was a long and sorrowful experience."

One sector to suffer was the fishing industry. SA is number 45 on Norway's list of export destinations — and falling.

"Canned sardines used to be a good seller in SA, but we lost our position in the market during the boycott years," said Richard Pedersen, the Norwegian Trade Council's manager for fish and food products.

"The Scots and Portuguese stepped in. They have good products and lower costs, so it is difficult for us to get back."

The fishing equipment manufacturers and shipbuilding industry will make the most of the Brundtland's visit by holding a seminar in Cape Town, starting on Saturday. This will be followed by a visit by the fisheries minister in June.

There seems vast potential for increased business, considering Norway's expertise in many fields. Though SA exported goods worth

R460m to Norway in 1994, it imported Norwegian products worth only R74m — not much more than Norway's annual contribution of R60m to the RDP.

Norway is riding the crest of the economic wave, with oil revenues approaching a peak — Norway is the world's second largest oil and gas exporter after Saudi Arabia — merchandise exports at their highest level in 30 years, and GDP growth running at 5%. Though Norway qualifies in all respects for membership of the European Union, it has twice rejected membership by referendum.

Godal sees the changed relationship with SA as more than a switch in emphasis from aid to trade. "It is much wider than that. Our support programme involves capacity building in many fields, including conflict resolution, and that will continue. The idea is to make our assistance more efficient."



BRUNDTLAND

Norway would like to see trade expand — "not because we are owed anything, but because it is a natural development."

Norwegian Trade Council director Elnar Risa mentioned a few areas ripe for increased business: Hydro power and turbines; hard-rock blasting and drilling techniques; mineral processing (because of Norway's cheap power); concrete usage (Norway has developed great expertise through the construction of oil platforms able to withstand any storm); information technology, all maritime sectors; pulp and paper as well as pollution control.

When it comes to aid, times have changed since the days when Atle Sommerfeldt, now general secretary of Norwegian Church Aid, smuggled cash into SA to help liberation activists and their families.

Since 1977 Norway has contributed about R800m in aid to SA. Until 1994 this support was mostly to anti-apartheid organisations. Today the assistance programme is being refined so that about one-

third goes to non-governmental organisations, one third from government to government and the other third to the development of "the private black economic sector".

Norway gives away about R4bn a year in foreign aid — 1.05% of GDP. A major recipient recently has been Bosnia but SA is now receiving increased assistance because of Norway's interest in the country's new democracy. SA receives 7%-8% of Norway's aid to Africa, which in turn receives 5%-7% of the total. The guidelines are to give preference to areas and sectors in which Norway has special competence.

Apart from its commitment to the RDP until 1999, Norway is heavily involved in many projects through its Agency for Development Co-operation, Norwegian Church Aid and other non-governmental organisations.

The agency supported a R15m programme for the electrification of schools and clinics in 1994. It has signed two agreements relating to training in energy policies and research into the development benefits of electrification programmes. It is also advising on the reorganisation of energy administration and the updating of legislation.

It is advising on the dismantling of the apartheid structures in the public service and is eager to help in the establishment of small-scale industries, for which it has allocated about R28m up to 1997. Its support extends to financing consultancy services and training in managing credit facilities for small-scale industries. The agency is also assessing the viability of an experimental housing programme, in consultation with SA's housing ministry.

Other areas of co-operation include the environment, shipping, health and education and culture.

Why does Norway do it? "I suppose it is because we have always had solidarity with the poor," said the agency's director-general Per Grimstad. "We were the poorest country in Europe a century ago. There is also the Calvinist tradition of caring for other people. We are not trying to glorify Norway."

There was a strict system of accountability. "Norway's auditor-general is on my heels every day," said Grimstad. There would have to be audited reports from SA on all projects, and if the auditor-general was not satisfied, more information would be required. Technical reporting was also being tightened up. He was confident the controls would prevent problems such as those Denmark had encountered with Alan Boesak's Foundation for Peace and Justice.

The basic strategy was that the recipient country has to take responsibility for its own development. The donors could not take over.

"We like people who say: 'We do not need your pity, we need your assistance'. If you have a plan, and it fits in with our attitude and approach, we will go for it. This is basically what we are trying to do."

nesday February 7 1996

US to begin phasing out SA aid in '97

(297) Star 7/2/96
South Africa should not need foreign aid and the United States would start cutting its financial assistance next year, US Agency for International Development administrator Brian Atwood said yesterday.

"This is not a country that should require foreign aid," he told journalists at the end of a visit to South Africa.

A three-year US aid programme launched after South Africa's first democratic election in April 1994, and worth \$600-million (about R2,1-billion), ends this year.

"If this country gets its economic policies right and invests in its people, there shouldn't be a need for aid. This country has enough wealth to deal with the problems it faces.

"For the immediate future we will be here because the US is committed to ending all the effects of apartheid and to supporting this government and this new democracy," he said, adding that US assistance would begin phasing down next year. -- Reuters.

'Rising costs threaten salary-replacement plans'

CT(BR) 7/2/96 (297)

By LLEWELLYN JONES

Johannesburg — Spiralling costs were threatening salary-replacement schemes, which were implemented by many employers to ensure a continuing stream of income to disabled employees, said Colin Tomsett, the employee benefits director at Sage Life.

At the launch of Sage Life's new Funded Disability Income scheme this week, Tomsett said salary replacement schemes, or permanent health insurance, used to be a reasonably priced solution to the earnings loss of a disabled employee.

But the recent recession had led

to a huge increase in costs to employers, sometimes threefold, Tomsett said.

One of the major contributors to the increase has been the abuse of the system by employers who disguised retrenchments as disability lay-offs. As the number of claims being paid by assurers soared, premiums followed suit.

"All this has meant that in its current form, permanent health insurance is becoming unaffordable to employers on top of all the other employee-benefit costs," Tomsett said.

But he said Sage Life, which introduced permanent health insurance to South Africa, had

formulated a solution to the problem — its new product, the Funded Disability Income scheme.

"In essence, it is a form of managed disability care, a long-term, cost-effective solution to disability management," Tomsett said.

The trend, initiated by the unions to switch to fixed-contribution provident funds, had also aggravated the situation, as death and disability premiums reduced retirement benefits, he said.

"Sage Life's Funded Disability Income makes a conceptual leap in viewing the situation holistically for the benefit of all parties concerned and involving them in managing it on an ongoing basis

— employer, disabled employee, intermediary and life insurer."

Tomsett said an essential part of the scheme was the role of the employer. In consultation with Sage Life, the employer shares in an agreed manner in the claims experience of the scheme and, in the first two years after disability, participates in an agreed excess on disability claims.

"Our research indicates that the costs to the employer will compete favourably with current permanent health insurance costs and, with proper management, will achieve the required beneficial results over the longer term for all the parties concerned," he said.

Western aid to become unified and streamlined

There is a new mood emerging among the donors of the Western world as they articulate a fresh philosophy of aid and development with their partners in the Third World.

"Co-operation is not a black car and meetings in an air conditioned office," said Jacques Godfrain, after seven months in the seat as minister of co-operation for France.

He was in Gauteng last week to address the annual consultative conference of the Southern African Development Community (SADC) in which it meets its donors and to assess progress.

"Co-operation is one family, two families, 10 000 families and their life changes - that's co-operation."

But all too often the 10 000 families don't get a whiff of an aid project. "Donor fatigue" is an all too familiar buzzword, driven by the perceived inability of donors to make a real difference and by corruption in both donor governments and their Third World partners.

It has been hard to convince demanding domestic constituencies in the West that their tax dollar contribution to their country's aid expenditure has achieved obvious benefits: their numbers have spawned the newly strident voices of politicians like Jesse Helms in the US, who would probably ban all aid if given the chance.

Those who have remained

In an effort to minimise waste, Western countries plan to liaise more on their development projects

committed to a broader internationalist view have been driven to rethink their development policies.

The emerging result is both a different vision of how aid is delivered and a new spirit of co-operation among donors; the type of co-operation previously unthinkable in an era when there was a nationalist vanity to bilateral aid delivery.

Godfrain calls it a "new deal" and if there's a new buzzword it's "decentralised development", where

big government-to-government projects are persistently replaced by smaller people-to-people projects.

"Very expensive projects are no longer fashionable.

But I'm not doing a revolution in co-operation. It's an evolution: I want it to be nearer and nearer the population."

With no increases he has re-worked his budget to achieve a 40% increase in aid to decentralised development and an 80% increase to non-governmental organisations. And when he travels "I always visit the little projects".

It's a broad perspective concerned with, among other things, rapid urbanisation and the need to keep people where they are rather than flooding to cities which cannot cope with their numbers, like France, which are burdened by a flow of immigration.

It's a perspective which hopes to cut away the flab and waste which has been the by-product of each donor doing its own thing without co-operation.

Globalisation of the marketplace appears to be having an impact on the former sovereignty of development.

Godfrain expressed disdain for the clumsy incrementalism of a French project

here, a Japanese undertaking next door and a US or British endeavour all without co-ordination.

In an effort to cut this "waste" he speaks to his Western world development colleagues regularly and has found "great pleasure" in talking to another "new deal" figure in World Bank president, James Wolfensohn.

Brian Atwood, administrator of the US Agency for International Development, had a similar message: "As donor resources continue to shrink, closer co-ordination is more important now than ever before."

By linking the two and "supporting African efforts to create an enabling environment for trade and development", Atwood was signalling the definitive end of the big government vanity project.

Godfrain was on the same wavelength when he said public money was no longer equal to the development task and that "private companies must be brought in to invest".

The "decentralised development" he envisages will put a French town in touch with an African town, a district with a district, even a school with a school.

Godfrain's "new deal" sounds sensible to all of us who have wondered about aid and the air-conditioned motor cars that seem inevitably to signal its arrival. But if a small town in central France becomes involved in a venture with its twin in Benin or Senegal, its people will begin to experience development at first hand and to find satisfaction in their successes. - Independent Foreign Service.

Donor fatigue is a familiar buzzword now

Star 8/2/96 (297)

Ready to deliver on the RDP

(297) CT (PMA) 8/2/96

The Reconstruction and Development Programme (RDP) was seemingly bogged down last year and it is widely accepted that the programme failed to deliver on its promises. Major allocations of funds amounting to R5 billion have been made in the current national budget and although there are signs that the tempo of RDP spending is picking up, it is too early to assess the outcome.

The effects, or lack of effects, of this situation are evident country-wide. KwaZulu Natal is clearly one of the worst affected by the government's bottlenecks on its RDP promises. This is a province which desperately needs development to off-set the chronic lack of employment which is at the heart of much of the unrest.

Yet in KwaZulu Natal there is an existing, tried and tested organisation willing and more than able to provide the expertise and structures to assist in the RDP delivery process. That organisation is the KwaZulu Finance and Investment Corporation Limited (KFC). The KFC is a statutory organisation with a long successful track record of contributing towards the socio-economic empowerment of the people of KwaZulu Natal. Its achievements since 1979 are impressive and include generating total accumulative joint investments of R3,178 billion; values of loans advanced R889,4 million, investment in land and buildings R638,8 million, total lettable building space provided 976 000m², 100 000 jobs created; 9 000 enterprises established, 49 000 people trained and 18 526 housing loans granted.

These are bald statistics. Behind them is a record of incredible achievement "on the ground," stimulating and promoting entrepreneurship in all sectors of KwaZulu Natal through the establishment of new enterprises and growth of existing ones.

Clearly the KFC's contribution to the aggregate product of the province, income generation, wealth generation and general upliftment is substantial with an enormous spin-off benefit for many thousands of citizens who would not otherwise have had a livelihood.

Yet for all its good works, the KFC faces something of a crisis currently. The nature of



THE KFC BOARD OF DIRECTORS Standing left to right: Ms LC Zama; John Edwards; Dr Joop de Loor; Hixonia Nyasulu; William Mullins; Adv Cyril Nkabinde; Sizwe Nxasana. Seated left to right: Walter Strachan (Deputy Chairman); Dr Marius Spies (Executive Director); Paul Dube (Chairman)

that crisis is highlighted in the latest annual report, where Chairman Paul Dube reported a delay in transferring the shareholding in the KFC, which vested in the former KwaZulu government to the new KwaZulu Natal provincial government.

This had restricted the KFC's ability to proceed with major initiatives such as its restructuring along the lines of a Community Bank, the implementation of certain amendments to the KwaZulu Corporations Act and the transformation of the organisation to meet the challenges of the new South Africa.

The board was obliged to take certain interim policy decisions to bring its business practices and policies into line with the non-racial constitution of South Africa. Clearly however, its effectiveness was hamstrung.

These restrictions notwithstanding, during the last financial year the KFC was able to increase its investment in productive enterprises and development projects by R203 million, its Small Business Development Division approved 2 395 loans from its carefully designed loan packages, increased the combined value of loans

approved to R34,5 million, including a 7 percent increase in loans to so called micro-enterprises.

It also created and maintained 4 100 employment opportunities (at an average investment of R6 135 per job opportunity) and constructed an additional 5 149 square metres of rental accommodation.

The KFC embarked on a number of ambitious industrial land acquisitions and factory complex development projects under its Industrial Investment wing, while in terms of commercial development, last year saw the refurbishment of the KwaMashu shopping centre and the start of work on Falcon Park Power Centre, a large factory shop complex in New Germany.

In terms of its rural development programmes the year saw an additional expenditure of R13,9 million in spite of the drought, bringing the cumulative investment in agriculture and rural development to over R100 million since 1979.

A notable achievement under this portfolio was the re-scheduling of the Agricultural Credit Board (ACB) debt of the farmers on the Makhathini Irrigation scheme

These were just some of last year's achievements. The scope of this article does not permit a comprehensive review. Brief mention must be made of the KFC's role as a savings institution, particularly in rural communities, its numerous ancillary activities such as administration of mineral rights in KwaZulu and of its role as an agency for the provincial government to administer and implement the existing KwaZulu Natal Petrol Service Station Rationalisation Plan.

Remarkably, these achievements were accomplished in the face of serious odds. Executive Director Dr Marius Spies describes them as "fair given the circumstances".

Others would say that is to understate what has been accomplished.

The tough conditions were reflected in the bottom line. Operating results were disappointing with the KFC recording a loss of R11,1 million, representing the first such loss since 1984. There were readily identifiable

reasons for the loss - problems with the beverage industry portfolio and with a manufacturing venture capital project and difficulties experienced in the housing field.

However, it is equally apparent that, as Spies says in his review of the year, there was nationwide uncertainty coupled with high levels of socio-political unrest, criminal activity and low growth.

Some of these negatives have been removed. The nation as a whole is more politically settled and there is strong national growth projected at 4% this year.

The political differences between the central government and the KwaZulu Natal provincial government are showing signs of being resolved although the factional unrest in the territory continues to bedevil economic and other prospects.

Part of the solution to these problems is creating a engine of growth in the territory.

The fact is that the will is there and so is the means - in the shape of the KFC itself.

■ The KwaZulu Finance and Investment Corporation would appreciate any inquiries, formal or otherwise. Kindly call (031) 907-8911.

Proposal aims to tackle vagrancy, street children

JOSEPH ARANES, Municipal staff

A PROPOSAL that the Cape Town City Council takes responsibility for the homeless has been approved by the council's housing committee.

The document was a summary of recommendations compiled from a recent conference on homelessness and if approved by the full council will see the municipality have a clear policy on the handling and treatment of vagrants and street children.

When tabling the proposal, Isobel Edelstein said vagrancy was a socio-economic problem that could not be wished away but that needed solutions.

"As a council, we must accept it as our responsibility because we were part of creating the problem."

The proposal includes setting up a resource and data centre, running

prevention programmes, doing outreach work and reintegrating vagrants, with their families and communities.

Ms Edelstein said the council needed to appoint street workers who would help set up the data base so the true extent of the problem and the number of people involved could be established.

"In finding solutions, we need to have a scientific basis for our assessment as there are no simplistic solutions to the problem."

Councillor Ian Iversen said he agreed with the proposal but added it would be useful to involve the other emerging municipalities of the metropolitan area in the problem so the question of vagrancy could be tackled within the whole Peninsula.

Club appeals for financial aid

By Muzi Mkhwanazi

IN THREE SHORT years, the Vukuzenzele Community Club - which operates in a small shack in Naledi Extension 2 squatter camp in Soweto has successfully battled many problems.

It caters for 220 pensioners and disabled people. It also includes a day-care centre and a number of self-help schemes for unemployed people.

Vukuzenzele co-ordinator Anna Khumalo says the number of people who come to them for help is increasing. It is incredible. After only a few years, the number has risen dramatically.

She says this has led to problems in their attempts to serve the public and achieve self-sufficiency because the money it receives from the day-care centre was not enough and some parents do not pay at times.

"A number of self-help schemes are in the pipeline, but due to lack of finance and adequate space, we cannot introduce these projects," she says.

They have even sent some disabled people away and care for them in their own homes because they cannot cope.

"It's a pity, but as we do not have facilities, we cannot help them at our club. What we need is space and donations from the community in order to help our people," she says.

Because of accommodation problems, the organisation was forced to

They care for many pensioners

limit the number of people who attended. We help them at home but transport is a major problem said Khumalo.

"Some of these people cannot do anything for themselves, and they are left alone when their children are at work. Their plight is depressing, we cannot fail them," she adds.

Khumalo says her organisation gives food to people but their help was limited because of their resources.

Agnes Ngwenya, a volunteer at the club, says they were even running short of basic supplies like soap, dishes and chairs, which are needed to run the day-care centre effectively.

Dressmaking and baking activities were also delayed because they do not have any material or teachers to help them, Ngwenya says.

Football and karate

In an attempt to remove kids from the streets, they established football and karate teams. "We appeal to people in the community to come forward and help us in this regard," says Ngwenya.

Agnes Mchubidi (71) says "I live alone, all my children are married. Although I do receive pension money, it does not cover my expenses so I come to Vukuzenzele for food parcels, which we get now and then.

We have

been told of projects that we were going to undertake, but they have not yet started because we do not have a sponsor to help us.

We flock to this place every day because we need help, and we are hoping that our plans can be realised so that we can supplement our income."

Another

club member, Ellen Zikhali (39), says the club helped her to get a disability grant.

"In 1993 I stayed for three months without receiving a cent from pensions but this club helped me. I was ecstatic after I got my money, although it does not cover my expenses.

"I have two kids to support. People with money should come forward and



Fun in the sun ... the club's day-care centre is battling to make ends meet because some parents are unable to pay any fees.

help us to start our projects so we can become self-sufficient."

"We are in dire need of a place where our people can work. If we can be offered a place, our projects can be realised. There are people who are locked inside their houses who really need our assistance."

Khumalo said.



Self-help ... the Vukuzenzele Community Club helps pensioners, disabled and unemployed people, and also runs a day-care centre in a Soweto squatter camp. PICS: CLEMENT LEKANYANE

RDP forks out R82m for facelift

M+G 9-15/2/96 (297)

As the symbols of the past moved out, the RDP moved in to kick-start the process of parliamentary transformation, write **Richard Calland** and **Christelle Terreblanche**

Parliamentary
Whip

THE long-awaited transformation of Parliament, driven by Speaker Frene Ginwala of the African National Congress, will be paid for by a one-off grant of R82,5-million from the coffers of the Reconstruction and Development Programme.

An 11-project reform programme is under way. A transformation office is being established at Parliament to monitor the process and a transformation committee will oversee the projects' implementation.

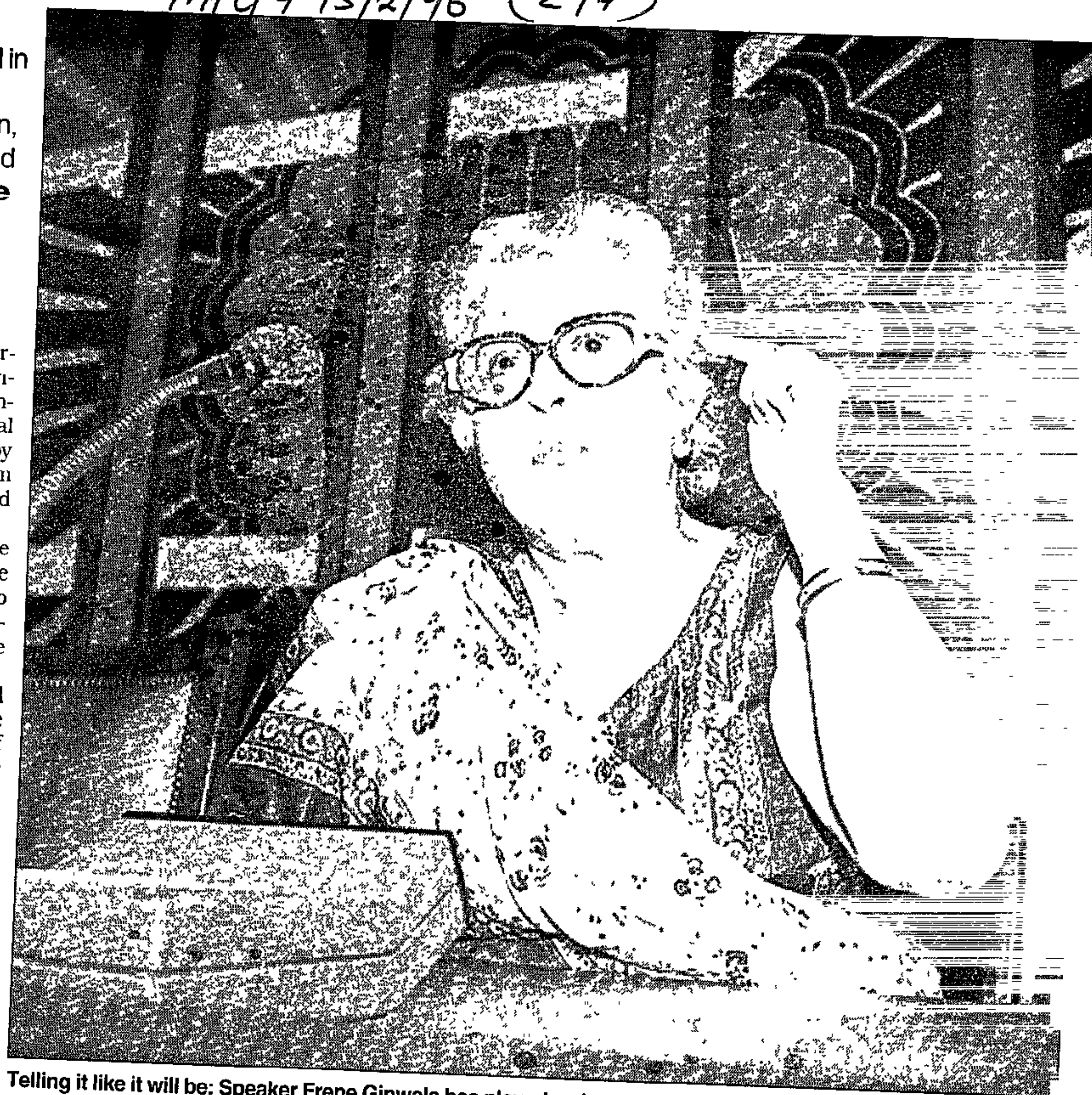
A senior parliamentary source said the transformation officer will have an overall salary package of R267 000, reflecting the importance attached to the project.

However, the source said, "unless the relationship between the transformation officer and the secretary to Parliament (Robin Douglas) is resolved early on, there could be a bit of a power struggle".

Ginwala's role has been pivotal. Critics of her "hands-on" style argue she has built up an "empire of power which she runs like a large government ministry", according to sources close to the office of the Deputy Speaker, National Party MP Dr Bhadra Ranchod, who leaves in March for an Australian diplomatic post.

Ginwala defends her strategy for change. Although her overriding intention is "to be a manager, not a boss", she argues that "for the first year I very consciously, deliberately, got myself into almost everything — something I don't believe any speaker should do — but it was necessary to know what was going on and who you could delegate to".

The ANC's parliamentary party intends playing a key role in the change process. An internal ANC caucus document says "the main driving force for the transformation of parliament should be the ANC as the leading component of the Government of National Unity".



Telling it like it will be: Speaker Frene Ginwala has played a pivotal role in spearheading the mammoth transformation of Parliament

PHOTOGRAPH RODGER BOSCH

The document continues to say the ANC national executive committee's subcommittee on Parliament will determine policy which will be implemented by the ANC caucus in Parliament.

It is time we stopped thinking of Parliament as a few buildings in Cape Town," said ANC caucus leader Baleka Kgosisile, who also heads the ANC's national working subcommittee on transformation. "From now on every constituency office across the country should be seen as an extension of Parliament, where ordinary people can make an input on a day-to-day basis."

After intensive debate in both the NEC and ANC caucus it was decided

that to serve the electorate effectively the parliamentary portfolio committees and the constituency offices should be strengthened.

"We started off with the recognition that the Parliament we inherited is an institution that we fought against, and that does not suit our needs, purposes or ideals," Kgosisile explains.

"The underlying issue is the need for society to participate and inform the process of legislation because it will affect them. Hence the need to create a participatory culture for parliament."

One of the 11 projects is a Public Education Programme (PEP) that will absorb nearly 50% of the overall RDP funding. With this in mind opposi-

tion parties will be concerned that the transformation of Parliament will be controlled almost solely by the ANC.

Particularly so, given that Ginwala has taken the decision to retain an active membership of the ANC caucus, while many speakers around the world opt to resign.

Also, the ANC is likely to argue that Ranchod should be replaced by another ANC MP, not an NP MP. The NP, Democratic Party and Inkatha Freedom Party will be anxious to find strategies to influence the transformation process.

Christelle Terreblanche and Richard Calland write for the Idasa publication, Parliamentary Whip

Break the circle of non-reconstruction

(297) M+G 9-15/2/96

The Get Ahead Foundation's **Don MacRobert** bemoans the fact that most overseas development funding is going to the government rather than NGOs

FINDING the money to fund the government's essential Reconstruction and Development Programme (RDP) was a relatively easy task. Finding ways to ensure that people at grassroots level benefit directly from the programme is, however, proving to be a far more difficult task.

So, while we hear about the millions of rands set aside for various projects, millions of people are still waiting to see reconstruction taking place in front of their own eyes. In fact, political freedom hasn't been translated into economic freedom.

Yet certain organisations — those which have many years of experience in grassroots development — have long since perfected efficient delivery methods.

The Get Ahead Foundation, for instance, prides itself on having carried out the aims and objectives of the RDP long before the policy was formalised and the abbreviation became entrenched in South African politics. Since its establishment in 1987, Get



Delivering the goods: Nthato Mollana head of the Get Ahead Foundation

Ahead has serviced tens of thousands of informal sector clients, providing them with the start-up loans and expansion capital to ensure the success of their ventures.

As South Africa's unemployment crisis deepened, more and more people looked towards the informal sector as a means to

earn a decent living and provide the essentials for their families. It is for this reason that the work of the foundation, through means of micro-loans based on the stokvel system, has become more and more crucial.

In answer to an increasing need, the scope of Get Ahead's activities has increased year by year. Last year saw R10.7-million provided to almost 15 000 small entrepreneurs in micro-loans. Market research showed that this lending programme currently affects more than 24 000 South Africans.

Many years of hard work, trial and error, have combined to enable the foundation to boast one of the most effective grassroots lending systems in the country — a claim strengthened by the programme's 95% repayment rate.

Get Ahead is a non-governmental organisation (NGO) — an institution which has no political affiliations and which receives no government funding. During the apartheid years, these organisations were the ideal conduits for international funding and welfare bodies wishing to help disadvantaged South Africans. For this reason, many NGOs flourished and achieved sterling results.

The transition to a new, democratic government has given these foreign agencies another route by which to assist people, a route which they assume will be the most

effective one.

As a result, most overseas funding has been channelled directly to the government and the RDP, at the expense of those organisations best equipped to put it to good use.

This is how the vicious circle of non-reconstruction has developed. NGOs have the expertise, but cannot put it to proper use without funding. Government has funding, but apparently lacks what it takes to turn it into practical assistance for those who need it most. In effect, everyone loses and it will not be long before ever more vigilant donor agencies start reacting negatively to the black hole into which their funds are falling.

Surely the answer is to create partnerships between organisations like the Get Ahead Foundation and the RDP? If progress cannot be made by government structures, those who are already capable of delivering should be empowered to do so.

If results continue to fail to materialise, the donor agencies and indeed the people themselves should demand that alternatives be sought. In many instances, these alternatives are to be found only a stone's throw away in the offices of the Get Ahead Foundation and other NGOs.

Don MacRobert is the managing director of the Get Ahead Foundation

Meals on Wheels a hearty boon to the old and lonely

By ALEXANDRA SMIT

Some 350 pensioners in Yeoville and its outlying areas depend on two "meal visits" a week as their sole nutrition from the charity group Meals on Wheels.

"Apparently three meals a week is the basis for decent nutrition," says chief organiser Margot Spong in disbelief. She and her team try to cater to most of the people every day but others in more distant areas such as Kensington are visited only twice a week, receiving double portions. A portion consists of either meat or fish, rice, two vegetables, a cup of soup and a fruit.

"Some are bedridden and a lot of people ask for meals for about three weeks or so when they're fresh out of hospital," Spong explains. State and disability pensioners who have found that their rents have skyrocketed in the CBD rely on the charity's services.

But the belief is still strong that this could be seen as welfare, "and so we try to stress it's a service for the community", she says.

"Some people are very eager to see us," says volunteer Maria Merbus (75), who has been doing the rounds for nine years. "We'll be their only visitors."

"Some people keep their flats really neat and tidy, but the men!" she laughs. "You'll go around and see the plates lying on the floor where they left them, from the last time you came around."

"Sometimes they don't know what day it is. Every day is just the same,"

Merbus notes matter-of-factly. Despite this, she tries to cheer them up with an occasional gift of a magazine or a book. "It keeps their minds occupied."

Spong told us of a woman who loves the crosswords and the staff check every magazine to make sure they have not been filled in.

A meal goes for a mere 75c but the actual cost is closer to R4, "if you put in all the costs", Spong estimates. They rely on churches for donations and the odd grant from local businesses, but have had problems with a spate of vehicle robberies.

Panic

"This is the third one we've have stolen in a year and, no matter how well sign-written they are, it seems it's all the charity vehicles they go for," Spong says.

Meals on Wheels staff use four minibuses which go out in a team with a driver and two volunteers, and can ill afford losing one of their essential vehicles. The kitchen opens at 7.30am and the meals are ready for delivery shortly before 10. "Often when we get to those old folk at the end of the list they're in a bit of a panic," Spong says.

A soup kitchen is also part of Meals on Wheels' programme and they feed "about 130 people in summer and more than 200 in winter" outside the Trinity Congregational Church in Yeoville.

"We can only make five huge pots of food and provide 25 loaves of bread, but the destitute and homeless people are very grateful," she says.

150 RDP hackers strike for boots

ST(M) 11/2/96

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By CHARL DE VILLIERS

RDP workers clearing invasive plants in Jonkershoek went on strike this week just days before Forestry and Water Affairs Minister Kader Asmal pledged R50-million for a clearance programme.

About 150 hackers had refused to work on Monday because they had not been given boots, Cape Nature Conservation Boland district manager Grevile Ruddock said.

"Because state tender procedures are slow, we can't always equip the workers as quickly as we'd like to."

A senior adviser to Water Affairs and Forestry Minister Kader Asmal said industrial action in RDP projects was problematic.

"If one embarks on a programme which is designed to create as many jobs as possible, there is a trade-off with the amount of money that is

available. That can lead to some degree of conflict," Dr Guy Preston said.

"If we don't invest heavily in this project now, we're going to pay for it later with less water, environmental harm and leaving many people jobless."

Mr Marais said CNC would continue paying the wages of two women workers who had been killed in a road accident near Paarl recently.

By JESSICA BEZUIDENHOUT

THE hunt is on for R20-million earmarked for the RDP in the Western Cape which has disappeared and, according to a top-ranking Environmental Affairs official, seems "to be floating around somewhere".

If the money is not unearthed by the end of this month, crucial environmental and Sea Fisheries projects in the Western Cape may fold — including a R7-million plan backed by the European Union to upgrade impoverished fishing villages at Waenhuiskraans.

High-ranking officials in the Western Cape government and central RDP office this week were at a loss to explain where the funds were.

Western Cape MEC for Economic Affairs Chris Nissen said he had received information that the money had been approved last year.

And while no crime is suspected, a well-placed local source this week said: "We fear the money might have been released and bureaucratic red tape is delaying implementation of the various projects."

He said the money — also meant for studies on coastal zoning and a national environmental policy — should have been available by late last year.

The source said he had liaised with senior officials in the national RDP office who, he claimed, confirmed that the RDP Cabinet Core Committee had approved the allocation.

He was concerned that the funds would be returned to the national RDP office if they were not used by the end of the current financial year.

If the money had been released by the RDP office, it would have been channeled to the various projects through the Department of Environment Affairs and Tourism, according to Environment Affairs Director-General Colin Cameron.

"Our information is that it is potential spending money that is floating around somewhere," Dr Cameron said.

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missing

R20m for RDP goes

(297)

Public transport for disabled urged

Greater Johannesburg's metropolitan council has begun investigating the possibility of a public transport service for the disabled.

The investigation received R40 000 from the Department of Transport, and also carries the sup-

port of Gauteng's transport department.

Interested parties, and those with suggestions, can make their submissions to F Gouws at (011) 407-6425, V de Abreu at (011) 407-6710 and Z Potgieter at (011) 339-1236. - City Reporter.

(~~218~~) (297) KRAH 12/2/96

'Each has role in RDP'

(297)
LINDIZ VAN ZILLA

CT 12/2/96
THE Reconstruction and Development Programme (RDP) lay not only with government but with every home and religious structure, Minister Without Portfolio Mr Jay Naidoo said yesterday.

Addressing members of the Claremont mosque on the role of religious communities in the RDP, he said there was a need for a network of small enterprises to contribute to townships' development.

"Your returns won't be as high as on the Johannesburg Stock Exchange — but what are our responsibilities as patriots?" These should be fulfilled in a partnership of the government, public and private sector and community, Naidoo said.

Billions for Up- per Operational

(297) ARG 12/12/96

CLIVE SAWYER
Political Correspondent

THE government proposes to spend R61 billion over the next 10 years on developing municipal infrastructure in previously disadvantaged areas, Jay Naidoo, minister in charge of the RDP, said today.

At a press briefing, Mr Naidoo gave details of the government strategy to eradicate poverty, which was outlined by President Mandela in his opening speech to parliament.

Other measures announced today included:

- A R200 million programme to improve co-ordination of the work of the police and criminal justice system by setting up an integrated information management system.

- A R250 million series of five projects for the police, including the setting up in each province of a victim-support centre for women and children who have been raped or abused.

- The establishment of one-stop community centres in poor areas. These centres will include government services such as police stations, schools and clinics.

- The allocation of funds for recreational centres in previously disadvantaged areas.

- A major conference next month involving the government, private sector and labour on investment in RDP infrastructure. The conference will aim at raising money from pension and provident funds.

Mr Naidoo said the R1 billion announced by Mr Mandela last week for cutting the backlog in schools was part of the government's strategy.

Other programmes were the adult basic education programme and the establishment of youth colleges in each province for vocational and academic training.

Pointing to the achievements of the RDP in the past year, Mr Naidoo said the reconstruction and development programme fund had been used for projects such as rural water supply and land reform, and addressing backlogs in electrification and road-building in poor areas.

He said the 1996/97 budget would see the RDP budget being more closely integrated into the national budget.

Factors which had hampered delivery in the past had included a lack of project management expertise, because this kind of skill had not been regarded as a career path in the public service.

The absence of local government, and a continuing lack of capacity of local government, had been among other factors bedevilling progress.

There had also been political differences on the questions of standards.

The cabinet had approved a document on standards, which was being discussed with "stakeholders", Mr Naidoo said.

The census planned for October 10 was vital to planning.

It would cost R340 million, less than similar exercises in countries like the United States, Australia or Botswana, but

would save the country wasting billions of rands because of lack of strategic information.

Mr Naidoo announced that the Masakhane campaign was to be refocused towards the delivery of services, which was the right of people who at the same time were responsible for paying for them.

Bernie Fanaroff, director-general of Mr Naidoo's ministry, said there was no doubt that the concept of Masakhane had been accepted by people.

Linking payment to delivery was essential to getting the project off the ground.

Dr Fanaroff said that by June contractors would be working on about 43 000 sites on RDP projects.

RDP will not provide R82-m for Parliament

(297)

Lowetian 13/12/96
REPORTS that the R82,5 million set aside to transform Parliament was from the Reconstruction and Development Programme's central coffers were "mischievous", Speaker of the National Assembly Mrs Frene Ginwala has said.

Ginwala was reacting to reports that RDP Minister Jay Naidoo had been persuaded by herself earlier last year that the transformation of Parliament was a suitable project for RDP funding.

The transformation project is to start soon and will be headed by a transformation officer with a salary package of about R267 000.

Ginwala said a reference to *Hansard*, the record of parliamentary proceedings, would have revealed the source of the funds. She referred to her statement on announcing the availability of funding for the project in September last year.

In that statement, she said: "...the Cabinet core committee ... placed Parliament on Schedule B. We are now assured of an additional amount of R82 million which will be available from a variety of donors".

She blamed agencies that monitor Parliament for the "inaccurate reports", adding that Parliament needed to be judged on the basis of facts.

She stressed that the International Development Co-operation Committee, which co-ordinates development assistance from abroad, had already obtained R25 million from two foreign governments and the remainder was being negotiated with the European Union.

"To suggest that Parliament has appropriated RDP funds is mischievous and a deliberate attempt to undermine the credibility of Parliament," Ginwala added.

● See page 1 of the Parliamentary Whip supplement.

RDP woos pension funds for R61-bn upgrade

Star 13/2/96

(297)

Cape Town – The Cabinet has approved plans to involve South Africa's pension and provident funds in a 10-year, R61-billion programme to upgrade municipal infrastructure, Jay Naidoo said yesterday.

Naidoo, the minister responsible for the Government's Reconstruction and Development Programme to eliminate apartheid backlogs, told a news conference the plan could benefit 65% of the population.

He said funding proposals, including a framework designed to attract pension and provident fund investment, would be made public at a conference late in March or in April.

"We have now accurately quantified that we would require R61-billion over the next 10 years to meet the range of services to address the needs of 65% of our population.

"Those needs relate to road access, sanitation, refuse removal, stormwater drainage and electrification," he said.

He also announced that the RDP's contribution to fighting violent crime would be a R200-million plan to promote co-operation between the safety and security, justice, welfare and correctional services departments.

Naidoo said the infrastructure plan would be part of a co-ordi-



Jay Naidoo ... programme to benefit 65% of population.

nated bid to accelerate the delivery of the fruits of democracy to the nation's poorest

"There is a major alignment of policy and activities taking place to ensure ... that we have a growth and development strategy that takes the RDP forward and ensures co-ordination between the different spheres of government."

Naidoo said the municipal investment plan would be financed by a mix of private, government and grant funding.

"We are in a series of very intensive discussions with the private sector and we are moving to the conclusion of that process ... essentially talking about mobilising resources within pension and provident funds into investment in infrastructure delivery.

"Some of the options involve not only loan finance but equity involvement," he said.

Bernie Fanaroff, deputy director-general in Naidoo's office, said the municipal infrastructure plan included a cabinet-approved investment framework that should satisfy investor requirements for security and returns.

"Clearly, pension fund trustees will not be able to invest their money at disadvantage rates. What we are looking at is a much broader scheme," he said.

Old Mutual economist Dave Mohr said the credibility of the programme would be affected by the history of anti-apartheid bond and service-charge boycotts, which had not yet ended.

"One imagines there would be a fair amount of scepticism," he said.

Mohr also warned that fund managers would not easily be persuaded to increase their exposure to government, adding that if Naidoo was able to attract investment for the municipal services programme, this might see an equivalent decline in government bond purchases.

Southern Life economist Sandra Gordon said the programme could provide a moderate boost to economic growth if it were well targeted and well planned – Reuters.

'Efficient' Western Cape to get lion's share of RDP billions

ET 13/2/96 (297)

**ANTHONY JOHNSON
AND BARRY STREEK**

GOVERNMENT ministers yesterday took the wraps off a multi-billion rand RDP action plan to demonstrate that 1996 will be the year of delivery.

The Western Cape will enjoy a disproportionately large slice of the RDP cake because of its better planning and more advanced delivery structures, compared with the other provinces.

The highlights of the integrated plan include a cabinet-approved R61 billion scheme to upgrade township infrastructure, a R3,5bn project to bring solar-powered electricity to the poor and a R1,2bn schools and classroom upgrading scheme for 1996.

The RDP steering committee had passed business plans worth more than R8bn to date and contractors will be working on about 43 000 sites for RDP projects by June this year.

The minister in charge of the RDP, Jay Naidoo, told a press briefing yesterday that the government would review all laws, regulations and rules, particularly of the Treasury, State Tender Board and the Public Service Commission, to ensure accelerated delivery.

By the end of this financial year, all the money made available for the RDP so far would have been allocated.

Naidoo said the plan to upgrade municipal infrastructure could benefit 65% of the population. Funding proposals, including a framework to attract pension and provident fund invest-

ment, would be made public soon.

"We have now accurately quantified that we would require R61bn over the next 10 years to meet the range of services to address the needs of 65% of our population.

"Those needs relate to road access, sanitation, refuse removal, storm water drainage and electrification," he said.

The Western Cape has grabbed the lion's share of the RDP Extension and Upgrading of Municipal Infrastructure Programme with 115 of the approved 200 projects in the province, Naidoo disclosed.

The Western Cape had also been allocated R637,1 million for 15 RDP-funded programmes, lower than Gauteng (R1,056bn), KwaZulu-Natal (R960,44m) and Northern Province (R931m), but more than North West (R448,9m), Mpumalanga (R353,16m) and Free State (R354,18m).

A further R6,3m had been spent in the Western Cape on the Community Based Public Works Programme, creating 1 462 jobs in 24 approved projects, none of which had been completed yet.

The Department of Public Works said 698 jobs had been created in the Western Cape under the Independent Development Trust's public works programme at a cost of R3m.

Nationally, 97 851 jobs had been created under the national public works programme at a cost of R244,79m.

Naidoo said the programme aimed to co-ordinate three major aspects of the RDP — the urgent need for jobs, skills

and job-related training, and the need to tackle backlogs in the provision of infrastructure.

Projects being implemented ranged from the provision of new classrooms for schools, pre-schools and creches to the construction of windmills, road kerbs and community halls as well as the provision of water and sanitation.

Apart from the 14 Special Integrated Presidential Projects on Urban Renewal, which had been allocated R1,6bn, the R8bn approved business plans include:

- The National School Nutrition Programme, which had created 9 000 jobs. This had resulted in 5,4 million children in 15 000 schools in nine provinces being fed by the programme;

- Twelve communities comprising around one million people were involved in phase one of the project to provide all households with a safe supply of drinking water,

- The Water Conservative Programme to remove alien vegetation in key water catchment areas. To date, about 4 639 jobs had been created, of which 2 379 were for women;

- More than two million people had benefited from new household connections made by Eskom in 1995 in the national Electrification Programme and 15 134 farmhouses had been connected to the grid;

- R1,4 billion had been allocated for the electrification of schools, and

- R1,2 billion had been allocated for the construction of new schools.

● See Page 5

Norway gave R1-bn in help

297
Sowetan 14/2/96
By Rafiq Rohan
Political Correspondent

THE people of Norway had made financial contributions in the struggle against apartheid to the tune of R1 billion, Norwegian prime minister Gro Harlem Brundtland revealed.

In yet another historic address to Parliament yesterday, the Norwegian premier recalled the secret activities involving the opponents of apartheid and her country and the financial and material support that was illegally sneaked into the country.

She also recalled the fact that Chief Albert Luthuli, South Africa's first Nobel laureate, was awarded the prize in her country.

"The prize, he said, was for nation building, for bringing tribes together," Brundtland told the joint sitting of the National Assembly.

She also recalled the protests when the all-white South African tennis team played against Norway.

"There were arrests. Norwegians went to jail in solidarity with black South Africans. The aggregate support we have given over the years for the cause of democracy in South Africa comes close to R1 billion rand," she said.

The Norwegian government had played a significant role in the creation of trade unions and the support of refugee camps. She revealed the secret meetings that were held with the trade union movement "Our trade unions met with Cosatu and others."

Brundtland pointed out that financial contributions had been made to the Truth Commission, elections, and constitutional work. She also said that she was in the country with gifts to rebuild the country.

"We offer the services to this new South Africa of the world's most modern maritime sector, one of the largest in the world. We offer first class expertise in the management of telecommunications as you begin building millions of telephone lines. We have excellence to offer to your fishing industry," she added.

"Above all", she said, "political relations between the two countries have to be strengthened". She praised the progress in South Africa so far, focussing on the RDP and also pointing out that the country's greatest resources are not its gold and mineral reserves but its people.

Sowetan 14/2/96 (297)

RDP hampered by crime

By Wilson Ramothata

SOUTH Africa has never been as threatened by crime as it has been in the past few years and this was endangering democratic development in the country, national Deputy Police Commissioner Morgan Chetty said yesterday.

Speaking at Gallagher Estate in Midrand at the opening of the annual

Securex exhibition, an exhibit of specialised home, corporate and personal security equipment, Chetty said the impact crime was having on the RDP, economic growth and the safety and security of communities "is extremely negative".

Chetty said he was convinced that the level of crime could only be addressed effectively through community policing.

Social security set to improve

ARG 15/2/96 (297)

TYRONE SEALE
Political Staff

NATIONAL and provincial welfare departments are working to a May 1 deadline for the co-ordination of systems that will curb fraud, corruption and inefficiency in social security.

Plans include the re-registration and fingerprinting of all existing recipients.

Welfare and Population Development Minister Abe Williams said the social security programme was probably the government's best poverty relief programme in that it made a significant contribution to food security and household income.

However, his ministry was aware of growing public concern about

inefficiencies in the system and the estimated R1 billion lost through inefficiency and fraud.

This estimate accounts for nearly 10 percent of the 1995/6 welfare budget of R13,4 billion, which in turn formed 8,7 percent of the national budget.

The ministry, together with members of the executive councils in the provinces, were committed to a campaign to restore public confidence in the system.

The ministry was looking at a National Strategic Management System for social security to put effective management, computer and information systems in place.

On March 1 a uniform set of regulations, outlining criteria for social security grants, in terms

of the Social Assistance Act of 1992, will come into force.

Mr Williams said the national and provincial departments were hard at work linking their different computer systems and by May 1 the system would be co-ordinated centrally from the national department.

"Once the system is fully operational, fraud,

corruption and efficiency will be dramatically reduced and loopholes which have led to the abuse of the system will be closed."

While it would take time to sort out problems arising from the scale of this project, welfare recipients were assured the changes would not affect the payment of social grants.

R8 billion approved for RDP purposes

JOSEPH ARANES, Municipal Staff

THE Reconstruction and Development Programme (RDP) has approved development plans worth more than R8 billion for implementation throughout the country.

The money has been passed and made available to various government departments.

The RDP's steering committee, which approved the plans, estimated that by June this year contractors would be working on 43 000 RDP projects throughout the country.

RDP communications director, Mandy Jean Woods, said that besides those projects, there were presently 120 contractors on site in communities as part of the extension and upgrading of the municipal infrastructure programme.

At a Press briefing this week, the minister in charge of the RDP, Jay Naidoo, said the government proposed to spend R61 billion on the upgrading of the municipal infrastructure programme during the next 10 years.

Other projects to be undertaken during the current and next financial year include:

- The community-based public works programme which has 487 projects costing R56,3 million.

- The clinic building programme which has 173 new clinics under construction which should be com-

pleted by April.

- Urban renewal projects and special integrated presidential projects which have a budget of R1,6 billion and which are aimed at repairing the social and physical fabric of towns and cities across the country.

Work on all 14 of these projects is well underway.

- The Culture-Of-Learning programme which has had its budget doubled this year to R200 million.

The project aims to emphasise a return to governance by addressing issues like low attendance, poor examination results and the breakdown of discipline at schools.

The programme includes the refurbishments, renovations and the construction of new schools.

- A pilot youth college, located in Gauteng, will open its doors in April. It will create an opportunity for about 7 500 pupils to catch up on school time lost in their matric year due to political unrest.

- A R250-million series of five police projects, including the setting up in each province of a victim-support centre for women and children who have been raped or abused.

TMs Woods said that after months of negotiations and consultation with communities throughout the country, much of the RDP infrastructure was in place and the delivery of essential services would definitely increase during the next couple of months.

'43 000 projects will be on the go by June'

(297)
ARG 16/2/96

Structuring' a path

■ "Structures" is a worn word in the new South Africa, and one that suggests a web of stifling bureaucracy. Yet "structures" — having them in place and being sure they work — are the key to the Western Cape's earning the lion's share of national RDP funds. MICHAEL MORRIS reports.

NOT LONG ago, officials in the Western Cape government were drawing up plans, separate plans, for a police station, a post office, and a pensions pay-out office for a Cape Flats suburb.

They were following a pattern that has been in place for years. Having a separate building for each diverse function was self-evidently sensible

But, was it?

RDP planners in the economic affairs ministry didn't think so — and ordered a re-think. Why not build a single, multi-purpose building, they asked?

"We stopped that plan and prompted an entirely new design," says Tony Ruiters, deputy director general of the economic affairs and RDP

"As a result, we now have a design that incorporates a police station, post office, surgery, pensions payout office and recreation centre all in one building"

One is being built at Strand and there are plans for 32 others throughout the province.

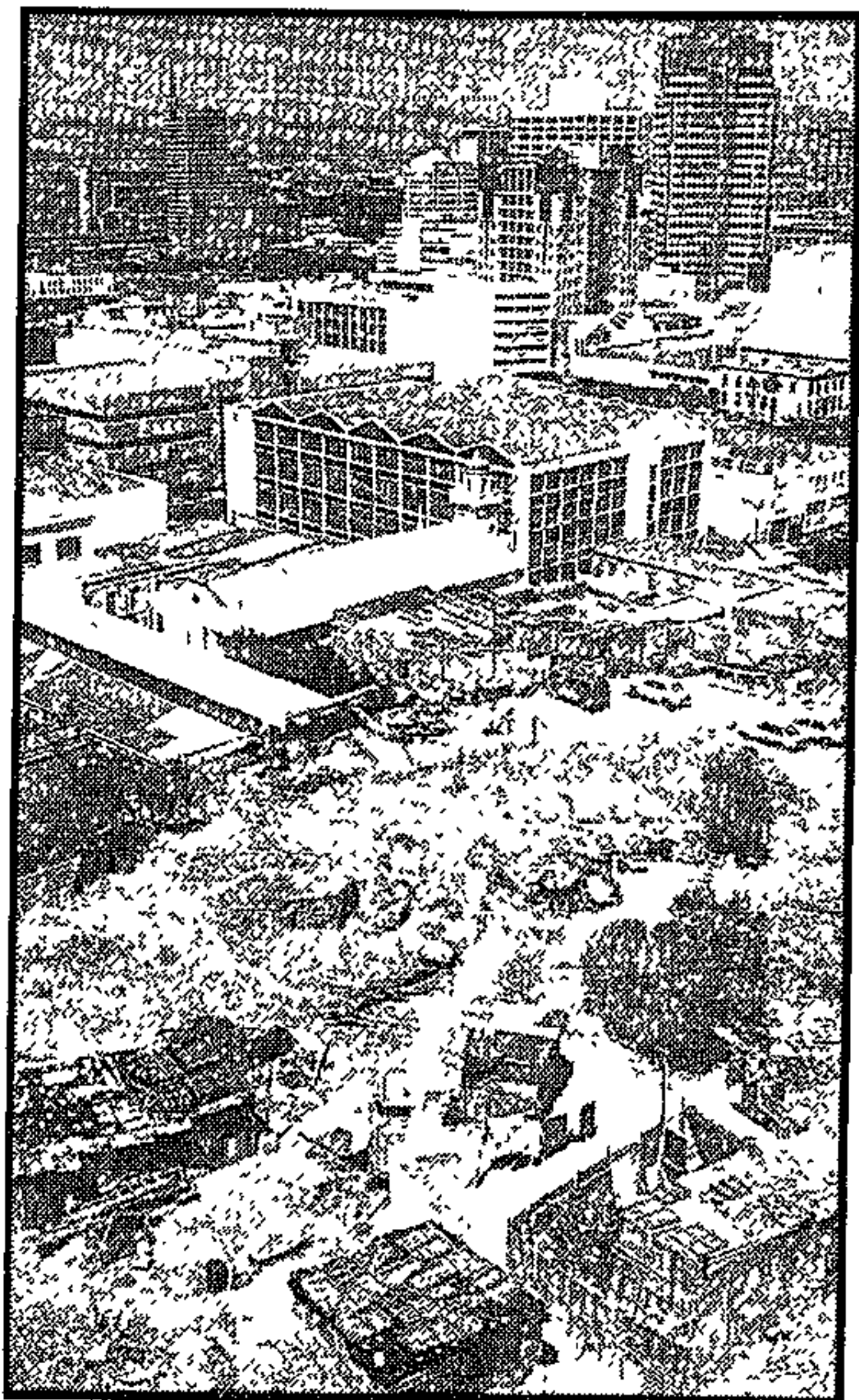
"The redesign meant a delay of about six months, but we have saved millions of rands."

Ruiters uses this example to illustrate the importance of "structures", an overlapping system to plan, re-prioritise and monitor every bit of development at every level in the province

It speeds up communication between departments and between communities and the government, speeds the flow of funds, cuts waste and ensures that the whole multi-million rand process is sustainable.

The national RDP office has put the Western Cape about a year ahead of most other provinces in its readiness to get cracking.

Among the main "structures" in the Western Cape are an RDP cabinet committee, with equal African National Congress and National Party representation (its recommendations are subject to cabinet approval); a heads of department forum which meets fortnightly; inter-departmental committees geared to shifting government spending priorities towards RDP goals, assessing the use of staff and finding ways to help communities help themselves; rural and urban "structures" to co-ordinate activities in these broad areas; and — outside the ambit of government — 170 RDP forums which are responsible for "auditing" com-



□ **POVERTY ALONGSIDE AFFLUENCE:** The Western Cape is way ahead of most other provinces in its readiness to tackle such problems.

munity needs and drawing up detailed projects to meet them.

Later this year, a Provincial Development Council — a regional Nedlac, drawing government, labour and business together — is to be formed in the Western Cape.

Overseeing the whole network is the regional RDP office, which operates under Economic Affairs Minister Chris Nissen's aegis.

Time spent setting up the RDP delivery has been viewed with some dismay by the construction industry, which has been relying on private-sector contracts for the past 12 months.

A slump in state contracts led to warnings that companies would be driven to the wall, with a sharp escalation in unemployment.

One source said: "One doesn't want to be pessimistic, but we were promised a boom 18 months ago, and nothing happened"

Echoing the concerns of provincial Housing Minister Gerald Morkel, many in the construc-

to strong growth

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AR 17/2/96

Key investment conference on RDP financing

MICHAEL MORRIS

Staff Reporter

THE government is to spell out which RDP projects the private sector could consider taking part in at a key investment conference in Cape Town next month.

It will also provide more details on RDP financing.

The RDP Infrastructure Investment Conference, on March 28 and 29, will seek to refine the partnership between the government and the private sector in getting reconstruction going.

Delegates will discuss ways of meeting South Africa's estimated infrastructure investment requirement — for roads, sewerage, refuse removal, stormwater drainage and electrification — of about R170 billion over the next 10 years.

In a joint statement the RDP ministry and the National Business Initiative said discussions between the government and the private sector so far "have revealed consensus on the principles underlying investment in RDP infrastructure".

These include grant finance from the government to "lever" private sector investment; government/private sector partnerships; rationalising development institutions and separating financing and support structures.

tion industry fear that excessive consultation is bogging down the building process.

"We want to see the cash. Then we'll believe all the promises," said the source.

However, Mr Ruiters, and RDP director in the Western Cape Harold Wesso insist the lengthy preparatory phase will pay off.

Hundreds of projects — in housing, transport, health, small farms development, even alien vegetation clearance — are posted for this year as the province gets set to spend funds from the national coffers.

Some of the projects are already up and running, others will be launched in the weeks and months to come.

Key projects include;

■ "Emergency" or immediate projects — such as a child-care centre in Heideveld — financed from a R20 million discretionary fund;

■ On-going work on the R500 million Integrated Serviced Land Project (ISLP) — which in-

volves upgrading informal settlements from Guguletu to Philippi, servicing thousands of sites, building houses, schools, libraries, a hospital, clinics, community halls, sports facilities, as well as commercial and industrial developments;

■ Repairing and upgrading damaged schools — 258 need attention, 157 have submitted business plans for work (totalling R31,6 million), and 100 schools will be ready for tender next month;

■ Clinic building — 14 have been built so far, and others are in the planning phase;

■ School feeding — 334 000 children at 900 schools are being fed daily in a project that employs 200 people,

■ An R8,3 million land-reform project in the southern Cape, which involves housing and small farms development;

■ Work on the R8 million "clean and green" project, which includes employing 200 people on part-time contracts to clear alien vegetation;

■ The Marconi Beam development — creating "not simply housing, but a full community infrastructure" for 1 500 families;

■ A R15,4 million transport project — including redevelopment of Hawston harbour, and roadworks in the Peninsula, as well as at Gouda and Wupperthal; and

■ Community-based public works programmes — 24 projects totalling R9,3 million have been approved. This includes the multi-purpose building at Strand. A further R22 million is being set aside for 32 more multi-purpose centres.

RDP planners point out that the oft-traded perception that there has been no delivery overlooks achievements that already have been made.

"Almost 98 percent of Khayelitsha has been electrified. That's the RDP working. And that underlines an important feature of the RDP," says one RDP planner.

"It is not simply building houses and doing one-off things which attract attention. Electrification generates demand for appliances.

"Factories step up production — and, if they are competing with imported products to meet that demand, they have to make an extra effort to be competitive. In this way, the whole economy benefits."

The RDP, he argues, is not a sum of projects, but a mechanism to stimulate economic activity and development.

Mr Ruiters acknowledges that "getting ordinary people to participate in the development of their own community is often frustrating", but is nonetheless important in ensuring they have a stake.

And, the way to do that is through a well-organised network of structures. Releasing funds in an *ad hoc* way, before communities are ready, would undermine the sustainability of reconstruction and development, and limit its broader economic impact.

US firm 'to uplift SA blacks'

By DAN DHLAMINI

PATRIOTISM and the urge to uplift blacks in this country has resulted in a former Methodist Church minister from Evaton who is now settled in Madison, New Jersey, founding a company which is aimed at helping fellow South Africans.

Modise Molefe told City Press that the stimulus for creating International Transitions and Development Incorporated (IDT) in New Jersey was the Reconstruction and Development Programme (RDP).

CP 18/2/96
He said IDT was created with all levels of government, business and academia in the development of the new South Africa.

"The mission of the IDT is to facilitate new businesses and expansion of existing international business into the South African market. It is also to create a mechanism of technology transfer into the emerging South African economy, particularly among the black community," said Molefe.

Molefe is also the founder and executive director of the South African

Leadership Development Programme (SALDP), which is a cultural exchange programme committed to bringing middle-management black South Africans to the US to undergo practical training with the US corporations while also honing their academic skills with local institutions of higher learning.

Molefe, who is also a musician, first hit the headlines when he returned to South Africa and the apartheid government confiscated his tapes because one of them was titled *Prisoners of Peace*.

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Group ⁽⁵⁸⁾
support ⁽²⁹⁷⁾

for widows

CP 18/2/96
By TSEPISO LEFALATSA

WHEN Widows Forum was launched last year, it started with 40 members and friends. A year later, membership has increased ten-fold with numbers swelling to 500.

The areas of concern identified by the Forum are insecurity, financial problems, providing mourning garments and oppressive rituals and property ownership.

Maggie Nkwe, convenor of the Forum, said the Forum would be celebrating its first birthday on February 24. The meeting will be held at the Ipelegeng Community Centre, in White City Jabavu, Soweto, starting at 10 am.

Govt sends mixed message on poverty aid

Robyn Chalmers
and Linda Ensor

BD 19/2/96

CAPE TOWN — Government gave different signals at the weekend regarding its attitude towards local government debt and assisting the poor.

On the one hand government is working on a comprehensive strategy to further subsidise municipal services for poverty-stricken residents and deal with local authority debt, to boost payment levels for services. On the other hand Western Cape local government MEC Pieter Marais said the province was to have R50m (37%) sliced off its intergovernmental grant to assist the poor in the next financial year.

The Institute of Municipal Treasurers and Accountants' preliminary report showed that local authorities' overall financial position was better than feared, and a total payment rate for services of 85% was being achieved.

However, this included all industrial and commercial users of services, and non-payment in former black local authority areas in particular remained high — up to 95% in some areas.

The report indicated that there were strong warning signs in the 15% non-payment ratio which represented a deficit of R3,2bn a year.

Provincial Affairs and Constitutional Development deputy director-general Andrew Boraine said government was working on a preliminary strategy to deal with the causes of non-payment and to assist some of the more indebted local authorities.

Reasons for non-payment included the poor state of some municipal services, local authorities' lack of effective credit control measures, and no administrative system in many areas.

"But poverty is the primary reason,

Continued on Page 2

Local govt debt

Continued from Page 1

and we have to distinguish between those who can't pay and those who won't pay for services. We are looking at ways to subsidise those who can't pay." Boraine said the lack of affordability would be addressed by government's growth and development strategy, due for release this year.

Funding for local authorities would play a part in the strategy, and government would help to settle almost R400m in debt which had been carried over from the former regime. This would be done over three years, with R130m to be made available in the 1996/97 year. A further R800m in intergovernmental grants for basic services and a once-off R200m to help new rural local authorities get off the ground had also been budgeted for.

An annual amount of R1,2bn over the next few years would be made available to upgrade municipal services. He said government would soon be sitting down with the heads of the 815 local authorities around the country to talk about credit control, upgrading or services, and improving the quality of services.

Meanwhile government sources said the reduction in the Western Cape intergovernmental grant to assist the poor was based on the poverty index, which determined provincial allocations on the number of desperately poor in each province. The national allocation of about R800m would remain the same, but as the former TBVC states and self-governing territories would also have to be included, the funds would be more thinly spread.

But a state expenditure department official said that the provinces were free to spend their total allocations as they saw fit.

Deep reservations expressed about Act

(297)
Robyn Chalmers

BD 19/2/96

THE Western Cape and KwaZulu-Natal have expressed deep reservations about the Development Facilitation Act — one of the cornerstones of the RDP — aimed at speeding up development and guiding town planning.

This follows the announcement last week that Gauteng — the only province which is currently implementing the Act — is setting up a tribunal which will have wide powers to speed up development.

The Western Cape has rejected the Act, citing the lack of participation during its drafting, the financial and administrative cost of implementing it and its prescriptive nature rather than the provision of enabling legislation as some of the reasons.

Western Cape agriculture, planning and tourism department spokesman Armand le Roux said at the weekend the province was drafting its own legislation to guide the fast tracking of schemes.

"The provincial government does, however, support the underlying philosophy of the Act and appreciates that there are provinces which have no legislation of their own in terms of which development can be managed. The Western Cape has such legislation in place and there is little reason to believe the Act will contribute much to fast tracking in the province," he said.

KwaZulu-Natal local government and housing MEC Peter Miller said the province had fundamental reservations about the legislation.

"The root of that concern is to be found within schedule six of the interim constitution in terms of which provinces are competent to create their own planning and development legislation. Like many other powers, my province is to keep, and exercise its own planning and development competency."

Miller said while the Act would hopefully provide for speedy approvals of proposed projects, the development arena was fraught with difficulties and too much should not be expected from the Act.

But the provincial cabinet had yet to decide on the implementation of the legislation and was still considering its options, he said.

Attorney Johan Latsky, who assisted government in drawing up the Act, said most of the other provinces had expressed support for the Act, but only Gauteng had moved towards its implementation.

Vagrant abuse 'confirmed by council probe' (297)

ROGER FRIEDMAN AR 4/19/2/96
Provincial Affairs Reporter

A DEPARTMENTAL investigation conducted by the Cape Town City Council's traffic department appears to confirm allegations that homeless people have been assaulted and tortured by traffic officers, traffic manager Wouter Smit said today.

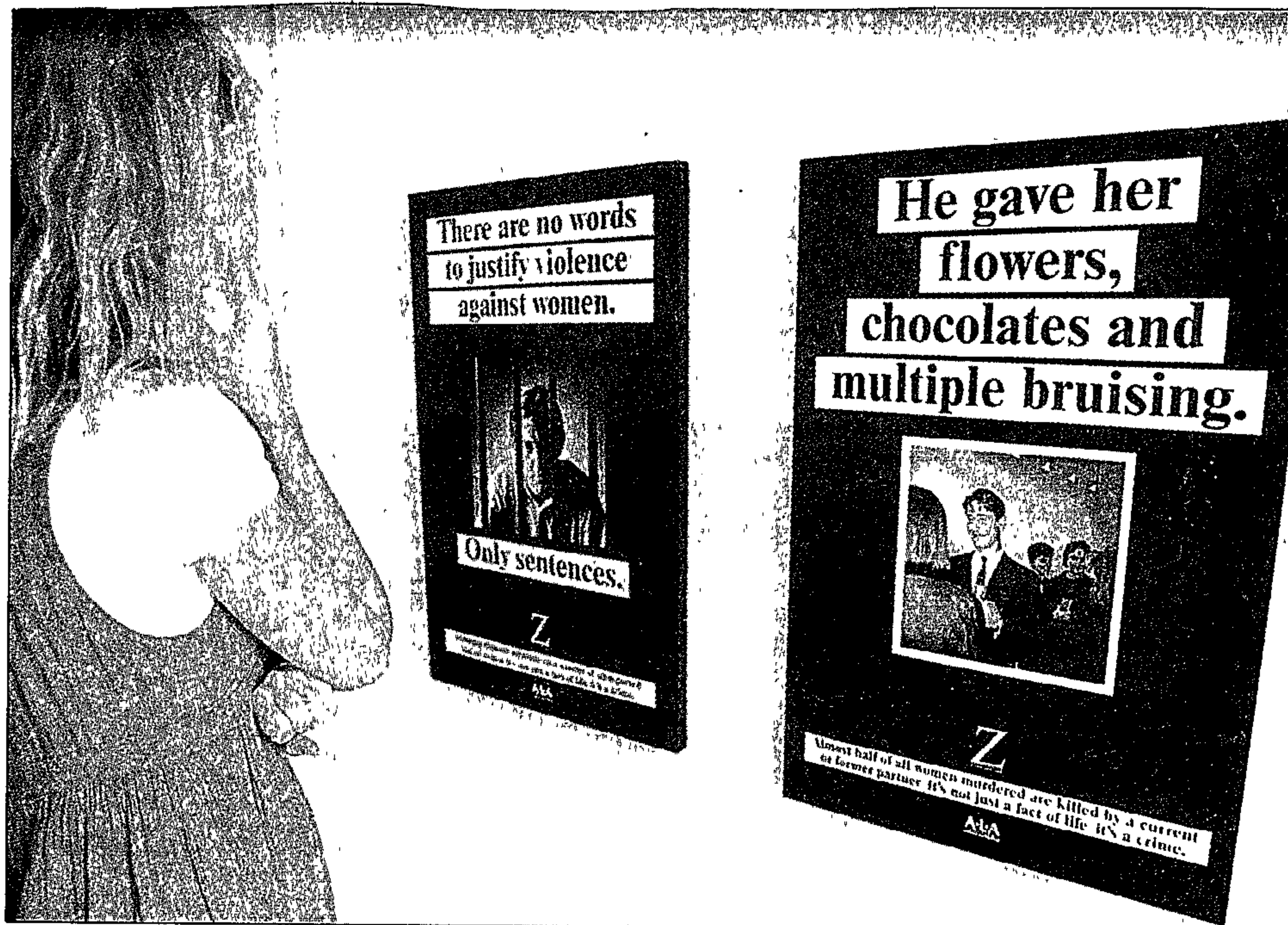
Mr Smit, the first person called to give evidence before an independent commission of inquiry, said initial investigations had identified five traffic officers — including three members of the controversial vagrancy squad — as being involved in alleged abuses.

Mr Smit said his internal investigation had just reached the point at which the five would be formally charged, when the independent inquiry was ordered by the council's executive committee.

Meanwhile, pressure is growing on provincial Police Minister Patrick McKenzie to appoint an independent inquiry into similar alleged abuses by police.

- The Co-ordinated Action with Street People organisation says it has statements from homeless people alleging abuse at the hands of police.

- Head of the city council's ad-hoc vagrancy committee, Isobel Edelstein, said her committee supported the establishment of a separate police investigation.



VIOLENCE AGAINST WOMEN: Emotional and physical abuse of women in South Africa is widespread and on the increase. Black and white posters in the passage at the Nicro Women's Support Centre underline the enormity of the problem. **PICTURE: NIC BOTHMA**

5 000 city women seek protection

LISA TEMPLETON

ARE women safe in their own homes?

In one year 5 000 women in Cape Town were so desperate that they sought court protection from their violently abusive partners — an average of 417 a month.

The Prevention of Family Violence Act was introduced in December 1993 to curb the high level of domestic violence.

The next year 5 000 interdicts were issued in Cape Town's seven magisterial districts: Wynberg, Bellville, Goodwood, Kuils River, Simon's Town, Mitchells Plain and Cape Town.

Although few statistics are available, because violence against women often remains unreported, the Women's Bureau of South

Africa said in a report that violence against women occurred across all socio-economic and racial groups, was widespread and was increasing.

At Mitchells Plain court alone — which serves some of the poorest areas of the Cape Flats — 50 to 60 battered women a day seek help.

Statistics compiled by Nicro Women's Support Centre in 1994 showed that two-thirds of those counselled were married to their abusers and over one-third had been in an abusive relationship for 10 years or longer.

Ms Jane Keen, co-ordinator of the centre, which counselled some 1 000 abused women last year, explained why some women stayed in these relationships.

"Some stay for practical reasons — they have nowhere to go with

their children, and no money — and there is often still a strong emotional bond with their partners and they hope the abuse will stop.

"They may also have very low self-esteem or have been abused in the past and that is all they know. Sometimes their partners threaten to kill them if they leave."

Women could also be tied by social and religious pressures.

Keen said the interdict system, which replaced ineffective peace orders and very costly Supreme Court interdicts, had been controversial as many were broken and they could spark more violence.

"But for some woman the interdict has stopped the abuse for the first time in their lives," she said.

Mr Charles Maisel, a member of

a preventive counselling team run by Famsa, said disempowerment, unemployment and financial difficulties were major factors in men violently abusing women.

"I don't believe there are cultural differences — a rich man will also batter, but an unemployed man might lash out sooner."

Frustration bred fantasies, such as jealousy fantasies, and insecurities that were very powerful.

Maisel said only one-third of men who had been battered or witnessed abuse did the same to others. He also said that while women got much support from organisations and friends, men often had to deal with abuse alone.

● Nicro is offering a confidential support group in early April for a small fee. Interested women can telephone Melanie at 22 1690.

Schooling the key to rural progress

ARC 20/2/96

ANDREA WEISS
Staff Reporter

POLITICIANS may talk about the reconstruction and development programme until the cows come home. But, for rural children, bringing the cows home keeps them out of school.

By teaching rural communities to grow fodder for their cattle, the children are freed to go to school, thus raising the general level of development in rural areas. This is one of the examples which is being used during a four-day workshop on alleviating poverty in rural areas in the Southern African Development Community countries where the gap between rich and poor is among the highest in the world.

The workshop is being run by the United Nations' International Fund for Agricultural Development, supported by the World Bank and the SADC. It is being held at the Cape Town Civic Centre and was opened yesterday by Deputy President Thabo Mbeki who stressed that the countries of the region shared a common destiny and that meeting the challenge of development in rural areas would be a decisive step towards meeting the challenge of poverty in the country as a whole.

Among the areas Mr Mbeki stressed were basic education, health care and childhood nutrition, empowering small farmers through effective land-tenure systems and micro-lending to develop rural economies.

Katherine Marshall of the World Bank said that one of the

striking features of poverty was that it was a predominantly rural phenomenon. And of Southern Africa she said, "The gap between the rich and poor may be wider in this region of the world than any other."

Barriers faced by rural people included limited access to land, markets and basic services with the consequent impoverishing effects such as malnourished children who quit school early as their mothers struggle to make ends meet. The answers, Ms Marshall suggested, lay in focusing government attention and funding on alleviating rural poverty, narrowing the gap between 'plans and dreams and actual results', giving the poor a voice and securing a stable macro-economic environment. "As economic growth returns to South Africa, we have to focus on the quality of that growth," she said.

Only recently admitted to IFAD, South Africa's rural poverty profile is as serious as many of its neighbours. According to a fact sheet compiled from among other documents, a 1995 World Bank report, nearly 95 percent of South Africa's poor are African and some 75 percent of the poor live in rural areas. Nearly two thirds of the poor are found in the provinces of the Eastern Cape, KwaZulu-Natal and Northern Province, the vast majority of whom live in the former homelands. Homes headed by women also have a 50 percent higher poverty rate than male-headed households and women account for a higher proportion of the poor elderly, while working-age women are more likely to be



RURAL DEVELOPMENT:

Women working in Lesotho, above, are dwarfed by magnificent meelies. They are part of a project aimed at increasing household income through improved agricultural development. South Africa may also benefit soon from the expertise of the United Nations' International Fund for Agricultural Development

DELEGATE: Fawzi Hamad Al-Sultan, inset right, president of the International Fund for Agricultural Development which is hosting a four-day workshop in Cape Town on alleviating rural poverty. The World Bank and Southern African Development Community are also participants.

unemployed. More than 80 percent of the rural poor households have no modern sanitation, no access to electricity and no piped water. On average, rural households spend 4.5 hours a day fetching water and firewood.

While the workshop is expected to focus on strategies within Southern Africa, it may also deliver direct results for South Africa in the form of aid from IFAD. While IFAD has pioneered sev-



WATER SUPPLY: Villagers work at placing pipes for the installation of a water supply to a village in the Cuthling region of Lesotho.

eral projects in neighbouring states, South Africa only officially came back into the fold early this year. The example of the young herders being released from their rural treadmill of tending cattle thanks to improved agricultural production comes from IFAD's president Fawzi Hamad Al-Sultan. Next week, he and his delegation will gather in Pretoria for discussions on the kind of aid the UN organisation can give to

South Africa. "We are very happy that South Africa has been able to join us. One of things we would like to do is sit down and talk to the government about the many areas in which we can help," he said. South African deputy director general of agriculture, Bongwe Nyobe-Mbuli, said IFAD had a wealth of technical expertise and experience which could be useful to several government departments. The meeting in Pretoria

next week would take the form of a "round-table" discussion to determine how South Africa and IFAD could work together. One problem South Africa might be putting to IFAD will be the development of farmers working within impoverished urban areas. "In South Africa, urban agriculture is a common phenomenon. We have recognised this as an important element," Ms Nyobe-Mbuli said.

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State, big investors to boost RDP at top forum

JOSEPH ARANES Municipal Staff

A TOP-LEVEL reconstruction and development conference – designed to help create the environment for co-operation between government and private sector in financing and delivering critical infrastructure for the RDP – is aimed at giving the programme a much-needed boost.

The March 28 and 29 conference in Cape Town, which is being organised jointly by the Reconstruction and Development Programme office, the National Business Initiative and the Investment Development Unit, will gather together ministers from key RDP sectors, such as water and housing, and big domestic investors.

This will be the second in a series of forums, which have included top-level participation by the government, labour, business and community representatives.

A previous workshop was held last June.

The conference will give the various participants an opportunity to hammer out the requirements of funding RDP delivery, and creating a framework for partnerships between government and private sector.

Estimates put the cost of South Africa's infrastructural requirements

at about R170 billion over 10 years, including R61 billion for the municipal infrastructure programme.

The government hopes to raise much of this from the private sector.

A spokeswoman for the RDP office said that getting the right framework would "unleash a torrent of investment."

"Besides giving the government an opportunity to detail its inter-governmental development finance programme, the conference should indicate which projects the private sector might hope to become involved in in the short term."

She said talks between the government and investors had revealed consensus on the principles underlying investment in RDP infrastructure.

These included the transparent use of grant finance from the government to leverage private-sector investment, private/public sector partnership, a rationalisation of development institutions and a separation of financing and support structures.

"High-level discussions between the government and the private sector will continue in the run-up to the conference, which includes the budget speech of March 13," she said.

Council launches rates aid fund

(297)
Farouk Chothia

BO 21/2/96

DURBAN — The Durban central council has unveiled its grant-in-aid policy for non-governmental organisations, saying emphasis will be placed on assisting disadvantaged communities.

Councillor Ros Sarkin said about 1% of rates income accumulated in a single financial year would be allocated to aid for the following financial year. This currently amounted to about R2,9m.

Sarkin said a similar formula had been used in the past, but that there would be a case for more funds if "we can show it is a job done well".

Sarkin said organisations that promoted self-reliance and self-sufficiency, sought to achieve financial independence and focused on redressing past injustices and inequalities would qualify for aid. Use of aid money for payment of salaries would be discouraged. Religious bodies, other than those which were inter-denominational, would not qualify.

Organisations would have to submit audited financial statements regularly, and city officials would visit organisations to monitor their activities.

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CT(MR)21/2/96 (297)

RDP fund doing well

BY JOHN SPIRA

Johannesburg.— Futuregrowth, Southern Life's RDP fund, has achieved solid results in its second year.

The fund is the country's first investment portfolio aimed at disadvantaged communities. Its income fund posted a gross return of 33,7 percent last year.

Adrian Arnott, the executive director of employee benefits for Southern Life, said the portfolio allowed retirement funds to make a direct contribution to the RDP. The fund has more than doubled its assets to R641,5 million.

The income fund outperformed

the 31 percent achieved by the all-bond index. Futuregrowth's balanced fund returned a gross annualised 18,5 percent over two years, exceeding the inflation rate of 8,4 percent by more than the targeted 4 percent. The gross return for last year was 11,3 percent against an inflation rate of 6,9 percent.

More than 40 retirement funds have invested with Futuregrowth.

"The most important feature of Futuregrowth's success is its capacity to have a positive affect on the quality of lives of disadvantaged communities. New RDP investments include R100 million that has been directly channelled into RDP projects," said Arnott.

■ SEA POINT

Group helps homeless on their feet again

Vagrants find work, children back with family

ARG 21/2/96

(297)

Staff Reporter

A PROJECT to rehabilitate the homeless in Sea Point and keep them off the streets has got off to a promising start.

Heather Tager, chairperson of the working committee that runs the project, said that since its inception last November it had chalked up many successes.

Representatives of the Law Enforcement Unit, Businesswatch, and local churches as well as a social worker and street community workers (paid for by the community) serve on the committee.

The Beach Action Group, formed last year to clean-up the beachfront, is sponsoring the wages of a street worker and is looking toward sponsoring a second.

Ms Tager said that since the committee started its work several of the homeless had found jobs,

some of the children had been reunited with their families and regular meetings between the homeless and local businesses had been held.

"Those people given employment are still employed and making good progress," said Ms Tager.

"In addition to this the children who went back to their families have not returned to the street and communication between businesses and the homeless has been opened up."

Chairman of the Green and Sea Point Traders Association Chris Joubert said: "The meetings have been fruitful in that we have been able to identify the specific problems of some of the homeless and channel them into the correct institutions."

He said the association supported the programme, but stressed the importance of not

ignoring the criminal element.

"A group of children are known to come into the area with the intent of getting involved in criminal activities," he said.

"There is no short-term solution, but it is clear the solution lies in addressing the situation as a community."

Evelyn Stein, a librarian at Sea Point Library, said: "We had quite a problem with soiling by street children and homeless people around the civic centre."

"As a result of working with street workers we've been able to get the children to help clean up around the building." Mrs Stein said although it was early days, she felt the concept behind the committee had great potential.

The committee is hoping to put in place a permanent structure for the ongoing rehabilitation of the homeless.

GAF gets big cash injection

(297) ~~297~~ Sowetan
By Shadrack Mashalaba 22/2/96

THE Canadian International Development Agency (CIDA) has injected R1,8 million into the Get Ahead Foundation (GAF) to boost the organisation's lending capacity.

The GAF, which is seeking to convert itself into a community bank, says it will use the money to further its activities of granting loans to emerging entrepreneurs who cannot qualify for loans from conventional banks.

Get Ahead Foundation fundraiser Ms Jenny Williams says the money will be used for support services of the company and these are:

- Financial cost for the legal separation of the development and commercial divisions of GAF;
- Computerisation of decentralised branches and;
- Management training.

Williams says the commercial division of the bank will grant micro loans from R700 to R5 000 to emerging entrepreneurs. This division will become a community type bank similar to Grameen Bank in the East Asian state of Bangladesh, which grants small loans and also offers some training.

"The development division of the bank will provide technical training to the emerging businesses and a marketing arm will help find markets for the manufacturers," she says.

In the Gauteng region, technical training will be provided in the fields of welding and electrical repairs.

Williams adds that, the organisation has established a primary health care programme.

Chamber warns on Govt's control

Sowetan 22/2/96 (297)

THE South African arm of the American Chamber of Commerce has expressed a deep concern over proposals contained in the second draft of the Non-Profit Organisation Bill and appealed to the Government not to proceed with the legislation in its present form.

The Bill, published by the Development Resources Centre and submitted to the Standing Committee on Finance at the end of January, allows a government-dominated commission to compel welfare and non-government organisations to disclose their source of funding as well as the extent of each of their donors' contributions.

The chamber's representative, Patrick McLaughlin, says although the chamber does not directly fund the NGOs, its members who number about 300 and are directly involved with the welfare groups are concerned that the Bill intends to substantially tighten state control over the voluntary NGO sector.

"As donors therefore to NGOs in South Africa, AmCham members are particularly alarmed at section 27 of the Bill, which would allow a government-dominated commission to compel welfare organisations to disclose their source of funding and the extent of each of their donors' contributions," says McLaughlin.

JAL

Poor whites ditch AWB to join ANC

By Themba Molefe and Ruth Bhengu

HUNDREDS OF POOR whites in Sonop, south of Brits in North West, live in fear of losing their houses and pension benefits acquired during apartheid years and have shifted allegiances from the ultra-conservative Afrikaanse Weerstandsbeweging to the African National Congress.

Underprivileged white families, who were AWB members, have joined forces with ANC supporters who are fighting to "transform" the former settlement for poor whites into a model of racial harmony.

The white pensioners who were "adopted" by the National Party government and enjoyed privileges denied blacks are apprehensive that the new dispensation will deprive them of their rent-free homes, their heavily subsidised public transport and their children's education.

They have been receiving pensions of between R400 and R600, or joint

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Sonop residents live in fear of losing their housing and pension benefits

incomes ranging from R1 000 a month which the state pays out for physical and mental disabilities, old age and maintenance for women whose husbands are incapacitated.

The residents are accusing the former government of betraying them by giving them benefits to the exclusion of other races.

"They should have given these pensions to everybody who was poor," said one of the oldest residents and former AWB member Mr Johannes van Eeden (72). "Now they are trying to take away our livelihood. But we will fight to the end," he said of the welfare officials.

"They say we should go and find work because we are not old or sick." Van Eeden's 55-year-old wife Joey is an invalid declared unfit to work 15 years ago. "When we supplement our income by doing part-time work, the officials threaten to take away our pen-

sions and kick us out of our houses. They want to keep us poor," said Van Eeden.

Van Eeden, like most whites in the town, has resigned from the AWB and openly expresses his admiration for President Nelson Mandela and the ANC.

North West director of welfare services Mr Ashley Theron confirmed all the people receiving pensions in Sonop qualify in terms of the old policy. These include low-income groups, the aged and disabled and they are all white.

According to Theron, the one percent of blacks and coloureds began only recently to move into the settlement. But they did not qualify for pensions as they were employed.

He said the state paid 90 percent of the residents' upkeep. "Those who qualify for the pension will continue getting paid until the future of Sonop has been decided," said Theron.

● See pages 12 and 13

The dawn of



Dawn of a new era ... Stephen and Naomi Boucher with their son Christopher. This Sonop family is determined overcome the prejudices of many conservative whites in this small North West settlement. PICS: JOE MOLEFE

Sonop grapples with a new South Africa

Sowetan 22/2/96

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SONOP IS AFRIKAANS for sunrise, but for the white residents of this tiny settlement in North West Province, the balmy rays of apartheid seem to have been elusive indeed.

The neat rows of corrugated-iron roofed and cream-white houses obscure the reality of the poor whites of South Africa.

The inhabitants are called "pensioners", but not necessarily because they have aged. They are a collective liability of the Department of Population and Welfare Development, inherited from South Africa's ghastly past.

Like the rest of white South Africa during the 48 years of apartheid, the residents of Sonop and similar enclaves benefited from the National Party's plan "of taking care of its own kind" regardless of political orientation or affiliation.

Poor whites

The poor whites of Sonop lack sophistication. They have little or no education. Most speak one language, Afrikaans, which has become synonymous with the oppression of many South African blacks.

Despite the sanctuary provided by NP legislation throughout apartheid's dominance, many of the communities such as Sonop always found their political home in the Afrikaner Weerstandsbeweging.

It was the AWB that taught them about racial purity and the superiority of Afrikaners in particular, and of whites in general.

Therefore the events which have unfolded since that fateful February 2 1990 and the advent of the Government of National Unity in 1994, have torn the lives of conservative Afrikaners and other whites asunder.

The ascendance of Nelson Mandela to the presidency of South Africa also became the single most significant event in the lives of many conservative Afrikaners and had a profound influence on them.

Part of the four decades of indoctrination had been that no black would rule their country. They would rather die for South Africa than be subjected to that kind of humiliation. The anthem, *Die Stem*, was sung with that

After living privileged lives for 48 years, poor white Afrikaners have finally realised the honeymoon is over. Political Correspondent **Themba Molefe** writes

determination

A visit to Sonop revealed that the democratic changes taking place in the country, although not visible there, have begun to affect the residents emotionally and physically.

Their free government-sponsored transport, housing and educational needs are under threat.

A commission of inquiry instituted by the North West government into Sonop's future may recommend that the settlement be utilised either as an old age or children's village.

Faced with this awesome prospect, and feeling betrayed by the failure of the past white government to safeguard their future, most have abandoned the AWB and openly swear allegiance to the African National Congress and its leader Mandela.

NP is their "enemy"

These are the former *verkrampies* who today say the NP is their "enemy" because, as one put it, "the party did not tell us that the benefits we as whites enjoyed throughout all these years should have been for blacks as well".

Interviews with some of Sonop's elders reveal how the NP, through what could be called a "community chest" - of all able-bodied and gainfully employed supporters - maintained its hold on power.

For example, at the end of each year the party faithful donated R5 from each household. This money was to maintain the NP in power to safeguard policies that took care of areas like Sonop.

The rest, as the cliché goes, is history. On that sunny morning on February 2 1990, then State President FW de Klerk changed history with his now famous parliamentary address.

Those present in Cape Town, the seat of NP power on that day, remember when thousands of blacks were stopped dead in their tracks outside Parliament where they were demanding the

release of political prisoners, unbanning of their organisations and guaranteed safe passage for returning exiles.

Little did the throngs outside realise that as they were taunting police dogs and intent on bringing down the walls of power, De Klerk was addressing their demands. Two weeks later Mandela was released.

This is the reason the Afrikaners - and the whites of Sonop - are in a quandary. Many had never spoken to a black person on equal terms before. Now they have one as the country's president, and in a coalition government they were assured would never even be conceivable.

Politically, Sonop is a mirror of South Africa. In spite of its small size (it resembles a village) and population, one finds all the elements unique to this country.

The "pensioners" of Sonop are white and poor, but taken care of - courtesy of apartheid policy. Now other races are beginning to claim a stake of Sonop as dictated by the spirit of the new democracy.

Fog all but cleared

The other significant element is that a serious soul-searching has begun among the former racists as the deracialisation movement takes root. This is the reason Mr Johannes van Eeden wants Mandela to visit Sonop.

So, true to the spirit of the new South African democracy, the face of Sonop is changing. The fog that befuddled these South Africans for almost five decades has all but cleared.

Never, say many non-Afrikaners as they move in, will the town be an exclusively white, racial spot again. As new resident Mrs Christa Mohlamme put it: "We are here to stay. Yes, they fight us but we fight back."

Indeed, President Mandela ought to see Sonop.

'Stokvel to pay out its investors

Sowetan 22/2/96

By Musa Zondi
Consumer Reporter

MR WALTER Wright, director of the Mini Millionaire stokvel, yesterday gave his word that all the investors would be paid out next week - at the latest.

Speaking from Berlin, Germany, Wright said he was aware of the report that appeared in *Sowetan* yesterday and wanted to assure his investors and agents that they would be getting their money.

Scores of Wright's clients had complained to *Sowetan* that they had not received their returns even though they were promised payouts in December last year.

"I have been in this business for the past six years and in that period we have always paid out all our investors. In the past six months I have been tied in to a particularly large deal and sometimes things do not go the way that they are planned.

"We have had a few problems along the way but we can assure you that the money will be transferred by this weekend and our members will be receiving their investments plus profits by next week.

"I will be back in the country next week and by that time, all our investors should have received their money," he said.

The delay was partly caused by the United States government shutdown last year just before Christmas which forced civil servants to stay at home for at least four weeks.

It was at this time, Wright said, that the delays started but all had been sorted out now.

He said he had kept in constant contact with his agents, who, in turn, relayed messages to other investors.

"My integrity means more to me and as a Christian, I will not and cannot do harm to my investors," he said.

One caller to *Sowetan* said yesterday that he was confident that investors were still going to get their money.

Williams quits cabinet position

MINISTER of Welfare and Population Development Mr Minister Abe Williams resigned his Cabinet position in the interests of the National Party and the Government of National Unity, NP leader Mr FW de Klerk said last night.

Williams, the most senior black NP member, quit after raids by the Office of Serious Economic Offences on his homes and offices in Cape Town and Pretoria earlier yesterday.

De Klerk said in a statement that he had held an "in-depth discussion" with Williams after the raids.

"Flowing from this discussion, he has decided to resign with immediate effect from the Cabinet in the interest of the National Party and the Government of National Unity."

Williams' letter of resignation had made it clear that the resignation should not be interpreted as an admission relating to any crime or irregularity.

"I would like to thank Minister Williams for his service in the National Party in his capacity as Minister and should like to express the hope that further investigations will proceed in a fair and reasonable manner and that justice will prevail." - Sapa.

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Globetrotter Williams always controversial

(297) Star 22/2/96

From overseas trips to visits to a topless bar in Cape Town
'to investigate street children', he has kept a high profile

DEBBIE YAZBEK

By LARA SMITH

Rugby administrator, teacher, former Labour Party politician and former National Party cabinet minister Abe Williams (56) has enjoyed a varied and controversial career.

Williams was one of the first Labour Party MPs to cross over to the National Party in 1989, and in 1993 was one of the first coloured cabinet ministers appointed by then state president F W de Klerk, who made him minister of sport.

Before that, in 1981, at a time when apartheid was still strong, Williams was appointed assistant manager of the Springbok rugby team for the demonstration-plagued tour to New Zealand.

It was De Klerk who put forward Williams' name to Nelson Mandela when he drew up the post-election Cabinet in 1994.

His appointment as minister of welfare raised eyebrows, and Williams' performance in the Cabinet since then has been lacklustre.

Since taking over the Welfare Ministry in 1994, he has been criticised by the African National Congress and his own deputy, Geraldine Fraser-Moleketi, on several occasions for dragging his feet in drawing up a white paper on welfare; failing to produce any meaningful legislation; not appointing a director-general, and maintaining apartheid practices in the department.

The current accusations that have surrounded his resignation from the Cabinet yesterday are not the first to be aimed at Williams and his department.

The Welfare Department itself has been plagued by allegations of fraud, especially fraud relating to pension schemes.

In November last year, investigations were carried out in six provinces into corruption involving millions of rands in state pensions. In 1994, the Government estimated



Out he goes ... the departure of Abe Williams, the National Party's most senior black member, is a major blow to the party ahead of Western Cape local elections.

that about R1-billion was being paid out annually in fraudulent disability and pension claims.

Williams pledged to tighten controls on the system and crack down on pension cheats.

In the past he has been accused of using taxpayers' money for his personal use on more than one occasion.

He has attributed the spending to work-related duties.

A R71 000 trip to the Far East with his wife in 1983 was "to investigate the connection between culture, tourism and distance education". He was sports minister at the time.

A visit to a topless bar in Cape Town with high-ranking police offi-

cers in November stemmed from an "official study of the plight of street children", he said.

He raised the wrath of female delegates at a conference on violence against women in Cape Town last year when he said it had given him the opportunity to look at some beautiful ladies.

The current accusations against the former Cape Town primary school principal and his subsequent resignation from the Cabinet is a blow for the National Party. As their most senior black politician, Williams would have played a major role in the NP's campaign for the upcoming Western Cape local government elections.

Bid to finalise growth and development strategy

BY MONDLI MAKHANYA
Political Reporter

South Africa's premiers, cabinet ministers and top civil servants will gather in Cape Town next week to finalise a growth and development strategy for the country.

The two-day conference - on Monday and Tuesday - will also involve deputy ministers, national and provincial directors-general, and provincial MECs concerned with the implementation of the RDP.

There will also be local government delegates as well community representatives present.

The conference has been organised by the Provincial Affairs and Constitutional Development Department and falls under the aegis of the Intergovernmental Forum (IGF), a loose structure which co-ordinates relations be-

tween the national and provincial governments and provides provincial governments with a forum for sharing ideas

Deputy Provincial Affairs and Constitutional Development Minister Mohammed Valli Moosa's spokesman, Mpho Mosimane, said the conference would be "very crucial"

"This is where the task of growth and development will be spelt out to the governments and to the directors-general," said Mosimane.

The meeting will focus on President Mandela's opening-of-Parliament speech in which he called for tangible job creation to accompany economic growth.

There is concern in the Government and among economists that, despite the economy's 3% growth rate, new jobs are not being created.

"One of the key issues to be addressed is how to create jobs.

The lack of jobs is one of the main things affecting crime and the non-payment of services," he said.

Minister without Portfolio Jay Naidoo will give a presentation on the "Key Indicators of Poverty in South Africa" report which his office released a few weeks ago and which paints a picture of the extent of poverty in this country.

He will also unveil the development strategy proposals for debate and input from provincial and national government representatives

Absent from the meeting will be North West Premier Popo Molefe, who will be visiting Cuba, and KwaZulu Natal Premier Frank Mdlalose. Mdlalose's spokesman Theminkosi Memela said the premier had received an invitation but would not be going "for the same reasons we announced when we pulled out last year".

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Minister was told: quit or be fired

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Fraud office probes claims that Williams got large sums to favour firms tendering to handle pension payments

By Jovial Ramao, Patrick Burger and Momeni Makanyanya

Williams and Populution Development Abe Williams was forced to resign from the Cabinet last night or face dismissal. The ultimatum came from his party leader FW de Klerk and from President Nelson Mandela after shock revelations that he was being investigated for pensions fraud, according to Government sources.

The Star understands that the allegations against Williams were of such a nature that De Klerk and his advisers, who were surprised and shocked by the developments, decided, after a hastily convened meeting, to minimise the damage to the image of both the National Party and the Government by letting Williams go.

The move is seen as a break from the NP tradition to in times of trouble stand behind its ministers and officials to the end.

Williams is being investigated in connection with allegations of fraud, corruption and bribery involving millions of rands from social pensions.

Mandela's spokesman, Joel Ntshenzhe, said the president had been contacted by NP leader and Deputy President FW de Klerk, "indicating that Minister Williams has offered to resign with immediate effect". The resignation had been accepted.

The Star understands that Mandela has for some time been receiving information from various sources about the alleged corrupt practices in the Welfare Ministry, but has waited for the law to take its course.

De Klerk said that the resignation "should not be interpreted as an admission on his part relating

to any crime or irregularity". It was unclear who would replace Williams.

Mandela was yesterday informed by investigators from the Office for Serious Economic Offences (OSEO) of the 9am raids on Williams' Pretoria and Cape Town offices and homes shortly before they took place. The president has also received a report on the investigations from Justice Minister Dullah Omar.

Before Williams' resignation last night, sources had told The Star that Mandela had intended to suspend Williams.

Yesterday afternoon, Williams (52) said in a press statement he was innocent and undertook to give his full co-operation to the investigators. "I have not at any stage acted in an improper manner," he said.

The OSEO's director, advocate Ian Swanepoel, confirmed to

investigators from his office, empowered by a search warrant issued by a judge, had raided Williams' home and offices yesterday.

Investigators were a direct result of an investigation initiated by the Western Cape Department of Health and Social Affairs, which alleged that Williams was a recipient of large sums of money in order to promote and favour particular companies that tendered for pension payments.

Western Cape MEC for Health and Social Affairs Etienne Rasoosi, an ANC member, said his office had launched an investigation into allegations of fraud and corruption in the social security unit of the department.

The investigation, under the guidance of a Prof Pieter le Roux, was conducted by Ernst & Young, which has produced a draft report. The report pointed to a systematic weakness in the administration of pensions and grants, and showed that in some cases junior clerks were corrupt at the expense of needy people.

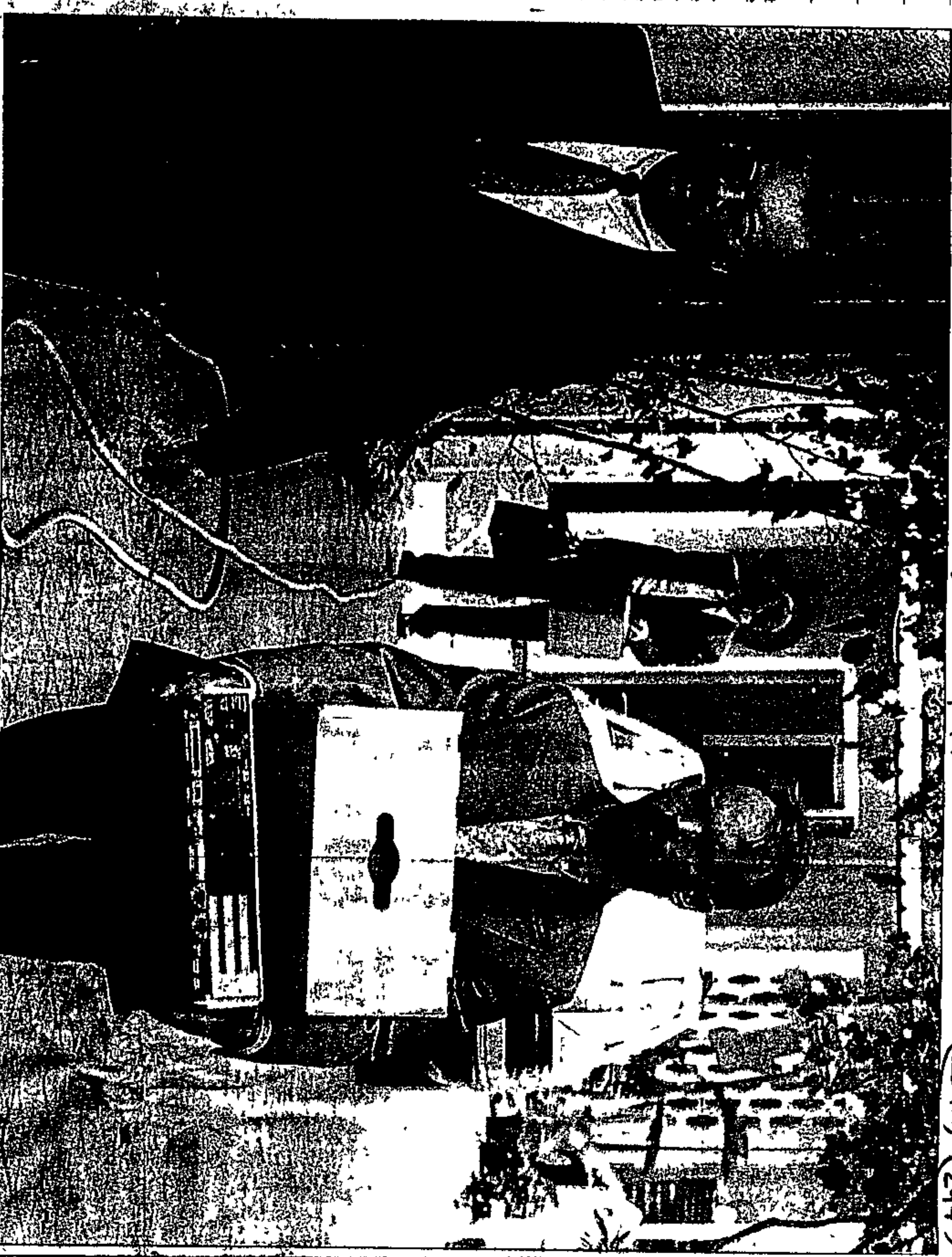
The report also showed that at middle and senior management level there were people engaged in a variety of fraudulent and corrupt practices, ranging from procuring premiums and services to purchasing goods and equipment for the department of social services, Rasoosi said.

Although the draft report was not conclusive on the matter, it had raised serious questions about the tender awarded to Nisec, a subsidiary of arms manufacturer Denel, for the payment of pensions and grants.

Rasoosi added that people, including bank clerks and those who worked with Williams, had provided him with information.

The essence of what they've alleged is that Williams has been the recipient of large sums of money in order to promote and favour particular companies who tendered for pension payments."

Police raid, investigators carry away documents and equipment after they had raided the offices and home of Cabinet Minister Abe Williams yesterday.



SHOPR

A career dogged by controversy

MELANIE GOSLING
STAFF REPORTER

FROM a primary school teacher in the tiny West Coast town of Saldanha in 1977 to national Minister of Welfare and Population in 1994, NP member Abe Williams' career has been dogged by controversy.

While he was seen as something of a hero in the 1980s by many white South Africans as a "trouble-shooter" on Danie Craven's SA Rugby Board, travelling all over the world to plead for SA's re-admission into the international arena, he has also been

accused of cheating in examinations while a student at the University of the Western Cape, of hoarding illegal crayfish and of being a slumlord in Saldanha, demanding high rentals from the poor.

In 1984 Williams hit the headlines when tenants of 40 houses he owned at White City, Saldanha, complained that he was milking them by high rentals for slum housing with no electricity or running water.

The tenants, mostly seasonal fishermen, said that when

Williams bought the houses from Southern Seas Fishing Enterprises, he upped their rent by nearly three times. As many as nine people lived in the squalid two-roomed houses.

In 1989 thieves broke into Williams' house in Saldanha and stole two silver dinner services. They also allegedly stole 80 cray-

fish tails and 40 crayfish from his deep-freeze. Williams was instrumental in arresting the men, giving chase in his car and firing warning shots, but later swore that he had only had 25 crayfish in his home. The legal limit was 20.

As Department of Education and Culture Minister in the House of Representatives in 1993, he caused an outcry when he ruled that no substitute teachers could be appointed while teachers were on leave. Subsequently the Supreme Court ruled his decision was not valid.

In the same year he got flak for spending over R9 000 of taxpayers' money on a NP tea party in Atlantis for Ms Marike de Klerk.

Last year he was harshly criticised for his handling of the investigation into social payments fraud.



ACCUSED: Abe Williams

WHY WE RAN DIED ABE WILLIAMS

□ *Probe revealed 'possible contravention of Corruption Act'*

PRG 22/2/96

ROGER FRIEDMAN
Provincial Affairs Reporter

DETAILS of the investigation into the alleged financial irregularities of former Minister of Welfare and Population Development, Abe Williams, have been disclosed by the Office for Serious Economic Offences (OSEO).

Mr Williams resigned from the cabinet yesterday, hours after his offices and homes were raided by OSEO members searching for documents.

OSEO director Jan Swanepoel said today an investigation into possible irregularities about the award of a tender to Nisec CC for the payment of pensions in the Western Cape had uncovered information possibly implicating Mr Williams.

A search of Nisec's premises led to the extension of the inquiry to "inter alia the payment to and receipt by Mr Abraham Williams of certain amounts of money".

OSEO's information was "possibly indicative of a contravention of the Corruption Act of 1992".

Mr Swanepoel said his office applied to the Cape Town Supreme Court for a warrant to search the offices and houses of Mr Williams, among others.

The warrant was authorised on Tuesday and executed yesterday by members of the police attached to OSEO.



ROBERT FRIEDMAN
Provincial Affairs Reporter

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Mr Swanepoel said the investigation was proceeding, and would probably take "considerable time".

On completion of the investigation, a report would be submitted to Minister of Justice Dullah Omar and all evidence handed to Attorney-General Frank Kahn.

Mr Kahn would have to decide whether to prosecute Mr Williams or others who might be implicated in the report.

Mr Swanepoel stressed that the fact Mr Williams' homes and offices were raided did not necessarily mean he was guilty of any offence.

Mr Williams yesterday declared himself innocent and pledged to assist the OSEO investigation.

● Mr Swanepoel said he was mystified by a statement from Western Cape Minister of Health and Social Services Ebrahim Rasool to the effect Mr Williams had been declared "a serious economic offender".

"If anyone declared him a serious economic offender, it was certainly not I or OSEO."

Mr Williams has not yet given any statements to the OSEO, reports Tyrone Seale. His legal representative, Frikkie Erasmus, said this morning that while Mr Williams had committed himself to co-operate with OSEO, he had tendered no statements, let alone confessions.

Mr Erasmus also said he was carefully studying yesterday's statements by Mr Rasool with a view to possible legal action over what appear to be defamatory statements.

Mr Erasmus said OSEO had confirmed to him the investigation had just begun and the office had no way of certifying individuals as serious economic offenders.

Mr Erasmus said he would establish more facts before contacting Mr Rasool.



Picture: LEON MÜLLER, Chief Photographer, The Argus

UNDER SUSPICION: Abe Williams, who resigned from the cabinet late yesterday, leaves his Rondebosch home with a security official.



CONTROVERSIAL ABE
— pages 3 and 21

Why I resigned

ARLT 22/2/96

TYRONE SEALE, Political Staff

FORMER Welfare and Population Development Minister Abe Williams has spoken out about why he resigned after raids on his home and offices by the Office for Serious Economic Offences.

In an interview today, Mr Williams said it would have been unbearably embarrassing for him to remain a member of the cabinet while under investigation.

Speaking from his Cape Town home, Mr Williams said he would retain his seat in parliament.

Asked why he had chosen to resign merely at the announcement of an Oseo investigation into his possible involvement in welfare fraud, Mr Williams said: "It's very difficult to be a minister if there's an inquiry around you. It's unbearable. You have to sit in cabinet and it's embarrassing for you, your colleagues and the president."

On what he would do if he was either cleared or indicted by the investigation, he said he would take that decision at the end of the probe.

Mr Williams declined to speculate on his chances of being cleared, adding "that's why I've appointed a lawyer".

He said he would visit his office today to "clear out a few things".

To an outsider, events appeared normal at the Williams's home in Kromboom Road, Rondebosch, early today.

Mr Williams, dressed in a suit, came out of the house and posed willingly for photographs. He looked relaxed and smiling.

Mr Williams said he planned to consult his lawyer before going to his office.

LATEST

Move 'commendable'

FORMER Welfare and Population Development Minister Abe Williams did a commendable thing by resigning in the wake of "serious" allegations, President Mandela said today.

Speaking on the steps of Tuynhuys after meeting visiting German Bundestag President Dr Rita Suessmuth, Mr Mandela said this did not mean that by this action Mr Williams was admitting guilt. He declined to comment further. — Sapa.

Two officers from the national protection service arrived to fetch Mr Williams about 7.40 am.

The two men loaded some suitcases into the boot of Mr Williams's blue-and-silver luxury German car.

Meanwhile, political staff report the National Party was reeling in shock today after Mr Williams's resignation.

Senior party members said NP leader, Deputy President F W de Klerk, was expected to be asked today to convene an urgent summit to review what they said was "an atmosphere of crisis and alarm" in the party as it prepared for the Cape metro local government elections in May.

Mr De Klerk announced last night that after an "in-depth" discussion with Mr Williams, the NP's most senior coloured member had decided "to resign with immediate effect from the cabinet in the interests of the NP and the government of national unity".

Earlier, Oseo officials petitioned the Supreme Court for a search warrant and raided Mr Williams's homes in Pretoria and Cape Town as well as his Cape Town offices, and removed large quantities of documents and computer records.

In less than a month, the NP in parliament has now lost four of its most distinguished public representatives. The deputy speaker of the national assembly, Bhadra Ranchod, who is the most senior Indian member, deputy constitutional assembly chairman Leon Wessels and deputy land affairs minister Tobie Meyer have all opted to retire from politics.

Controversi

Latest accusations not the first to be levelled at former teacher,

**Staff Reporter and
Argus Correspondent**

RUGBY administrator, teacher, former Labour Party politician, National Party cabinet minister, champion of the coloured community, self-deprecating joker, alleged crayfish hoarder, alleged exam cheat, alleged slumlord in Saldanha Bay... Abe Williams has had a varied and controversial career.

The current accusations which have surrounded his resignation from Cabinet are not the first to be aimed at him and his department.

The 56-year-old Mr Williams was one of the first Labour Party MP's to walk-over to the National Party in 1989, and in 1993 was one of the first "coloured" cabinet ministers appointed by then State-President FW de Klerk who made him Minister of Sport.

In 1981, when apartheid was still strong, Williams was appointed assistant manager of the Springbok rugby team for the tour to New Zealand.

He and Errol Tobias were the only black members of the touring party, an experience Mr Williams later joked about. "We thought we had to carry the cases but ended up making the speeches," he once told sportswriters.

He has made controversial remarks in speeches - including an allegation that affirmative action would only

benefit blacks.

Speaking at Genadendal before the April 1994 general elections, Mr Williams said brown people would have to wait until blacks had jobs. "Why must the colour of our skin count against us again? Why must the colour of our skin, which counted against us in the old South Africa, also count against us in the new South Africa? The ANC will discriminate against us again. We are past the times of toyi-toyi, protest, marches and swear words. The election is not about the past, it is about the future."

It was a theme he returned to the following year in the run-up to what was supposed to have been Cape Town's local government elections, postponed because of court action. Mr Williams said the ANC weren't the only ones in the struggle. "My message to you is to ask yourself the questions: 'Why do we, the brown community, need to feel less important than our fellow Afrikaners? Why do we, the brown community, take second place when it comes to affirmative action?'"

It was Deputy President De Klerk who put forward Mr Williams' name to President Mandela when he drew up the post-election cabinet in 1994.

His appointment as Minister of Welfare raised eyebrows and Mr Williams's performance in cabinet since then has been lacklustre.

Since taking over the Welfare Ministry in 1994, he has been criticised by the African National Congress and his own deputy, Geraldine Fraser-Moleketi, for dragging his feet in drawing up a White Paper on Welfare; failing to produce any meaningful legislation, not appointing a director general, and maintaining apartheid practices in the department.

The Welfare Department has been plagued by fraud allegations, especially relating to pension schemes. In November last year, investigations were carried out in six provinces into massive corruption involving millions of rands in state pensions.

In 1994, government estimated about R1 billion was being paid out annually in fraudulent disability and pension claims. Mr Williams admitted to Parliament last year that more than R15-million in social allowances had been embezzled or stolen from the Welfare Department in the last three years. He pledged to tighten controls on the system and crack down on pension cheats.

In the past, Mr Williams has been accused of using taxpayers money for his own personal use - allegations he has shrugged off by attributing them to work-related duties.

A R71,000 trip to the Far East with his wife in 1983 while he was Sports Minister was supposedly "to investigate the connection between culture,

tourism and distance education."

A visit to a topless bar in Town in November was an "study of the plight of street children."

And he was "overcharged" by agents when he paid R800,000 Bloubergstrand beach house that estate agents had put a value of only R450,000 on the house. Williams replied: "Well, then, I ably paid too much for it."

He also raised the wrath of delegates at a conference on violence against women in Cape Town last year when he said it had given him opportunity to look at some beautiful ladies. But he is also on record saying men needed to change attitudes and perceptions: women's role in society.

In 1984, Mr Williams made headlines when the tenants of 40 houses owned at White City in Saldanha complained he had increased rent three-fold after buying the houses, which had no electricity or running water, from a fishing company.

In 1989, thieves broke into his house in Saldanha Bay and allegedly stole crayfish tails from his freezer. Williams, who helped arrest the thieves, swore there had been only 25 crayfish tails in the freezer.

He was also accused of cheating while a student at the University of Western Cape.

'Corrupt at the expense of needy'

**Press statement by Ebrahim
Rasool Western Cape MEC
for Health and Social Services**

I have been advised this morning that the raids by the Office for Serious Economic Offences have occurred and that Minister Williams has been declared a Serious Economic Offender. This, I think, simply means that strong suspicions regarding his conduct exist and that these will now be fully investigated.

We have reached this stage following the Forensic Investigation initiated and launched by my office last year into allegations of fraud and corruption in the Social Security unit of our work. This forensic investigation was conducted by Ernst & Young under guidance by Professor Pieter le Roux. We have in our possession the first draft of the report.

The report pointed to systematic weaknesses in the administration of pensions and grants, and showed that in some cases there were junior clerks who were corrupt at the expense of needy people.

The report also showed that at middle and senior management level there were people who engaged in a variety of fraudulent and corrupt practices ranging from procuring premises and services to purchasing goods and equipment for the Department of Social Services.

Although the report is not entirely conclusive on this matter, it does

raise serious questions about the tender awarded to NISEC (now belonging to Denel) for the payment of pensions and grants.

It raises questions as to how the tender was awarded, whether NISEC can deliver a fraud-free pension service, and whether we are getting our money's worth from NISEC.

On the first two issues raised in the report, I will provide greater details at a later stage. The third issue around NISEC is the subject of a current investigation by OSEO, following the raids last year in September on NISEC and I am sure that OSEO will be guiding us further in our relationship with NISEC.

All of this is important for considering the raids this morning on Minister Williams.

I have, in the Western Cape Legislature, already raised my feeling that the fraud levels we've inherited from the National Party could not simply be the work of officials. I believed then that political sanction must have been available through commission or omission.

This feeling was confirmed when speaking to people who responded to our call for information. These people made direct contact with me, telephonically or in meetings, believing that there was at least a seriousness in tackling fraud and that their information may have a positive outcome.

These people, including bank clerks and those who worked with Minister

Williams, are vulnerable and I respect their plea for confidentiality.

The essence of what they've said is that Minister Williams has been the recipient of large sums of money in order to promote and favour particular companies who tendered for pension payments.

My alarm grew when, at a MIN-MEC meeting between the National Minister, the Deputy Minister, the Provincial MECs and officials of welfare from across the country, Minister Williams proposed that we all listen to a presentation by NISEC/DENEL on pension payouts.

I was the one to raise objections to this proposal by Minister Williams on the basis that NISEC is being investigated in the Western Cape and was a competitor for the tenders of some other provinces and that the Minister's proposal was highly irregular.

Minister Williams acceded but again tried to have the MECs have lunch with him in his office where NISEC could speak to us.

This confirmed the stories related to me by my informants and I am confident, that having made all of these available to the investigating team and that these have resulted in a Declaration of a Serious Economic Offence against Minister Williams, today's raid may have the effect of putting at the disposal of OSEO the necessary evidence which may prove or is likely to prove corruption, fraud or bribery.



Controversial Abe

Accused at former teacher, rugby administrator and cabinet minister

ARG 22/2/98

Welfare Minister criticised by Congress and dine Fraser's feet in draw-Welfare, failing legislative director general theid practice

ment has been gations, especially schemes. In investigations provinces into living millions ns estimated about id out annual-ty and pension mitted to Par-tore than R15-nces had been in the Welfare hree years. He rds on the sys-tem cheats ans has been ers money for allegations he buting them to

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A visit to a topless bar in Cape Town in November was an "official study of the plight of street children"

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He was also accused of cheating while a student at the University of the Western Cape.



THE RECEIVING END: Controversy always seems to follow former Welfare and Population Development Minister Abe Williams. Here he patiently waits for protestors to hand him their petition.

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and I respect lality they've said is has been the of money in your particu-ered for pen-

n, at a MIN-the National Minister, the ficials of wel-ntry, Minister we all listen ISEC/DENEL

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acceded but e MECs have office where JS

tories related nts and I am made all of investigating ve resulted in ous Economic ter Williams, the effect of l of OSEO the ich may prove ruption, fraud



MAN FOR ALL SEASONS:

Williams was a keen sports administrator in his younger days. Left, he dons his 1981 assistant manager's blazer for the ill-fated 1981 Springbok tour of New Zealand.

MAKING THE GRADE:

Williams, below, is capped as a social worker at the University of the Western Cape in 1982.



HAPPIER TIMES: Abe Williams and his wife Esme are all smiles as they attend the opening of parliament.

The bell tolls for NP, says ANC

ARG '22/2/96

The African National Congress has issued the following statement on the resignation of Abe Williams:

THE African National Congress has taken note of Mr Abe Williams's resignation as Minister of Welfare. It is significant that the resignation follows soon after the raids by the Office for Serious Economic Offences on his houses and offices.

Without pre-judging the outcome of the investigations that are currently in progress, the ANC urges the Office for Serious Economic Offences to move as fast as possible in order for the facts to become known.

No person, regardless of the high position that he/she occupies, or has occupied, can be above the law.

The law must act without any fear or favour. A very clear message must be sent to whoever is involved in criminal activities: you have nowhere to hide.

The current investigation by the Office for Serious Economic Offences into corruption in the Department of Social Welfare, follows the Forensic Investigation which was initiated by the office of Mr. Ebrahim Rasool, ANC MPL and

MEC for Health and Social Welfare in the Western Cape.

Mr Rasool previously stated in the Western Cape Legislature, that the fraud levels that the Government of National Unity inherited from the National Party could not simply be the work of officials.

He insisted that political sanction must have been available.

Yesterday Mr Rasool mentioned that information in his possession seems to implicate Mr Williams in having played exactly such a role.

It is important to note that ANC members of the Government of National Unity are taking the lead to expose fraud in the previous National Party government.

They are also in the forefront to develop a code of ethics for members of parliament and other mechanisms to ensure that the current government is clean and accountable.

Those who recently made sweeping statements about perceived levels of corruption in the current government, will hopefully now take note of the effective and very positive contribution that ANC members of the GNU are making to root out the corruption that we have inherited from the National Party.

It is true that blame must be appor-

tioned where it is due, but it is surely not asking too much to expect that the ANC's clear commitment to fight corruption should also receive the recognition that it deserves.

The current allegations against Mr Williams once again highlight the gross mismanagement of our country's resources by the previous National Party regime.

Surely the very serious fraud which has been uncovered in the Department of Welfare and which Mr Williams is alleged to have been involved in, could not have taken place without a general atmosphere of corruption and condoning of corrupt practices.

In this regard the National Party and its leadership, who also formed the core leadership of the previous government, cannot escape a major share of the blame.

Every time further information comes to light about the National Party's performance in the past government, more and more questions are raised among the electorate about whether the NP is deserving of even the very limited support that they received during the last elections.

The voters of the Western Cape and of South Africa are ready to pass a harsh verdict. The bell is tolling for the NP.

Pension payments are safe — deputy minister

ARCT 22/2/96
Political Staff

PENSION payments are safe, in spite of the sudden resignation of Welfare and Population Development Minister Abe Williams.

The resignation, after an investigation into alleged pension corruption, will have no effect on payouts of state pensions, grants and other forms of welfare.

This assurance was given today by Mr Williams's deputy minister, Geraldine Fraser-Moleketi.

Last week, Mr Williams and Ms Fraser-Moleketi announced wide-ranging initiatives to curb the estimated R1 billion loss to welfare fraud each year. This represented nearly 10 percent of the welfare budget.

Part of the clampdown will involve the re-registration of all welfare recipients and fingerprinting of pensioners.

(297)
Ms Fraser-Moleketi said none of these actions would be compromised by the Office for Serious Economic Offences (Oseo) investigation into Mr Williams's possible involvement in welfare scams.

She said Mr Williams's resignation had surprised everyone in the ministry, "but I think he must have felt there were reasons that justified the need for such an action".

Ms Fraser-Moleketi said she was handling welfare matters while waiting to hear from President Mandela about the appointment of a new minister.

She will head the department until a new minister is appointed. Under the government of national unity agreement, President Mandela is expected to consult Deputy President F W de Klerk on a National Party replacement for Mr Williams in the cabinet.

STRONG criticism by John Kane-Berman of the Development Resources Centre in general and me in particular on the draft Non-Profit Organisations Bill (Business Day, February 2) puzzles me.

It is true that the centre initiated and commissioned the draft Bill described by Kane-Berman as a "control scheme". And yes, the centre funded the independent study into an enabling environment.

However, it is not the centre or me personally who put forward the proposals or drafted the Bill. This was done by the study group who presented their findings after wide-ranging consultations with more than 2 000 non-governmental organisations and community-based organisations. The proposed Bill was then drafted by a group of high profile lawyers.

In response to the criticism, I would like to put forward the position of the Development Resources Centre.

Kane-Berman says we are "backtracking" in the face of criticism. As clearly stated in the first few pages of the draft Bill, the draft proposal

Draft Bill criticism puzzling

(297) WD 23/2/96

ZANE DANGOR

was intended, from the outset, to be a discussion document that would be changed and amended after discussions with all interested organisations and individuals.

Kane-Berman's contribution is not only valuable but welcome, as are those from the Helen Suzman Foundation, community-based organisations, NGOs, community organisations, the American Chamber of Commerce, civil liberty groups and individuals.

The centre and members of the study group are not comfortable with some of the proposals in the draft Bill, particularly sections 29 and 30, and are thus in agreement with Kane-Berman.

This is not "backtracking" — it is in line with the consultative and open manner which was laid down right from the start.

The centre disagrees with the clauses in the draft Bill that would

effectively repeat certain "controlling" aspects of the Fundraising Act. This is contrary to Kane-Berman's suggestion that I have been "especially defensive" of these sections.

His suggestion is supported by a letter that the centre sent out asking organisations and individuals to discuss the proposed Bill. He quotes me as saying that these sections were aimed at preventing fraud, but misreads this as justifying the inclusion of the clauses.

The section from which Kane-Berman is quoting is worth reproducing so that my reference to fraud is put into perspective.

"There is no sinister political plot aimed at controlling the NGO sector, particularly 'politically incorrect' organisations."

These two sections mentioned

are already on the statute books in terms of the regulations pertaining to Trusts and the Companies Act. The sections (29 and 30) are aimed at granting the proposed commission the capacity to prevent fraudulent practices.

"We do, however, need to assess these provisions critically and honestly. Would they be effective in reducing fraudulent practices within the non-profit sector? If we do not need them and if they can be used to control NGOs, then let us scrap them. What are the alternatives?"

The centre maintains that the Fundraising Act must be scrapped or overhauled completely. We believe government should not have the right to stop organisations from raising funds.

In contrast to Kane-Berman's accusation that we support some sort of "control regime", the centre stands for the concept that organ-

isations should account publicly for funds spent, and this should be done through process of voluntary registration, preferably with a registrar of NGOs or a similar public office.

These are the values that underpinned the Independent Study into an Enabling Environment for NGOs and are obviously different to some of the proposals within the proposed Non-profit Organisation Bill.

The current debate is, in the main, healthy. It has raised awareness among many organisations that the current policy and legal framework of NGOs need to be changed. A number of organisations have contributed "positively" and made constructive recommendations. The discussion and debates will continue over the next few months with organisations around the country.

It is the outcome of these discussions that will eventually become the draft Non-profit Organisations Bill that will be submitted to Parliament.

☐ Dangor is advocacy manager at the Development Resources Centre.

LETTERS

stole. Such libel is being maliciously spread and I am therefore

and out way I was misinformed, and have still not heard a word."

Denel denies role in alleged irregularities

Wyndham Hartley

CAPE TOWN — SA's arms manufacturer Denel has denied involvement in any allegedly irregular payments that might have been received by former Welfare Minister Abe Williams in connection with social welfare pensions in the Western Cape.

Denel owns 51% of Nisec, the company which won the contract to pay the monthly R1,5bn to Western Cape pensioners each month using a sophisticated fingerprint system.

MD Johan Alberts said yesterday that the Western Cape administration invited the tenders in early 1994 and Denel became involved in Nisec, which is now a registered company, only in September. "Denel denies that there has been any involvement on their part to secure the tender and dismisses the allegations that Denel may have been involved

with payments to obtain or maintain the contract in question."

This denial followed a statement by Office for Serious Economic Offences director Jan Swanepoel who said it was an investigation and search of Nisec's premises that necessitated the extension of the investigation into the alleged receipt of money by Williams. This, said Swanepoel, could indicate a contravention of the Corruption Act.

A war of words has erupted between the ANC and the NP over Williams's resignation. The ANC said it had always fought corruption in the NP, while the NP contrasted its own prompt action over Williams with the ANC's months-long wrangle in the Winnie Mandela and Allan Boesak affairs.

NP leader FW de Klerk had not named a successor to Williams by last night.

Comment: Page 18

Exit Abe Williams

ABE WILLIAMS' political career has always been clouded in controversy but he has always been able to bounce back. However, after this week's allegations by Western Cape Health and Social Services MEC Ebrahim Rasool that Williams is guilty of corruption and fraud, it would take something of a miracle to restore any trust in him.

Firstly, he is not likely ever to be forgiven by colleagues in his National Party for adding to the party's crises as it furiously tries to gain legitimacy.

Almost on the eve of the Cape Metropole elections, this scandal around Williams erupts. It virtually rules out any chance of the NP enhancing its image nationally and, most significantly, current prospects of entrenching its position in its only power base in Western Cape look extremely bleak.

To many political observers it comes as no surprise that Williams will end his political career under a cloud. The NP, one observer quipped, should have been a lot more circumspect before giving Williams such a senior and powerful position in government as Minister of Welfare.

If anything, his history indicates that his first and foremost concerns were his own welfare rather than that of the millions of pensioners and socially deprived people to whom he was supposed to be a servant.

As early as when he was a student at the University of Western Cape, allegations emerged of his not so above-the-board style of operation. There were claims, which he has never denied, that his university qualifications were obtained through cheating in exams.

Later, as a member of the tricameral parliament, he was instrumental in travelling abroad during the height of apartheid and pleading for the bastion of apartheid sport – rugby – to be returned to the international sporting fold.

The South African National Council on Sport saw him as one of the main defenders of sport under apartheid. At the time he was a close friend and colleague of rugby boss Danie Craven.

Williams crossed the floor in 1989 from the Labour Party to join the NP. Because of his earlier close relationships with NP figures, observers were not surprised when he crossed over.

As his stature in the discredited apartheid political system grew, so did his wealth. He became a much-despised landlord, owning some 40 houses in the West Coast town of Saldanha.

Most of the tenants were poor fishermen who depended largely on their income from seasonal fishing. In 1984 they were in an uproar

Abe Williams has weathered many a political storm in his career. Will he survive the latest scandal? Political

Correspondent **Rafiq Rohan** does not think so...

Souetan 23/2/96

because of the condition of his houses.

Tenants said they lived in slum conditions, the houses had no running water or electricity and that Williams demanded exorbitant rents.

In 1989 he was caught out in a scam around the lucrative crayfish industry. Thieves broke into his house and made off with some of his expensive silverware. Shotgun-style, he gave chase and the thieves were caught.

It was announced that the thieves also stole 80 crayfish tails, the most expensive part of the shellfish, from his freezer. At the time it was illegal to have more than 20 crayfish in your possession.

Later, red-faced, he denied there were 80 crayfish. He said there were 25 in his freezer, which still meant that by his own admission he had at least five more than the law allowed.

He was appointed Minister of Sport by his leader Mr FW de Klerk and, during his administration, was criticised for lavish spending, including the purchase of a fleet of top-of-the-range BMW cars for himself and staff.

The name given to him by people in the Cape was "Fat-Cat Abe". This title was prominently displayed on many a poster by protesters during the apartheid years.

Other criticisms levelled at him include spending taxpayer's money on an NP campaign trail in the form of R9 000 for a tea party for De Klerk's wife, Marieke (who was never forgiven for labelling coloured people "non-people").

He was also taken to court where a ruling was made against him to appoint substitute teachers while teachers were on leave.

Last week, during the briefings by all Ministries of the media in Cape Town, Williams – in what now sounds like some sort of premonition – spoke at length about corruption in the pension payout systems.



Abe Williams ... his party will not forgive him for adding to their crises.

He spoke of ongoing police investigations "at high level", of arrests and imminent arrests. Little did anyone realise how high level the investigations were, and how close to Williams himself this was going to be.

Then on Wednesday teams of detectives launched simultaneous raids on his Cape Town and Pretoria offices and houses, taking away documents.

At the time, Williams – unaware of his crumbling world – was attending his last Cabinet meeting. He came out, learnt of his fate and after an "in-depth" briefing with De Klerk, tendered his resignation.

He emphasised that the resignation was not an admission of guilt. But, as the ANC said in a statement, "Mr De Klerk should tell the country what his 'in-depth' discussion with Mr Williams encompassed, and why this led to the conclusion that Mr Williams should resign immediately".

Indeed, De Klerk may have to spell that out if he does not want to become the focal point of the election campaign in the next two months.

February last year.

ANC blames Nats for Abe Williams

By Rafiq Rohan
Political Correspondent

THE African National Congress is patting itself on the back following allegations that the now former Minister of Welfare, Mr Abe Williams, was engaged in fraudulent activities and corruption.

The ANC says the National Party must share in the blame. President Nelson Mandela said Williams had done the commendable thing by resigning.

The Office for Serious Economic Offences (OSEO) launched a dramatic search-and-find operation which involved raiding Williams' houses and offices in Cape Town and Pretoria in a synchronised operation on Wednesday. Files and documents were removed by the OSEO and are currently being examined.

The OSEO said that it extended its investigation to the former minister after it uncovered information possibly implicating Williams while investigating possible irregularities in the award-

National Party MP is said to have received lots of money for 'favours'

ing of a tender to Nisec cc to pay pensions in the Western Cape.

A search of Nisec's premises led to the extension of the inquiry to, *inter alia*, "the payment to and receipt by Mr Abraham Williams of certain amounts of money."

This information could be "indicative of a contravention of the Corruption Act of 1992", OSEO director, Mr Jan Swanepoel, said yesterday.

The lid was lifted by the local Minister of Health and Social Services Mr Ebrahim Rasool, who said he had information showing that Williams was guilty of "corruption, fraud or bribery".

"Williams has been the recipient of large sums of money in order to promote and favour particular companies who tendered for pension payments," Rasool said.

Samuel 23/2/96

Justice Minister Dullah Omar said he had authorised the issuing of the warrant to search Williams' premises. Immediately after this warrant was carried out Williams resigned.

National Party leader, Mr FW de Klerk, issued a statement saying that Williams' resignation "should not be interpreted as an admission on his part relating to any crime or irregularity".

The allegations against Williams, the ANC said, highlight the "gross mismanagement" of resources by the NP regime and that the fraud uncovered could not have occurred had it not been condoned.

"The National Party and its leadership, who also formed the core leadership of the previous government, cannot escape a major share of the blame," the ANC said.

● See page 12

The payment that put paid to Abe

(297) M+G 23-29/2/96

Abe Williams' departure from the Cabinet was brought about by a provincial MEC, whose year-long investigation unveiled extraordinary facts, writes **Rehana Roussouw**

ABE WILLIAMS is being investigated in connection with allegations that he had accepted a large bribe from a company tendering to disburse pension funds. The Office for Serious Economic Offences (OSEO) raided his house on Wednesday to establish whether claims that he had banked these funds in a front company were true.

The raid on his home and office was a result of a year-long investigation by the Western Cape MEC for Health and Social Services, Ebrahim Rasool, who in 1994 inherited a five-year contract between his administration and a private company Nisec, to pay R1.7-billion a year to Cape pensioners. Nisec is owned by Denel, a former Armscor subsidiary.

And Nisec had access to interest on R100-million for 17 days before pensions and disability grants were paid out.

Following the disclosure last year by national government that the Western Cape was losing R240-million a year in welfare fraud, Rasool launched an investigation, which he said this week unveiled facts "beyond my expectation".

Information he received from informants allegedly fingered Williams, former welfare minister in the House of Representatives.

Rasool said he had believed from the start that the levels of fraud inherited could not simply be the work of officials. "I believed then that political sanction must have been available through commission or omission."

Rasool's breakthrough came when he appealed to the public for further information. He received telephone calls and personal visits from Williams' former staffers and bank officials, who provided information

that Williams had allegedly received large sums of money to promote particular companies tendering to pay out pensions. He passed all the information he received to the OSEO investigators.

"My alarm grew when, at a Minmec meeting in December last year between the national minister (Williams), the deputy minister, the provincial MECs and officials of welfare from across the country, Minister Williams proposed that we all listen to a

presentation by Nisec on pension payouts," Rasool said.

"I was the one to raise objections to this proposal by Minister Williams on the basis that Nisec is being investigated in the Western Cape and was a competitor for the tenders of some other provinces, and that the minister's proposal was highly irregular."

"Minister Williams acceded but again tried to have the MECs have lunch with him in his office where Nisec could speak to us."

"This confirmed the stories related to me by informants and I am confident that (the) raid may have the effect of putting at the disposal of OSEO the necessary evidence which may prove, or is likely to prove, corruption, fraud or bribery."

Rasool's forensic investigation into the social security unit of his department has already yielded serious allegations of fraud and corruption, as well as weaknesses in the contract with Nisec.

Investigators found that Nisec enjoyed a monthly "windfall" where it was allowed to hold R100-million a month for 17 days before making pension and disability grant payments. This has since been corrected, and the company receives the money two days before the payments are due.

The investigation also uncovered a variety of fraudulent and corrupt practices among junior clerks and senior management in the Department of Social Services. For instance transport was procured from a company which did not own a single vehicle, but was paid R80 000 to transport files for the department.

This is not the first time Williams has been in the thick of political controversy.

His appointment to Cabinet was met with howls of protest from ANC members in Cape Town who had felt the bite of Williams' staunch support of attempts to quell anti-apartheid activity.

He first reached Parliament as a Labour Party representative for the House of Representatives in 1984. Five years later, he was appointed HoR deputy minister of education and culture and in 1991 the additional portfolio of welfare minister was added.

Williams did not endear himself to educators and parents in the Western Cape during his tenure, as he was the first Western Cape politician to propose large-scale retrenchments of teachers.

His appointment by De Klerk as minister of welfare and population development in 1994 was seen by many in the ANC as a token of appreciation to Western Cape coloured voters for their support in the elections.

Williams scandal blurs the Nats' new vision

Marion Edmunds

THE National Party had hoped to spend this coming weekend romancing the media at the Marine Hotel in the picturesque Cape village of Hermanus. The resignation of Welfare Minister Abe Williams, following the investigation by the Office for Serious Economic Offences, has put an end to that prospect.

The National Party will have to spend its first-ever media bosberaad on the defensive, doing damage control to convince a highly sceptical press corps that yes, the Nats are a good, clean and well-intentioned lot, with a future in a democratic society.

The Williams "skandaal" could not have hit the Nats at a worse time. It has spoiled the afterglow of the Nats February 2 announcement of a new vision, it has damaged the NP's prospects in the local government elections in Cape Town, to be held at the end of May.

Political scientist Professor Robert Schrire of the University of Cape Town believes that the sought-after coloured vote will be affected by the allegations made against Williams: "The moderate, conservative middle-class coloured voters will hesitate before voting NP now. Not that they will vote for the ANC, they will rather sit on their hands," he said.

This is disputed by another National Party coloured leader, the Western Cape's Local Government MEC Peter Marais, who said after hearing the news: "After Boesak was investigated, the ANC actually improved its position in the Cape; why should the National Party coloured vote be damaged by Williams' resignation?"

The comparison between Boesak and Williams is damning and raises questions about Marais's ambitions. After all, a national Cabinet seat has

been freed up by Williams' resignation and there are eager new Nationalists waiting in the wings.

As Schrire puts it: "A politician is motivated by a mixture of idealism and self-interest. In the case of the black NP members, the motivation is mostly self-interest because they were prepared to be part of a party that once discriminated against them. The NP attracts shady characters because black members in particular see it as an easy way to power and privilege."

Certainly, Williams, through his long association with the National Party and the tricameral parliamentary system, has known both power and privilege. And as political scientist Jannie Gagliano from the University of Stellenbosch points out, there were and still are a lot more like him who played a part in black local government and in the homeland governments in the old days. Many of these co-optees have found a political home in the new NP and these new recruits could ironically do the party more damage than good, if more of their skeletons come tumbling out of the warehouse of the past.

Williams' resignation has placed the spotlight firmly on the black Nationalists and it has raised the stark question: how straight are they? While nobody is giving an answer, the only NP member who has been prepared to comment honestly and authoritatively on the impact of this question is Senator David Malatsi, a politician who has over last few weeks gained some credibility as the new NP's black voice.

"I am terribly disappointed," he said in reaction to the news. "And this hampers our new vision. It undermines all our efforts to try and bring credible people of colour into the NP."

Malatsi said what the secretary gen-

eral designate of the party, Roelf Meyer, could not allow himself to say for fear of damaging his image before taking on the mantle of his new job.

A NP source said Meyer wanted the old guard "to mop up the mess" so that it did not taint him before he starts as secretary general on March 1. By midnight Wednesday, they were doing their best.

The Nats communication director, Marthinus van Schaikwyk, had swung into damage control mode:

"Remember it is not the NP we are dealing with here, it is an individual... If Mr de Klerk had not acted decisively then there might have been more damage done... of course the ANC through Ebrahim Rasool staged the whole thing as part of the election campaign in the Western Cape," he said.

To De Klerk's credit, he has acted quickly, and he settled the Williams resignation the day the news hit the street. It will be in his interest to keep up the momentum and raise the media's interest in who will replace Williams, rather than what he did wrong.

The jury is out on the former. Pundits say that Williams' replacement, if from the National Party, ought to be a



woman. There are three contenders: MP Sheila Camerer whose big plusses are her experience, and her sophistication. The Northern Cape's MEC for Public Works, Peggy Hollander — who is on the point of coming to national government to swap positions with NP MP PW Seakman — is another option. She lacks Camerer's skill and political acumen, but she is what the National Party so desperately want and what they lost when Williams went down, a Nationalist leader of colour. And to date, she has no black marks next to her name.

Western Cape Housing MEC Gerald Morkel, as a foremost coloured Nat, must also stand a chance.

Listening to the voices of the poor

Real action, not rhetoric, is needed to counter the problem of rural poverty in Southern Africa, reports **Lynda Loxton**

Mail & Guardian 23-29/2/96

THE top-down approach by governments and development agencies in dealing with rural poverty came under attack this week at the first regional conference to deal with the issue.

Katherine Marshall, World Bank director in charge of the region, asked whether Southern African governments were relying on rhetoric rather than real action on the ground to deal with the problem.

President of the International Fund for Agricultural Development, Fawzi Hamad Al-Sultan, warned that this could be a short-sighted approach as it was contributing to the endless migration of poor people from rural to urban areas. "It is the lack of opportunity in the countryside that pushes the migrants out, adding to urban unemployment and straining urban civic services to breaking point," Al-Sultan said.

"Poverty is increasing but we know we have the knowledge and the means to end it ... if we fail, the poor will tell us themselves and if we wait too long, their judgement will not be gentle."

Marshall said that in South Africa, 81% of the poorest people live in rural areas; in Lesotho, the figure is 91%, in Malawi 95%, in Zambia 76% and in Zimbabwe 92%. "The gap between the rich and the poor may be wider in this region of the world than in any other," she said.

She attributed this to the persistence of barriers bred in colonial times that still blocked the rural poor's access to fertile land and resources, as well as their isolation from major markets and poor access to social services.

Both she and Al-Sultan believe the answer lies in a more sustainable programme to make small-scale farming productive; and improved infrastructure and social services. Operating the work-



Passive actors: Malawi has one of the highest ratios of poor people in rural areas in Southern Africa

PHOTOGRAPH HENNER FRANKENFELD

shop, Deputy President Thabo Mbeki said an integrated process was needed that took all these factors into account, plus skills development.

All speakers, however, stressed the need to "hear the voices of the poor" and involve them in all planning and implementation.

Marshall said the poor could not continue to be "passive actors" in their development if attempts to improve their lot were to succeed.

This could be more costly and time-consuming than "old ways of doing business, but it is the only way of guaranteeing that our efforts are effective and successful".

As a representative of the World Bank, Marshall talked about the need for macro-economic balance and especially the need to ensure that the "myths" surrounding the kinds of painful structural adjustment programmes undertaken by many countries in the region did not undermine political leaders and development programmes.

"As economic growth begins to return to Southern Africa, we need to turn our attention to the more difficult policy issues by focusing on the quality of that economic growth ... to ensure that the poor are not bypassed, so ensuring they are not treated as some sort of economic afterthought," she said.

**"I do bank offshore
I don't have instant access
to my money**

Abe's political approval won contract — claims

Star 23/2/96

(297)

Probe into former minister began after complaints that a company without adequate technological capacity won tender

By JOURNAL RANTAO
Political Reporter

The resignation of Abe Williams as Minister of Welfare and of Population Development is connected to an investigation into how a company with capital of only R100, and lacking the required technological capacity, won a R500-million tender to administer pension payouts in the Western Cape for five years.

Well-placed sources have told The Star that investigations by the

Office for Serious Economic Offences began six months ago after a well-established Cape Town firm called Three ID Systems, which also bid for the contract, suspected that the successful company, Nisec, had been awarded the tender corruptly.

Three ID Systems is involved in a court case with Nisec, the State Tender Board, the Government and the Department of Welfare and Population.

The sources say that on March 11 1994 the Western Cape govern-

ment invited tenders to re-com- pile the social services register. Nisec had changed ownership five days before the tender was published.

"The owner knows nothing about technology," a source claimed. "He only received technological backup from (arms manufacturer) Denel after the contract was won. Nisec did not have the technological capacity when it won the tender."

The source said when the Nisec tender was turned down

by, among others, Dr Chris Stegmann, a member of the regional tender board, minister Williams wrote to Western Cape director-general Henne Beukes in May 1994. Williams requested that the tender be agreed upon as soon as possible and it was awarded to Nisec on June 21.

Williams is said to have guaranteed "political approval" for the Nisec tender.

The source said that when Three ID Systems' efforts to have the Nisec tender withdrawn drag-

ged on in court, the company started its own investigations and handed information to the OSEO. After months of investigation, the OSEO declared the awarding of the tender to be a serious economic offence.

OSEO director Jan Swanepoel said yesterday investigations into a tender awarded to Nisec had led investigators to possible corrupt activity by Williams. Investigations were then extended to include the former minister.

"The investigations are into

the payment to and receipt by Williams of certain amounts of money, possibly indicative of a contravention of the Corruption Act of 1992," he said.

Denel yesterday denied any involvement to secure the tender. It had bought a majority share in the company only after it was awarded the tender.

NP leader F W de Klerk is likely to suggest NP MP Jac Rabie or Western Cape Housing MEC Gerald Morkel to replace Williams, NP insiders have told The Star.

Council refuses permission for kiosk for disabled

BY LORNA ZOKUFA
City Reporter

It has taken Wynne Cohen five years to see her dream for a recreational park for disabled children come true and now only one thing stands in her way.

Cohen, who has had specially designed swings for the disabled installed at Orange Grove Park, would like to see the park completed by the opening of a tea garden in the grounds.

But the Greater Johannesburg Transitional Metropolitan Council (GJTMC) has turned down her application, saying the kiosk might start to sell commodities such as bread, milk and cigarettes and therefore turn into a kind of local cafe.

Cohen has written a letter to the GJTMC reassuring them the kiosk will be a tea garden only, selling cold drinks, chips, chocolate, icecream, cakes, tea and coffee.

"I have a responsibility to the residents who have signed a petition in support of this initiative to ensure the tea garden in the park is not abused in any way," Cohen said.

"This project is very close to my heart and I believe when this park is completed, it will have far-reaching effects on the community and especially the children.

"The park will create a wonderful opportunity for disabled children to integrate with physically normal children and so feel they belong in society," Cohen added.

Star 23/2/96

Cape 'corridor' in R250m RDP plans

ET 23/2/96

~~297~~

(297)

BARRY STREEK
POLITICAL WRITER

A LARGE project to establish a development corridor between Wynberg and Khayelitsha along Lansdowne Road was among the R250-million RDP proposals announced yesterday.

The deputy director-general in the Office of the President, Dr Bernie Fanaroff, said 10 business plans worth more than a quarter of a billion rand were passed by the RDP programme steering committee in January.

He said plans to implement the municipal extension programme showed that work

had begun on more than 200 project sites around the country.

"To date, a total of 421 projects amounting to R422m have been approved. Of these, the Western Cape and Northern Province have the most projects — 118 and 85 respectively — compared with the Eastern Cape (36), Free State (14), Gauteng (34), Mpumalanga (36), KwaZulu-Natal (13), North West (33) and the Northern Cape (26)," Fanaroff said.

The Department of Transport has been given the green light to proceed with planning the development of four metropolitan

"corridors", including the corridor between Wynberg and Khayelitsha along Wetton and Lansdowne Roads.

The other three corridors are at Barelinsk Node in Johannesburg, a site near Baragwanath Hospital in Soweto, Mabopane-Centurion in Pretoria and the Warwick Avenue Node in Durban, Fanaroff said.

The Wetton-Lansdowne Road Corridor Project aims to create an effective development corridor as a long-term project.

"The short-term objective is to establish a basis to make further development possible."

'SEARCH DOES NOT INDICATE GUILT'

Williams affair rocks NP

(297)

THE NP REELED under the shock of Mr Abe Williams' resignation from the cabinet yesterday, despite praise from President Nelson Mandela. **BARRY STREEK** reports.

AS the political consequences of Welfare Minister Mr Abe Williams' resignation from the cabinet widened yesterday, the Office for Serious Economic Offences warned that the investigation into the alleged irregularities would probably take a "considerable" time.

For the National Party, the news could not have come at a worse time — and the announcement yesterday that veteran politician Mr George Bartlett was also to quit active politics has compounded the impression that senior Nationalists were deserting a lost cause.

Williams was one of the key figures in the NP's surprise victory in the Western Cape in the 1994 election. He denied yesterday that he

would resign from the NP or from Parliament, and he was praised by President Nelson Mandela for quitting — but his resignation from the cabinet was a serious blow for the NP's bid to broaden its base by portraying itself as non-racial.

This followed the decision of Deputy Speaker Dr Bhadra Ranchod to quit active politics, the resignation of other NP leaders such as Deputy Land Affairs Minister Tobie Meyer, and the suspension of youth leader Pierre Jeane Gerber and Senator Sathi Naidoo, one of its few black parliamentarians from KwaZulu-Natal.

Yesterday, there was considerable speculation in NP ranks about who Williams' successor will be — perhaps a woman such as Sheila Camerer or someone from the

provinces. The NP may use the opportunity to negotiate a cabinet reshuffle so that the Welfare portfolio is re-allocated.

Yesterday the director of the Office for Serious Economic Offences Jan Swanepoel said in a statement that during a search of Nisec, a subsidiary of the state-owned Denel, "information came to light which was followed up and eventually necessitated the extension of the inquiry to inter alia the payment to and receipt by Mr Abraham Williams of certain amounts of money, possibly indicative of a contravention of the Corruption Act 1992".

Swanepoel said, however, the investigation would probably take "a considerable time".

When it was completed a report would be submitted to Justice Minister Dullah Omar and all evidence would be handed over to the attorney-general.

Swanepoel also said it had

come to his attention that Western Cape Health and Social Services MEC Ebrahim Rasool had alleged in a press release that Williams had been declared a "serious economic offender".

"If anyone declared him a serious economic offender, it was certainly not I or the Office for Serious Economic Offences."

The fact that Williams' offices and houses were searched did not mean that he was guilty of any offence, Swanepoel said.

Mandela said that Williams had done a commendable thing by resigning in the wake of the serious allegations.

Speaking on the steps of Tuynhuys after meeting visiting German Bundestag President Dr Rita Suessmuth, he said this did not mean that by this action he was admitting guilt.

He said the matter was sub-judice and he did not want to comment any further.

CT 23/2/96

Helping the healing process

'Every South African has a story to tell - the story of what I did, what I failed to do and what I was forced to do'

ROGER FRIEDMAN
Staff Reporter

THE Trauma Centre for Victims of Violence and Torture - housed in a 19th century Anglican monastery in Woodstock - is contemplating a shift in focus in keeping with the realities of the new South Africa.

It was set up in response to an unjust racist system which tortured and incarcerated its opponents, and traumatised a nation for more than four decades.

It was located at Cowley House in Woodstock where relatives of Robben Island prisoners used to meet - and which was later used as the reception centre when the island prison was emptied of its political prisoner cargo.

Funding was obtained from the Danish government days after the execution of South African Communist Party general secretary Chris Hani in April 1993 - South Africa was burning, political violence was pervasive and the so-called New South Africa appeared a whimsical dream.

Almost three years down the line the dream has become a reality. Except it's a dream with a grey lining. Political violence has given way to criminal violence.

This is one of the issues that staff at The Trauma Centre for Victims of Violence and Torture have to grapple with in their quest to maintain the organisation's relevance in the changed society.

Another is the Truth and Reconciliation Commission.

Because in spite of its stated aim of not conducting a witch-hunt, the Truth and Reconciliation Commission will undoubtedly open old sores among both victims and aggressors.

"People who may not have used our services before, are suddenly going to start thinking again of events that may have taken place 30 years ago," explained one of the centre's triumvirate of directors, Tom Winslow.

less than six percent of its annual torture rehabilitation budget to Africa."

"So," said Dr Winslow, "part of our job is to convince people to start shifting resources and start caring for Africa."

But the responsibility was not the First World's alone.

"We hope the South African government will begin to take responsibility for healing the wounds the South African government created in the past."

"I think it should be done through non-governmental organisations. Therefore, the state has a responsibility to subsidise organisations like ours."

Torture and Captivity Project

Comrades don't cry - although many show the symptoms of unspeakable inner suffering.

The Torture and Captivity Project provides mental health and socio-psychological services for torture survivors and former political prisoners and detainees.

It also runs the Big Buddy Programme for children on the verge of being released from prison.

According to the project co-ordinator, Marlene Bosselt, the psychological implications of torture often only surface years after the event - sometimes decades after.

This is why some of the survivors of the Nazi concentration camps are still getting treatment. And it explains why someone tortured 40 years ago may still have trouble sleeping and interpersonal and intergenerational problems.

The most common forms of torture used by the apartheid regime included sexual assault, common assault and solitary confinement.

The aim of torture is simple: "To break a person psychologically and to force the person to break the bonds with society."

Ms Bosselt - and her team of two full-time case workers and volunteer students from the University of the Western

political violence, but on reviewing the project we quickly realised we could not limit ourselves to political violence," said Ms Walaza.

So although criminal violence, rape, sexual assault and domestic violence are not directly included in the Trauma Centre's brief, few services are offered in African townships and the project tries to cover these areas as well.

"In any case, when does political violence stop and criminality start?"

Ms Walaza believes political violence includes shack-burning, faction fighting, massacres, assassinations, taxi violence and police brutality.

Whereas the project historically concentrated on the Crossroads and Nyanga areas, gangsterism could force it to spread its wings.

Research Project

It is Donald Skinner's job to ensure that whatever programmes the Trauma Centre embarks on, they are relevant and in keeping with the realities of the new South Africa.

A clinical psychologist, Professor Skinner co-ordinates the Research Project and sees his primary role as serving the other projects. He is busy finalising an overall needs analysis which he started working on in August 1994.

Beyond that, Professor Skinner will conduct research on specific requests, for example, whether there is a need to organise a working group of returned-from-exile youth.

He has also delved into violence on farms and domestic violence, and is to start a project assessing gang violence.

"The idea is to spend some time talking to victims of gang violence, to see what traumas they experience, to try and isolate particular strengths that exist, and to intervene at that level."

"Strengths might include community organisations, potential for neighbourhood structures or potential for setting up after-school activities."

Other essential parts of Pro-

"Every South African has a story to tell - the story of what I did, what I failed to do and what I was forced to do."

Working on an inter-faith basis, Father Michael is developing a religious response model aimed at helping survivors of torture and violence come to spiritual terms with their lives.

A series of Healing of the Memories workshops is underway, at which trainers are learning to take the concept throughout the country.

He describes the process as "the opposite of forgive and forget."

People will be encouraged to wrestle with their own truths," said Father Michael who sees the process as operating alongside the Truth Commission.

Father Michael is also the key figure in the Returned Exiles Project, offering counselling and support services to many of the 1 500 exiles who returned to the Western Cape.

While the liberation movements looked after their members in exile, when they returned it was to a climate of homelessness and joblessness. The project is in the process of being re-evaluated. Meanwhile, an Influx of Refugees Project, is gathering momentum.

TEAM LEADERS:

Nomundo Walaza, Marlene Bosselt and Donald Skinner co-ordinate the Urban Violence Project, the Torture and Captivity Project and the Research Project, respectively.

Pictures: ANDREW WINGRAM, The Argus



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the organisation's relevance in the changed society

Another is the Truth and Reconciliation Commission

Because, in spite of its stated aim of not conducting a witch-hunt, the Truth and Reconciliation Commission will undoubtedly open old sores among both victims and aggressors

"People who may not have used our services before, are suddenly going to start thinking again of events that may have taken place 30 years ago," explained one of the centre's triumvirate of directors, Tom Winslow.

"The Truth Commission will be a catalyst for a number of different healing processes. We know it is not going to reach everybody. We know that people who suffered human rights abuses which were not gross abuses will not be appearing before the commission.

"We might be able to create a safety net," said Dr Winslow. "The commission is desperately in need of help."

The question is, does the centre have adequate resources, staff and capacity to make an impact?

And for how long can it rely on the so-called First World to continue funding humanitarian projects in the former colonies?

Dr Winslow said the kind of psychological-social services offered by the centre constituted a relatively new field in psychology.

There are now nearly 70 such centres in the world.

"The aim was to get European and United Nations money to set things up, in the hope that after three to five years the host nation would take over the function," he said.

"Globally, about four per cent of the UN Voluntary Fund for Victims of Torture finance comes to Africa. South Africa does not contribute to this fund.

"The European Union gives

vivors of the Nazi concentration camps are still getting treatment. And it explains why someone tortured 40 years ago may still have trouble sleeping and interpersonal and intergenerational problems.

The most common forms of torture used by the apartheid regime included sexual assault, common assault and solitary confinement.

The aim of torture is simple. "To break a person psychologically and to force the person to break the bonds with society."

Ms Bossett - and her team of two full-time case workers and volunteer students from the University of the Western Cape - aims to impact on that.

How do they measure their success?

"We do an evaluation when the person comes in. Then we do whatever intervention is required, and on completion of the therapy we do another evaluation.

"For many people there is a sense of being able to access old memories and pains that brings a measure of relief," said Ms Bossett.

Urban Violence Project

One of the biggest challenges facing Urban Violence Project co-ordinator, Nomfundo Walaza, is educating people on the role of psychological services.

"People are used to medical and social services, but psychology is still very misunderstood," she said.

"Black communities really struggle with the notion of how psychology can help because they were deprived of psychological services in the past."

The project provides social-psychological services to individuals, groups and communities affected by political and organised violence in the Western Cape.

"The main focus when I came here in August 1994 was

specific requests, for example, whether there is a need to organise a working group of returned-from-exile youth.

He has also delved into violence on farms and domestic violence, and is to start a project assessing gang violence.

"The idea is to spend some time talking to victims of gang violence, to see what traumas they experience, to try and isolate particular strengths that exist, and to intervene at that level.

"Strengths might include community organisations, potential for neighbourhood structures or potential for setting up after-school activities."

Other essential parts of Professor Skinner's work are evaluating existing projects and answering specific research questions.

And he will have a close look at secondary trauma arising out of the Truth and Reconciliation Commission.

Chaplaincy Project

Michael Lapsley, a Trauma Centre director and former African National Congress chaplain in exile, sees the role of the Chaplaincy Project as supporting other projects.

As the victim of a letter bomb which ripped off his hands in 1991, Father Michael is also in the unique position of being able to offer "peer counselling" to others who have lost limbs.

And delve into questions such as: Why did God do this to me? Why did God allow this to happen? How must I endure? How can I have hope?

"We have about 45 million traumatised people in South Africa who were messed up by apartheid."

"The Truth Commission will hear stories of gross human rights violations. But that is a small percentage of South African stories."

Donald S
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SURVIVOR: Former African National Congress chaplain Michael Lapsley lost his hands in a letter bomb containing the pages of religious magazines, which was sent to him while in exile in Zimbabwe in 1991. Today Father Michael, one of the centre's three directors, runs the Chaplaincy Project - when he's not dealing with refugees and returned exiles.

□ Task group leader wants national action on all social services departments

Fraud probe urged

ROGER FRIEDMAN
Provincial Affairs Reporter

THE leader of the task group investigating alleged fraud and irregularities in the Western Cape social services department has called for a national investigation into fraud and corruption in social services departments across the country.

Speaking today in the light of the Abe Williams affair, Pieter le Roux "strongly recommended" that individual provinces awarding pension payout tenders postpone their decisions.

Former national Minister of Welfare and Population Development Abe Williams resigned on Wednesday after police raids on his houses and offices in Cape Town and Pretoria.

The Office for Serious Economic Offences (OSEO), which carried out the raids, said yesterday they followed an investigation of possible financial irregularities over the award of a tender to Nisec CC — later taken over by Denel — for the payment of pensions and grants in the Western Cape.

OSEO was brought into the investigation by Professor Le Roux's task group.

A search of Nisec's premises led to the extension of the investigation to "inter alia the payment to and receipt by Mr Abraham Williams of certain amounts of money"

Western Cape Health and Social Services Minister Ebrahim Rasool said the

LATEST: Denel executive spokesman Paul Holtzhausen today flatly denied that Denel or Nisec had ever paid any money for any reason to Abe Williams.

allegations against Mr Williams did not concern the Western Cape tender.

Other provinces awarding contracts similar to that granted to Nisec in the Western Cape include Gauteng and the Eastern Cape.

Professor Le Roux recommended that national action be taken on three fronts by the establishment of:

- A task group for effective management;
- A commission for fraud and corruption; and
- A social security systems task group to investigate immensely complicated systems questions including appropriate information systems and data monitoring systems.

The recommendations followed discussions this week between Professor Le Roux and newly appointed national Director-General of Welfare Leilah Patel.

Professor Le Roux estimates on the basis of the World Bank Poverty Survey that as much as R1 billion a year in pensions and grants never reaches intended beneficiaries.

"Particularly in the light of the recent developments we wish to strongly recommend that the individual provinces, who are in the process of considering tenders for similar contracts (to the Western Cape's), delay any decisions."

● Mr Williams's attorney, Frikkie Erasmus, said today he was formulating a claim for alleged defamation over statements by Mr Rasool. The claim would be "extensive", he said

● Denel said it was waiting to hear whether its tenders to distribute pensions in other provinces were successful.

● Western Cape African National Congress leader Chris Nissen today called for the OSEO investigation to be extended to look into allegations of financial irregularities in the former House of Representatives (coloured administration).

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get the project started as quickly as possible.

"The main aim of the development is to directly develop and create business opportunities for people living in previously disadvantaged areas.

"We will not only be constructing a 20 km road linking the two areas but plans are in place to develop an economic node which will help to stem the exodus of economically active people from Khavelitsha."

"But for it to be successful we need local investors and business people to invest in the area and to show the same enthusiasm as they did when they invested in places like the Victoria and Alfred Waterfront and in areas on the other side of the life."

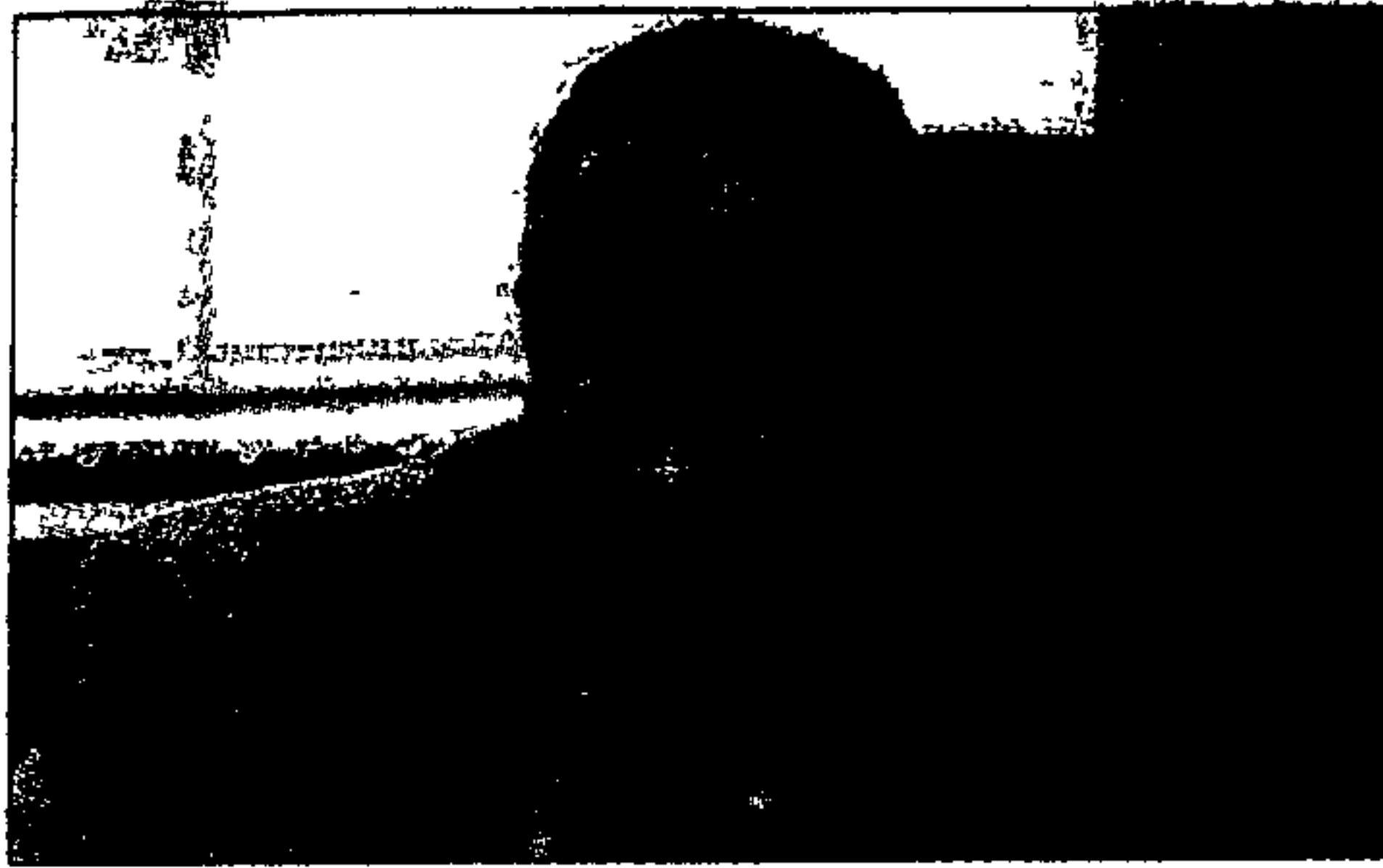
Mr Ntuli said although the project was at an early stage of development, several meetings had been held to get as much input and people involved in the process as possible.

ARG 23/2/96
ensure greater access to black

students.

Sasco plans to march on the Stellenbosch campus next week in protest against the small percentage of black student enrollments and against the university's language police which, it believes, excludes black students.

But Bonisile Nesi of the South African Students' Congress (Sasco) says the university should be forced to take active steps to



Abe Williams pictured yesterday

PHOTOGRAPH: BRENTON GEACH

It wasn't a payout - Williams

By GLYNNIS UNDERHILL

Cape Town - Former welfare and population development minister Abe Williams says he did receive money from pension company Nisec but claims this had nothing to do with its winning a multimillion-rand tender.

"I never received money from Nisec as a payout for the tender being awarded. Definitely not. I was definitely not involved in handling that contract. It was not my job to be handling contracts," Williams said.

He resigned from the Cabinet within hours of Office for Serious Economic Offences (OSEO) raids at his offices and homes in Pretoria and Cape Town this week.

The office named Williams as a suspect in its probe of irregularities in the award of a tender to Nisec for payment of pensions on behalf of the Cape Provincial Administration.

While Williams said he did not wish to elaborate on how Nisec's cash had been used, he did say he would co-operate fully with the OSEO.

His lawyer, Frikkie Erasmus,

said there had never been a payment relating to the tender.

"There might have been payment later, but it was totally unrelated to the activities of that company or the operations of the pensions department," Erasmus said.

OSEO director Jan Swanepoel said that during a probe of the tender award, documents had come to light which caused us to worry about Mr Williams.

Inquiries about Williams and his bank account led to the search.

Swanepoel said he had never accused Williams of being a serious economic offender but he was under investigation. "Less than a million" was involved.

In an interview yesterday, Williams said he was not guilty of any offence in the pensions scandal. He would be heading for his hometown of Saldanha on the west coast to address the leaders of his constituency in person this weekend.

While he would continue his work as an MP, his resignation from the Cabinet was "the honourable thing to do" under the circumstances, Williams said.

Abe returns to his roots but vows to fight back

RCG 24/2/96 (297)

■ Minister of Welfare and Population Development Abe Williams, who resigned this week after the Office for Serious Economic Offences raided his homes and offices in Pretoria and Cape Town, has vowed to fight back.

GLYNIS UNDERHILL
Staff Reporter

VOWING to fight back, former Minister of Welfare and Population Development Abe Williams said he had woken up yesterday morning to the realisation his world had not crashed around him.

After his shock resignation this week in the wake of raids by the Office for Serious Economic Offences on his homes and offices, Mr Williams said the family had been going through "a difficult time".

"I have always been called controversial. I always stood up for what I believed in, from the early days of international sport. I always spoke out. I am going through a difficult time and it's not good for my family. My personal life is under a lot of strain," he said.

While Mr Williams told SATURDAY ARGUS he had at some stage received money from Nisec, he claimed it was not as a payout for the awarding of a pensions administration tender to the company in the Western Cape.

However, he declined to elaborate on the details and said he would be assisting the Office for Serious Economic Offences (OSEO) with its investigation.

Mr Williams has been named by the OSEO as a suspect in its inquiry regarding possible irregularities concerning the award of a tender to Nisec for the payment of pensions on behalf of the Cape Provincial Administration.

In an expansive mood yesterday, Mr Williams said he had decided it was "not the end of the world" and he must fight back. The phone had not stopped ringing since his resignation and people he did not even know had offered much support, he said.

Flowers had been sent to his family and all gestures were appreciated, said Mr Williams. Even the local priests had shown tremendous support in this time of need, he said.

Mr Williams said he believed he had done a good job as Minister of Welfare and Population Development and the impact of the policies instituted would be felt in the long term.

He admitted the circumstances surrounding his prompt resignation from the cabinet had "not been a happy occasion." While he was saddened that some members of the Press had chosen to find him guilty while the investigation was in its preliminary stage, he said he accepted other politicians around the world also faced similar treatment from the media.

Mr Williams said he had felt a responsibility to his colleagues, as well as deputy president Mr De Klerk and the President, and in the interests of good government, to do the right and honourable thing.

"I cannot sit in the cabinet while I am under a cloud of suspicion," he said.



□ **NEW BEGINNINGS:** Former National Party Minister Abe Williams says his family has been placed under considerable strain after his shock resignation

Picture: BRENTON GEACH Staff Reporter

Always labelled a "controversial figure" by the media, Mr Williams said he had decided to retain his seat as a member of parliament and he had not decided yet whether to resign.

"I will look at it later. I feel I have to go back to a grassroots level and I am concerned about my community. The coloured people feel they are being left behind. I want to get to the real issues. I have always been a bridge builder," he said.

Mr Williams confirmed he would be suing Western Cape Health and Social Services Minister Ebrahim Rasool for defamation over statements made about him by Mr Rasool at a press conference.

Mr Rasool is alleged to have said Mr Williams was a "serious economic offender" but the OSEO director Jan Swanepoel insists the investigation is at a preliminary stage.

"If anyone declared him a serious economic offender, it was certainly not I or OSEO," said Mr Swanepoel.

Mr Williams said he would in the meantime continue his community work and he would be going to Atlantis and Saldanha, his home town, at the weekend.

"I will be preparing for the local elections in these areas. I just want to show my face. People will expect me to inform them of these developments. I must explain my reason for resigning and the role I have to play," he said.

A qualified teacher and former school principal, Mr Williams said he had a wealth of experience to fall back on should he decide to resign as an MP.

Now I just want to be left to settle into my new role and let the enquiry continue," he said.

With his enormous wealth of community work behind him, Mr Williams said his future was not a big concern for him.

He pointed with affection to a painting on the wall of his ministerial office which he had commissioned of his home town Saldanha on the West Coast. "This is the West Coast on a sunny day with the wind on the choppy sea," he said.

Mr Williams said he had grown up in Saldanha and his father had been a fisherman.

From his humble beginnings, Mr Williams rose to become the most senior ranking coloured member of the National Party.

ABE: I DID GET

But I was not guilty of any offence in the pensions



STARTING AFRESH: After his shock resignation, former Welfare and Population Development Minister Abe Williams was planning a weekend addressing his parliamentary constituency on the West Coast.

Hudson ill as Palframan gets second chance

RAWALPINDI. — South African opening batsman Andrew Hudson looks almost certain to miss tomorrow's big World Cup clash against England.

While a few players — Hudson was one of them — didn't take part in an optional practice at the KRL ground yesterday, coach Bob Woolmer later revealed that the 30-year-old Natalian was suffering from a bout of flu.

"It's unlikely that he will be able to play tomorrow," said Woolmer.

The good news, however, is that paceman Shaun Pollock, who has been having problems with a recurring ankle injury, appears to be on the mend.

"It flared up before the match against England in Port Elizabeth," said Woolmer "and it hasn't really cleared up. But thankfully, Shaun says he hasn't felt twinges for two days."

Hudson's absence would probably mean that wicketkeeper Steve Palframan will open the innings with Gary Kirsten.

England, who arrived in Pindi yesterday after what manager Ray Illingworth described as a "rather bumpy two-hour drive" from Peshawar, are in good shape.

"Richard Illingworth has had tummy trouble for a couple of days, but he seems to be okay now," said coach Illingworth who added that he should have a full complement of 14 to select from come tomorrow. — Sapa

More reports in sports section

Search for plane postponed

DURBAN — The Air Force has postponed until today the search for a light aircraft which was reported missing early yesterday.

The aircraft, with two people aboard, was en route to Maritzburg from East London and last made contact with aviation officials at 7pm on Thursday.

The pilot apparently decided to change his route because of low cloud and thunderstorm activity and planned to follow the coastline to Virginia airport in Durban, the Aeronautical Research Co-ordinating Centre (ARCC) said in a statement. — Sapa

Former Welfare and Population Development Minister Abe Williams, who resigned this week under a cloud of suspicion, confirmed he did receive a payment from Nisec — but insists it was not related to the awarding of a tender to the company.

GLYNNIS UNDERHILL
Staff Reporter

FORMER Minister of Welfare and Population Development Abe Williams now has disclosed he did receive money from the pension company Nisec — but claims this money was unrelated to the awarding of a multi-million rand tender to the company.

"I never received money from Nisec as a payout for the tender being awarded. Definitely not. I was definitely not involved in handling that contract. It was not my job to be handling contracts," said Mr Williams.

His shock resignation came soon after the Office for Serious Economic Offences (Oseo) raided his offices and houses in Pretoria and Cape Town.

Oseo has named Mr Williams as a suspect in its inquiry regarding possible irregularities in the award of a tender to Nisec for the payment of pensions on behalf of the Cape Provincial Administration.

In an exclusive interview with SATURDAY Argus, Mr Williams said he did not wish to elaborate at this stage what the money from Nisec had been used for. However, he said he would be giving his full co-operation to the Oseo.

His lawyer Frikkie Erasmus, who was present during the interview, said there had never been a payment relating to the tender.

"There might have been payment later, but it was totally unrelated to the activities of that company or the operations of the pensions department," said Mr Erasmus.

Oseo director Jan Swanepoel told SATURDAY Argus Mr Williams was a suspect in its inquiry and the money involved was "less than a million."

"When we raided the premises of Nisec in Port Elizabeth, we came across documents which caused us to worry about Mr Williams."

"We made certain inquiries about Mr Williams and his bank account, which led us to the search." He said he had never accused Mr Williams of being "a serious economic offender", but had said he was under investigation.

In the interview at his ministerial offices, Mr Williams said he was not guilty of any offence in the pensions scandal.

He said he would be heading for the West Coast and his home town of Saldanha to address the leaders of his constituency this weekend.

While he would continue his work, at a grass-roots level, as a Member of Parliament, his resignation from the cabinet had been "the right and honourable thing to do" under the circumstances, said Mr Williams.

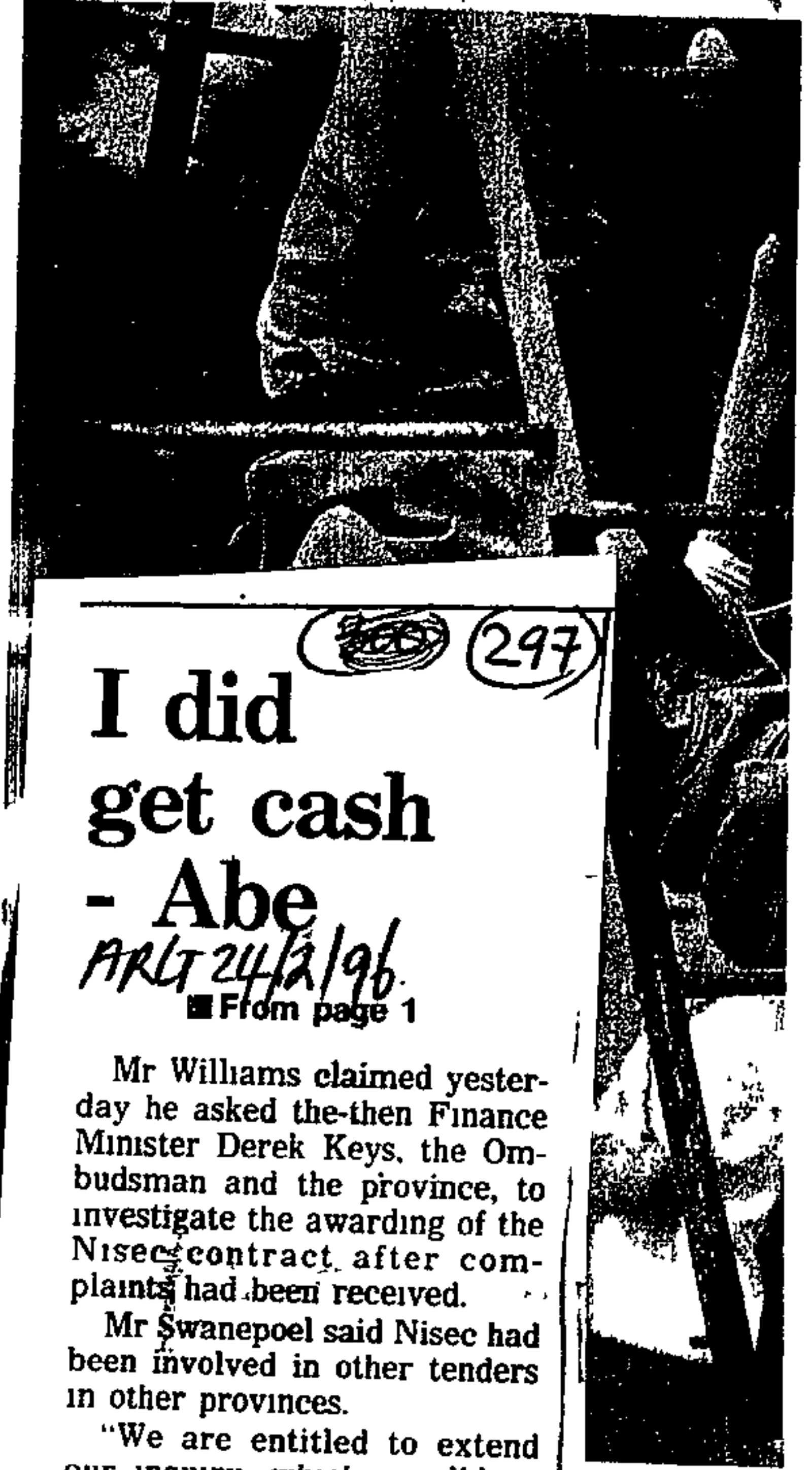
"I felt a responsibility to my colleagues — as well as Deputy President De Klerk and the President and in the interests of good government — to do the right and honourable thing. I cannot sit in the cabinet while I am under a cloud of suspicion."

Mr Williams said he realised he might be "going into the wilderness" by resigning, but he would continue with his community work.

Looking relaxed and confident, Mr Williams said he had decided to retain his seat as a Member of Parliament and had not decided yet whether to resign.

Mr Erasmus said he had documentary proof that Mr Williams was in no way involved in the evaluating or awarding of the tender.

To page 3



I did
get cash
- Abe

ARG 24/2/96
From page 1

Mr Williams claimed yesterday he asked the then Finance Minister Derek Keys, the Ombudsman and the province, to investigate the awarding of the Nisec contract after complaints had been received.

Mr Swanepoel said Nisec had been involved in other tenders in other provinces.

"We are entitled to extend our inquiry, which we did in this case, into Mr Williams' affairs," he said.

Mr Swanepoel said Mr Williams was under suspicion of a possible contravention of the Corruption Act of 1992, which covered the taking of gifts or rewards.

"We are investigating money received in connection with any tenders."

The investigation is at a preliminary stage and could take months, said Mr Swanepoel.

While Mr Williams was a suspect, it still could be proved he did not receive money corruptly, he said.

"We have raided before and we have found a person not to be guilty. Maybe he can provide a reasonable explanation," said Mr Swanepoel.

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End of road for man in the white panama hat

BY VETTE VAN BREDA

ABE WILLIAMS, who resigned as Minister of Welfare this week, was the life and soul of any social event.

More often than not wearing a flamboyant white panama hat, the amiable bear of a man liked nothing better than to lead his pals in the singing of Kaapse goemiedities.

But not everybody appreciated buffoonery and many of his political colleagues detested his frivolous behaviour in public. "Between you and me," whispered one this week, "his going could prove to be a blessing in disguise."

Mr Williams' career was dogged by controversy. His antics often caused the National Party as much embarrassment as Winnie Mandela brought the ANC.

He could hardly have dreamt, when he began his career as a primary school teacher in Saldanha Bay, that he would one day sit in President Nelson Mandela's cabinet.

That he reached such dizzying heights is a tribute to his staying power. But along the way he earned the wrath of many of his own coloured people, earning names like "traitor" and "jackey" and "kreeidier" (crayfish thief).

NORMAN WEST charts the rise and fall of the tenacious Abe Williams, a man considered by many of his own people to be a lackey

The Cape Teachers' Professional Association, then led by Franklin Somo, now the ambassador to Washington, took him to court and won the case. Autocratic Abe, as he was then called, was forced to withdraw his ruling.

The "kreeidier" posters held aloft by protesting students had their origin in an incident in 1989 when thieves broke into his Saldanha house and stole two dinner services and allegedly 80 crayfish tails and 40 crayfish from his deepfreeze.

Mr Williams gave chase in his luxury state car, fired a couple of warning shots when he spotted the villains and so helped the cops nab them. The legal limit at the time was 20 crayfish a person. Mr Williams swore only 25 could have belonged to him.

He was perhaps first thrust into notoriety when he accepted the position of assistant manager of the 1981 Springbok rugby team pleading for international recognition of South African sport. This was in defiance of a call from the South African Council On Sport that there should

be "no normal sport in an abnormal society" and an international call to isolate South African sport.

Mr Williams was shunned by his community and widely ostracised as an "Uncle Tom" of the apartheid regime.

When Allan Hendrickse and his Labour Party decided to contest the elections for the House of Representatives in 1984, Mr Williams was elected by the small number of voters who did not boycott the poll.

He and Mr Hendrickse became the best of friends.

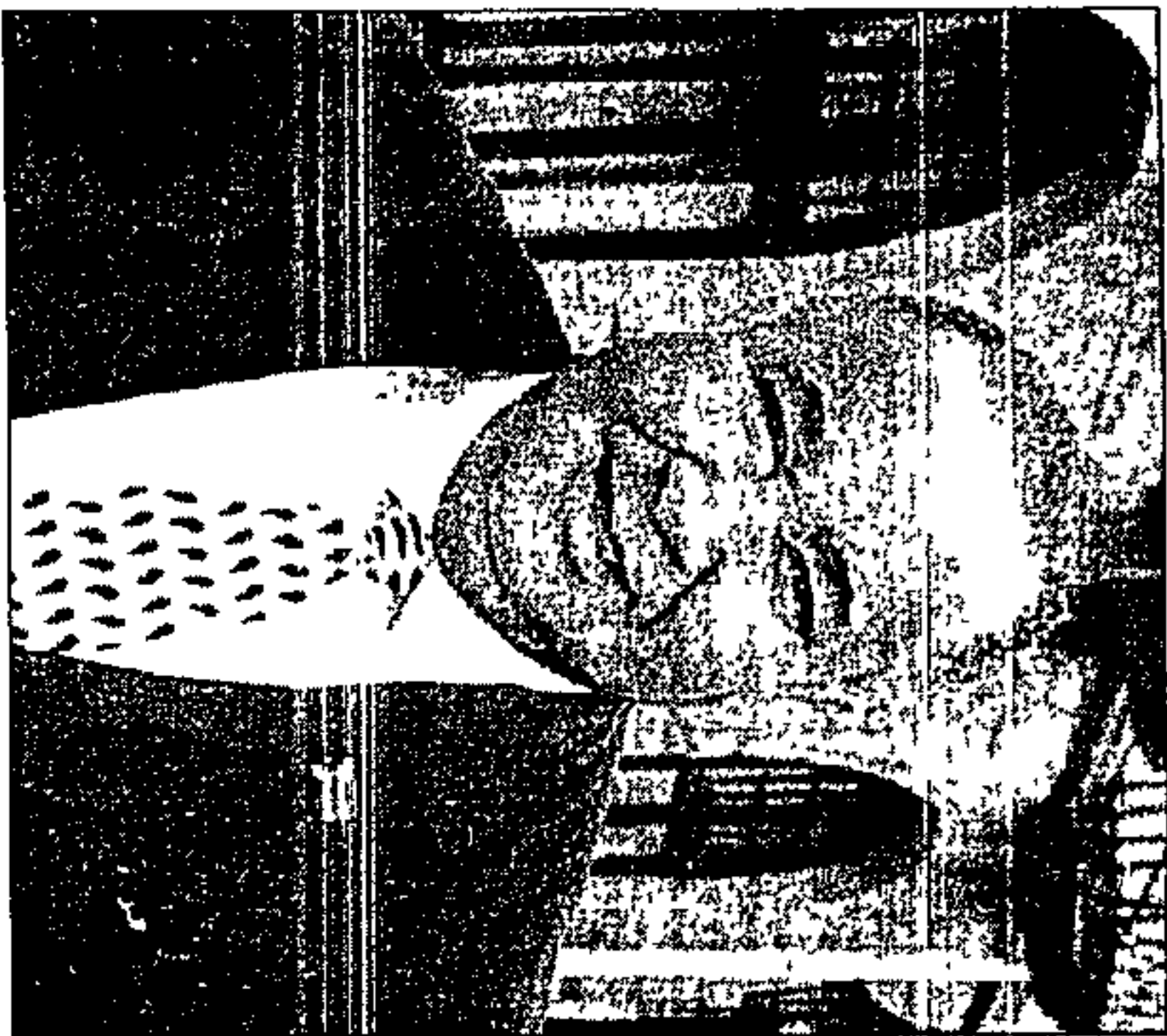
Mr Williams was soon appointed the national secretary of the Labour Party and later the Minister of Education and Culture.

Gerald Morkel, who is now the housing minister in the Western Cape legislature, grew fed-up with Mr Hendrickse's autocratic style. In 1991 he led a rebellion and joined the NP.

Mr Williams followed suit and, after the 1994 elections, became Minister of Welfare and Population Development, a move most people saw as his reward for being such a loyal supporter of NP ideology.

Ironically, a glossy four-page insert with a picture of Mr Williams as minister appeared in newspapers on Friday proclaiming a campaign to rid the welfare system of its "unnecessary" problems.

"It is estimated that close to R1-billion is lost through inefficiency and fraud in the system," the insert declared.



ON THE WAY OUT . . . Abe Williams was fond of buffoonery

BANK officials and staff members who had worked for the former Minister of Welfare and Population Development, Abe Williams, provided the information which led to this week's swoop on his homes and offices this week by the Office for Serious Economic Offences.

Last week, Mr Williams announced in Parliament that the government was launching a nationwide cleanup of pension fraud, which, he said, was costing the taxpayer an estimated R1-billion a year.

This week, he resigned his post amid allegations that he had been receiving money from Nisec, a company which had successfully tendered to pay out pensions in the Western Cape.

The chain of events which led to his shock departure began when the deputy head of the Office for Serious Economic Offences, Tommy Prins, applied for a warrant to search Mr Williams' Rondebosch and Pretoria homes, and his Cape Town office.

On Wednesday, police seized several documents relating to the pension fund. The Pinelands home of the former chief director of the Western Cape's Department of Social Welfare, Dr Ebrahim Jaridien, was also raided by officials.

The swoop was the culmination of a year-long investigation started by Western Cape minister for Health, Ebrahim Rasool, after the disclosure that the Western Cape lost R240-million a year in welfare fraud.

Mr Rasool, who in 1994 inherited a five-year contract between his administration and Nisec to pay R1,7-billion a year in grants and pensions to 260 000 people in the Western Cape, said his investigation revealed astonishing facts.

He believed that "political sanction must have been available through commission or omission" and that the fraud could "not simply be the work of officials."

His appeal to the public to come forward with information had resulted in calls and visits from Mr Williams' former staffers and bank officials.

Mr Rasool said Mr Williams was not suspected of acting irregularly before the contract was awarded. However, money had changed hands after the tender had been finalised.

In terms of the contract, Nisec is being paid R125-million over five years.

Mr Rasool said a report on the administration of pensions in the province raised serious questions about the award of the tender to Nisec, and whether we are getting our money's worth from them.

This week the head of the Office for Serious Economic Offences, Jan Swanepoel, said that on September 5 the unit had de-

clined to launch an investigation into possible irregularities concerning the award of the tender to Nisec.

"Certain information" came to light during a search of Nisec's premises, which necessitated the "extension of the inquiry to, inter alia, the payment to . . . Mr Williams of certain amounts of money", which possibly indicated "a contravention of the Corruption Act of 1992".

Mr Swanepoel said the investigation would probably still take considerable time. Once completed, a report would be handed to Minister of Justice, Dullah Omar. The evidence would also be handed to the attorney general.

The fact that Mr Williams' offices and houses were searched does not mean he is guilty of any offence, said Mr Swanepoel. The investigation into how Nisec won the tender began in September with police raids on its Port Elizabeth, Pretoria, and Cape Town offices.

Computer records, lists of company assets, accounting books and other documents were seized.

Asked why two Cape provincial officials, Antoin Scholtz and Andre Louw, were employed by Nisec shortly after the company was awarded the Western Cape tender, a Nisec source said that it "had been expected that the successful company would take staff from the CPA who had the necessary expertise to get the new system up and running".

Mr Rasool said the earlier situation in which Nisec had access to R100-million for 17 days before pensions were paid out, had been remedied and the company now received the money only two days before payments were due.

Denel's managing director, Johan Alberts, said Nisec CQ — which was previously owned by Michau Mahan Huisamen of Port Elizabeth before being taken over by Denel — had lodged a tender to pay pensions in the Western Cape on April 5 1994. On June 16 that year, Mr Huisamen was told that the company had been awarded the tender.

Mr Alberts denied that there was any involvement by Denel "to secure the tender" and dismissed allegations that the company had made any payments "to obtain or maintain the contract".

In another twist to the saga, Mr Williams announced that he was going to sue Mr Rasool for an "extensive amount".

This followed claims by Mr Rasool at a press conference on Wednesday that Mr Williams had been declared a "serious economic offender". This was denied by Oseu, which said that Mr Williams was merely being investigated for a possible contravention of the Corruption Act.

ST 25/2/96

Task team bid to unblock RDP spending

Stephen Laufer

UMTATA — Government's Transkei task team would serve as a model for the rest of SA if it succeeded in unblocking RDP spending in the region, Minister without Portfolio Jay Naidoo said at the weekend.

Naidoo was speaking at the launch of the team at the Umtata town hall, attended by local authority representatives from Transkei.

Also present were Deputy President Thabo Mbeki, Eastern Cape premier Raymond Mhlaba, provincial local government and housing MEC Max Mase and public works MEC Thobile Mhlahlo.

The aim of the task team, which includes financial, local government, business, technical and political experts, is to determine why central

Continued on Page 2

Transkei

Continued from Page 1

state-funded projects valued at R1,5bn are proceeding so slowly in the province. The Eastern Cape faces a deep financial and development crisis, with local government and law enforcement in many areas — particularly in the former Transkei — in a state of collapse.

In its investigation of stalled projects, the team will operate along five "corridors", focusing on Butterworth, Mount Ayliffe, Cala, Port St Johns and Umtata.

During the next two years it will focus on the rehabilitation of water and electricity supply and roads, which are seen as being pivotal to private-sector investment and capable of job creation.

Naidoo said the plans for infrastructural and other development were in place, but that far too little had actually happened on the ground.

The task team would not seek to replace local authorities but would assist them in clearing spending blockages. "It is their job to establish whether rules, regulations or technical capacity is holding development," he said.

Naidoo said an example of the problem was the failure of cellular phone networks to reach Transkei. An investigation had uncovered the blockage.

Mbeki said the problems of the

Eastern Cape highlighted the need to move "from a rules-driven to a delivery-driven public service".

"We need public servants who are problem solvers rather than bureaucrats," he said.

In a clear reference to the role of the Public Service Commission, Mbeki said the task team intervention had taken months to set up, despite an agreement on the issue between central and provincial governments.

Mbeki painted a bleak picture of the region, the poorest in SA with basic infrastructure lagging far behind the national average.

The poverty rate of 73% accounted for a quarter of all SA's poor. In Transkei the figure was 92%, with more than 75% of people living in informal structures and 85% having no access to sanitation, water or electricity.

The average number of people supported by a single earner is 3,7 — double that for the whole of SA.

More than 30% of men are absent from their families, six times the national average.

The rehabilitation of law enforcement would require special attention, said Transkei deputy area commissioner of police Christo Louw. He is also a task team member.

Widespread nepotism had affected morale in the old Transkei police, Louw said. The criminal justice system also needed to be rehabilitated.

Mbeki expected to unveil details of growth and development

Greta Steyn

A TEAM appointed by Deputy President Thabo Mbeki has designed a growth and development strategy which aims to propel the economy onto a sustainable growth path averaging 6% a year by the turn of the century.

Mbeki is expected to release some details of the strategy at an intergovernmental meeting in Cape Town today. The policy package was put together after Mbeki became head of a high-powered Cabinet committee

charged with economic affairs in August last year.

It is understood that Mbeki is walking a tightrope over the release of the plans. He wants to avoid a repeat of the privatisation debacle when his announcement drew an angry reaction from labour. At the same time, he has to make sure that he wins the approval of fickle financial markets. He also has to deal with the possibility of disappointment from those who expect a fireworks display.

Sources close to the team that drew

up the policy package said it regarded fixed investment spending by the public and private sectors as the locomotive for economic growth.

It set priority targets for the RDP while taking into account the macro-economic limitations.

Of major importance was the introduction of a target for income redistribution over a 10-year period, a source said. This goal had not been included in the RDP, even though SA had one of the most skewed wealth distributions in the world.

The distribution goal had been included after an RDP study found that the poorest of blacks earned a monthly average of R281, while the poorest of whites earned R5 000.

The key towards achieving a more balanced distribution of wealth was massive job creation through economic growth. The country had to achieve an economic growth rate of 6% a year — creating 300 000 to 500 000 new jobs a year, the source said.

“Organised labour will have to come on board.”

The team had considered ways to enhance productivity and had investigated links between real wages and productivity. It was envisaged that negotiations with labour would take place before any firm stance was taken on the labour market.

It appears as if those involved in the plan are divided about the approach needed, with not everyone calling for greater labour market flexibility.

The source said huge public sector

Mbeki

(297) Continued from Page 1

ED 26/2/96

fixed investment spending — which would go largely towards meeting basic needs and catching up on backlogs — would provide impetus to economic growth. It was hoped that the investment push would “crowd in” the private sector.

The architects of the plan believed a real fixed investment growth rate of 15% a year would help to achieve and sustain a 6% yearly average growth rate. It would be compatible with government’s disciplined fiscal targets, provided restructuring of state assets brought in revenue.

There is a section on industrial policy which includes a proposal for tax incentives for private investors. This should please business people who have lamented the disappearance of incentives such as the 37½ tax break for minerals beneficiation. There is also emphasis on training.

A source said much of the framework was already government policy,

but it had been put into a coherent package which identified priorities.

“The RDP has everything in it but the kitchen sink. This narrows it down and says how government must change to achieve the targets. It gives government something to measure itself by.”

The strategy has been drawn up around six “pillars” — a 6% average annual growth rate achieved through a combination of supply-side and demand management policies; a job creation target; an income redistribution target; literacy; basic needs; and safety and security.

“It is big on crime prevention,” a source said. It also contained proposals for transformation of the public sector to push through the strategy.

Mbeki is unlikely to provide much more than an outline of the framework today — if at all. His spokesman said on Friday that “certain processes needed to be completed before the strategy could be released.”

But Minister without Portfolio Jay Naidoo told reporters last week that Mbeki would unveil the strategy this week, and that it should be regarded as “a work in progress”.

Continued on Page 2

strategy

R1,2 bn to aid E Cape Province

Mbeki is confident the funds will improve the lives of Transkei people

Sowetan 26/2/96

By Joe Mdhlela
Political Reporter

DEPUTY PRESIDENT Thabo Mbeki is firm in the belief that it will take hard and productive work from various stakeholders to rehabilitate the Eastern Cape, particularly Transkei.

Mbeki, together with Minister Without Portfolio Mr Jay Naidoo, were guest speakers at the launch of the Eastern Cape Presidential Project in Umtata on Friday.

They addressed an audience drawn from various walks of life, including representatives from non governmental organisations, trade unions, business and the farming community.

Restore administration

The Government had already allocated R1,2 billion in order to restore administration in key areas of the province.

The fund will also help to strengthen safety and security measures in the area, as well as restoring confidence in the criminal justice system.

In his address, Mbeki stated that it had been a deliberate plan by the previous government to starve

Transkei of resources necessary to develop the region.

"The Transkei region, like many of the other homelands, was the dumping ground for our people.

"It was deliberately starved of resources and funding which has resulted in gross under-development," Mbeki said.

Mbeki said there was over employment in the provincial government, and driving his point home, made an analogy of 12 tractor stations manned by 40 drivers.

Idle drivers

"What do you do with the excess 28 drivers. Do you pay them a wage even though you do not have work for them?" he asked.

Naidoo said R800 million which had been allocated to the reconstruction and development fund in the province had not been used last year.

"The obvious question to ask is, why has this not happened? We are here, with the people of this region, to find answers

"Because we do not wish to be prescriptive, we are providing a back-up service through the project team who must continually liaise with local communities."

Naidoo explains how he plans to get Eastern Cape's RDP funds moving

By Jovial Rantao
Political Reporter

Umtata - There were no autograph hunters waiting for the deputy president inside the dilapidated Umtata City Hall. And no slogans, freedom songs or the toy-toy. Only talk - serious talk.

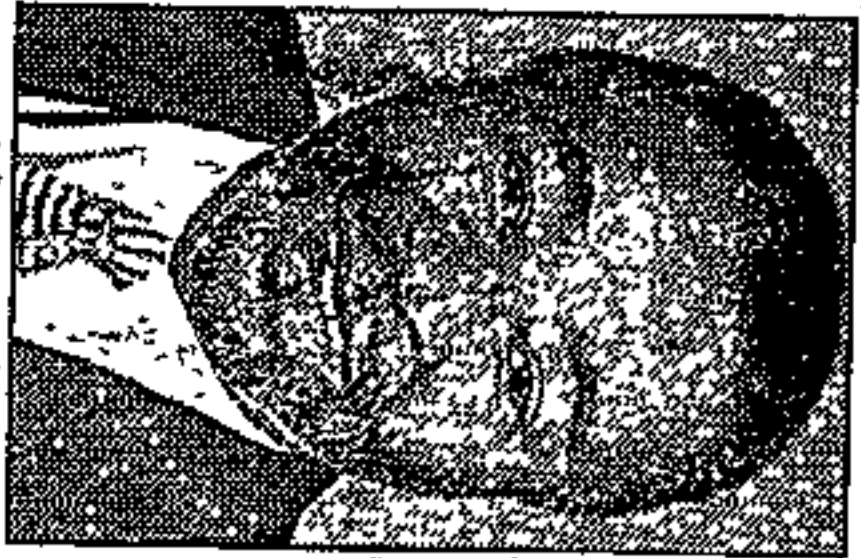
The faces of the people who packed the hall to listen to Thabo Mbeki and Minister without Portfolio Jay Naidoo on Friday morning told a thousand stories of frustration, desperation, anxiety and hope - desperate hope.

The national flag was upside

down - an indication of how wrong things were in this part of the country from which so many ANC leaders, including President Mandela and Mbeki, were born.

It was an interaction between two top politicians and the grassroots at the most practical level. A government eager to unblock millions and activate projects to alleviate the plight of a poverty-stricken citizenry came face to face with a populace hungry for jobs, roads and empowerment, among other things.

A total of R800-million, Naidoo said, had been allocated to



Thabo Mbeki... R800-m lying idle because the know-how isn't there.



Jay Naidoo... a team will tackle the non-delivery of projects.

the Transkei area to kickstart RDP projects. However, lack of capacity and technical ability had led to the non-delivery of the projects.

Mbeki and Naidoo were in Umtata to announce measures to unblock the funds.

The money is part of R1,2-bil-

lion which has been allocated to projects in the Eastern Cape where key areas for state intervention were identified. Mbeki, Naidoo and Eastern Cape Premier Raymond Mhlaba announced the appointment of a team - in which business, labour, local and provincial governments and community organisations are represented - as a step towards kickstarting delivery.

Mbeki said the tasks of the project management team would be to carry out an assessment with a view to creating budgets.

Mbeki spoke of a need to

move from rules to results.

As soon as the speeches were over, an emotional people's forum got under way. Locals wanted to know why local expertise was not considered for the team.

The team, Naidoo explained, was not a political structure but a technical support system. "Very little has happened in the past two years because, while we have the money and the business plans, people don't have the technical capacity to turn these into bricks and mortar."

"However, we're intervening to make sure this happens."

Shw 28/2/96

(297) (44)

MONDAY
FEBRUARY 26, 1996 *

SQUATTERS 'DO THINGS FOR THEMSELVES'

Govt gives R10m to scheme for homeless

ET 26/2/96 (297) (123)
A **SELF-HELP SCHEME** to enable the homeless to build homes with community savings was given R10 million by the government at the weekend. **LINDIZ VAN ZILLA** reports.

THE government has given a R10 million boost to a homeless people's organisation that organises squatter communities to set up saving schemes to help them finance building their own houses.

The money was awarded to the SA Homeless People's Federation which since 1994 has launched more than 350 such saving schemes countrywide.

The self-help system encourages people to put savings in a combined community housing fund from which loans can be made to build houses.

Mrs Iris Noma, administrative director of the People's Dialogue, which launched the federation, said people were encouraged to do things for themselves.

She said: "People contribute daily what they can afford, even if sometimes its only 50 cents."

The SA government and foreign investors have responded positively towards the initiative.

Housing Minister Ms Sankie Mthembi-Nkondo, who handed over the R10m cheque to the federation in Philippi on Friday, expressed the government's commitment to assisting people who

were prepared to help themselves.

Mthembi-Nkondo, who was accompanying a German delegation on a visit to a federation housing site in Philippi, said she was encouraged by what she saw.

"Self-help could become the answer to the housing problem in South Africa," she said.

Noma said the system involved daily contributions from federation members to the savings fund. The money was pooled and loaned to members who felt they were ready to build their own home.

"We have simple loan systems, with repayments over 10 or 15 years."

Noma said 90% of the building work is done by women of the community who are taught brick-laying and other skills.

Development drive into law

W Cape to have powerful legal body by April

ARG 26/2/96

~~297~~

(297)

Labour Reporter

BY April this year, the Western Cape will have a powerful new body to drive development in the province.

The Provincial Development Council Bill has been tabled in the provincial legislature and will become law by April this year.

It provides for a provincial development council (PDC) which will advise, negotiate and consult with the provincial government on development-related issues.

The council will draw together provincial government, business, labour and community-based development groups in what is essentially a provincial version of the National Economic Development and Labour Council (Nedlac).

Its powers include evaluating effectiveness of laws and policy affecting development. It will work with provincial departments and other bodies to formulate and implement development policy.

The provincial premier may also give the council further powers by proclamation in the government gazette.

The council will consist of various chambers and

specialist committees, such as economic affairs, agriculture, commerce and industry, and tourism.

Adrian Sayers, co-ordinator of the proposed PDC, said several processes were under way to prepare for the launch of the council.

All those involved were formulating a constitution for the council and eight regional district councils were being launched.

These are the:

- South Cape/Garden Route, with George as its main centre;
- West Coast, including the Olifants River area;
- Breede River, with Worcester as a focal town;
- Cape Metropolitan region;
- The Little Karoo;
- Central Karoo;
- Winelands;
- Overberg.

The Cape metropolitan regional district council area has 54 reconstruction-and-development programme forums.

The intention is to rationalise these into six forums, corresponding to municipal boundaries next month.

500 000 jobs

Government aims at massive employment boost

By Rafiq Rohan
Political Correspondent

THE GOVERNMENT is looking at implementing radical measures that could lead to the creation of up to 500 000 jobs annually, Deputy President Thabo Mbeki announced yesterday.

As part of a renewed strategy, the country's Gross Domestic Product (GDP) would also have to be increased by at least six percent a year by the year 2 000, he said.

Mbeki told the Intergovernment Forum Summit in Parliament yesterday that poverty and unemployment were the number one challenges facing the country and the notion that it was "business as usual" had to be stopped. For this to happen, sacrifices would have to be made.

"If we hope to achieve development and economic growth we need to overcome decades of under-development, discrimination in resource allocation and low economic growth."

He told the meeting that task teams of directors-general had identified four high level targets. These include:

- Creating 300 000 to 500 000 new job opportunities annually by the year 2000;

- Sustaining annual GDP growth of at least 6 percent by 2000;
 - Doubling the share of national income received by the poorest households; and
 - Providing the basic household infrastructure to all by 2005.
- "Extraordinary measures" will be required to achieve the four targets, Mbeki said.

"They involve significant trade-offs, compromises and sacrifices and a

transitional period of hard work to achieve a competitive economic plateau."

Government, the business sector, labour and others have to make a commitment to these objectives.

"In the short-term," Mbeki pointed out, "the situation may be difficult but will improve in the medium to long-term as we begin to reap the benefits of our RDP-based growth and development strategy."

Reconstruction and Development Programme's Minister Jay Naidoo emphasised this point to the gathering. "In the short-term there have to be sacrifices so that in the long-term everyone can benefit." The new patriotism means putting South Africa to work, he said.

Speed up growth

Releasing the draft National Growth and Development Strategy at the summit as the blueprint for taking the RDP forward, Mbeki set out the steps that would speed up growth and development.

These included increasing employment, rapidly increasing the standard of living of all South Africans and transforming the public sector and the civil service.

Mbeki also introduced a number of pillars to restructure the economy and society to make growth possible. These include:

- Restructured industries and services that create employment;
- Huge investment in training and education;
- A national crime prevention strategy;
- Providing social security for the poor so they can be brought into the mainstream of society.



Mbeki's promise

Thabo Mbeki - announced that the Government's target was to create 300 000 to 500 000 new jobs annually by the year 2000.

Mbeki calls for sacrifices to achieve jobs goal

(297) Star 27/2/96

Govt seeks growth of 6% and creation
of 500 000 jobs a year by 2000: wants
Mandela's 'new patriotism' to take root

By PATRICK BULGER
Cape Town

Senior Government officials and economic planners met behind closed doors here yesterday to continue planning a National Growth and Development Strategy which Deputy President Thabo Mbeki had earlier said meant "sacrifice and hard choices" in the years ahead.

The meeting of the Inter-Governmental Forum brought together national and provincial role-players to hammer out details of the strategy, and to continue the work begun last year by the Cabinet's ad hoc committee on growth.

Opening the two-day meeting, Mbeki outlined the Government's intentions to double the economic growth rate to 6% by the year 2000, to promote an increase in public and private sector investment of 10% a year and to create up to 500 000 jobs a year by 2000.

The strategy is intended to complement the Reconstruction and Development Programme and to provide the means for arriving at RDP goals.

On an economic level, the sacrifices being asked of state departments, trade unions and the private sector are summarised in President Nelson Mandela's call for a "new patriotism" during his opening of Parliament speech ear-

lier this month.

Mbeki said that meant that reconciliation could not entail the perpetuation of privileges for a few at the expense of the majority.

"The new patriotism challenges us all to make major strides towards social peace, development, economic growth, redistribution of resources and opportunities, and true democratisation of society. We must become a non-racial, kinder and caring society which values the contribution of all our citizens."

The deputy president said the goals could be achieved, but only if there was "a significant change in the way Government and our social partners work together".

The number one challenge was poverty and unemployment, which meant the first priority had to be job creation. Growth itself would not guarantee the elimination of poverty.

Mbeki called for major investment by both public and private sectors and a 10% increase in non-gold exports to lift the growth rate from 3.5% to 6% in 2000.

The strategy entailed a substantial increase in employment, a rapid increase in the standard of living of all South Africans and a greatly increased share for the poor majority, the maintenance of macro-economic growth, public sector transformation and greater

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sacrifices to reach
employment goals

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regional integration.

"In order to achieve the targets, we would require a package of properly sequenced interventions and indeed these must contain certain measures that are beyond the current strategies with which we feel comfortable.

"They involve significant trade-offs, compromises and sacrifices, such as major shifts in budgets, fiscal discipline, major gains in productivity, restructuring of the civil service, tariff reform and a transitional period of hard work to achieve a competitive economic plateau.

"Government, the business sector, labour and other stakeholders must all commit themselves to meeting these objectives. In the short term, the situation may be difficult but will improve in the medium to long term, as we begin to reap the benefits of our RDP-based strategy," Mbeki said.

He said the strategy rested on pillars which he listed as: industrial restructuring, huge investment in education and training, enhanced investment in household and economic infrastructure, a national crime prevention strategy, a social security system and public sector transformation.

Mbeki said he expected most of the policy work to be completed in the first half of this year.

Part of the sensitivity surrounding the policy formulation process relates to the sacrifices the labour sector will be called on to make in the interests of ensuring a more flexible labour regime that would assist rather than restrict the creation of jobs.

Mbeki said: "We need a balance between the need to have a labour-absorbing economic growth path with the introduction of hi-tech, modern production forms."

Economic sectors that would drive job creation were listed as: manufacturing to meet basic needs; exports; tourism; land and agricultural reform; construction and engineering; and financial and administrative services.

Team to probe Williams

(297) (300) Star 28/2/96

Two advocates, top police officers to investigate fraud claims

By Jovial Rantao
Political Reporter

The Office for Serious Economic Offences has assigned two advocates and two senior policemen from the SAPS's commercial unit to investigate allegations of fraud and corruption against former welfare and population development minister Abe Williams.

OSEO director, advocate Jan Swanepoel, told The Star that the investigating team would, for the next few weeks, be busy collecting documentation and would interview Williams and other witnesses at a later stage.

"It will be some months before this investigation is completed," he said.

The leader of the National Party, Deputy President FW de Klerk, was said to be in consultation yesterday with people in and

outside his party before naming Williams' replacement. He is expected to make the announcement late today.

Party insiders have told The Star that De Klerk would appoint one of the three prominent Western Cape coloured MECs to the welfare and population development portfolio. They said the NP leader, under pressure to elect a coloured leader from the province, would in all likelihood appoint Peter McKenzie (MEC for safety and security), Gerald Morkel (housing) or Peter Marais (local government).

The appointment of a Western Cape coloured leader is viewed by NP strategists as one of the most crucial in view of the forthcoming May 29 local government elections.

Pressure on De Klerk to show loyalty to the coloured-dominated Western Cape has meant that

other candidates such as the Northern Cape's Peggy Hollander and former deputy justice minister Sheila Camerer would not be considered.

A surprise appointment could be that of NP MP Jac Rabie or the shifting of NP Gauteng MEC John Mavuso to the welfare and population development portfolio.

Mavuso was recently appointed to take over as general services minister after Chris Fisser was named as the new provincial affairs and constitutional development minister. Fisser replaced Roelf Meyer, who has been appointed NP secretary-general.

Williams resigned a week ago after his houses were searched by OSEO investigators in connection with possible irregularities in the awarding of a tender to a private company for the payment of pensions on behalf of the provincial administration.

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Nongovernmental organisations (297)

4 Mr P W COETZER asked the Minister without Portfolio:†

- (1) Whether his Office has a list of all the nongovernmental organisations (NGOs) in South Africa, if not, why not, if so, how many NGOs were there in each province as at 31 December 1995 or the latest specified date for which information is available,
- (2) with reference to his reply to Question No 17 on 6 September 1995, how many NGOs were involved in the coalition of NGOs to which he referred in his reply,
- (3) whether there is a central committee which may act on behalf of the coalition; if so, (a) how many members does the committee comprise and (b) how are the members elected or appointed,
- (4) whether his Office has or exercises any functions in respect of (a) NGOs in general and (b) any particular NGOs; if not, what is the position in this regard; if so, what are the relevant details in each case?

N49E

The MINISTER WITHOUT PORTFOLIO:

The RDP Office must be seen as a catalyst for the old system of Government to respond to a new and challenging environment. The major task facing the RDP Office is to create an enabling environment for Government and NGOs to interact. The number of NGOs working directly with the RDP Office, as an office, has no relevance to the role of NGOs in the Reconstruction and Development Programme.

Judging by the number of Government Departments which have established solid relations with the NGO sector one can confidently say the RDP Office is succeeding in ensuring that civil society participates in Government.

- (1) It should be noted that there are several DATA Bases on NGOs. The RDP Office has access to a data base of two major institutions who have a track record, namely PRODDER which publishes an NGO Directory annually, and the Development Resources Centre, which provides on line information on NGOs; the information can also be accessed in a hard copy
- (3) The highest decision making organ of the Coalition is the Assembly which consists of executive members of all Provincial as well as Sectoral Coalitions.

The National Executive Committee con-

These are our primary, but not exclusive, sources of data on NGOs

Statistics on NGOs.

Gauteng	1 795
Northern Province	173
North West	117
Northern Cape	79
Orange Free State	208
KwaZulu-Natal	731
Eastern Cape	578
Western Cape	935
Mpumalanga	138
TOTAL	4 743

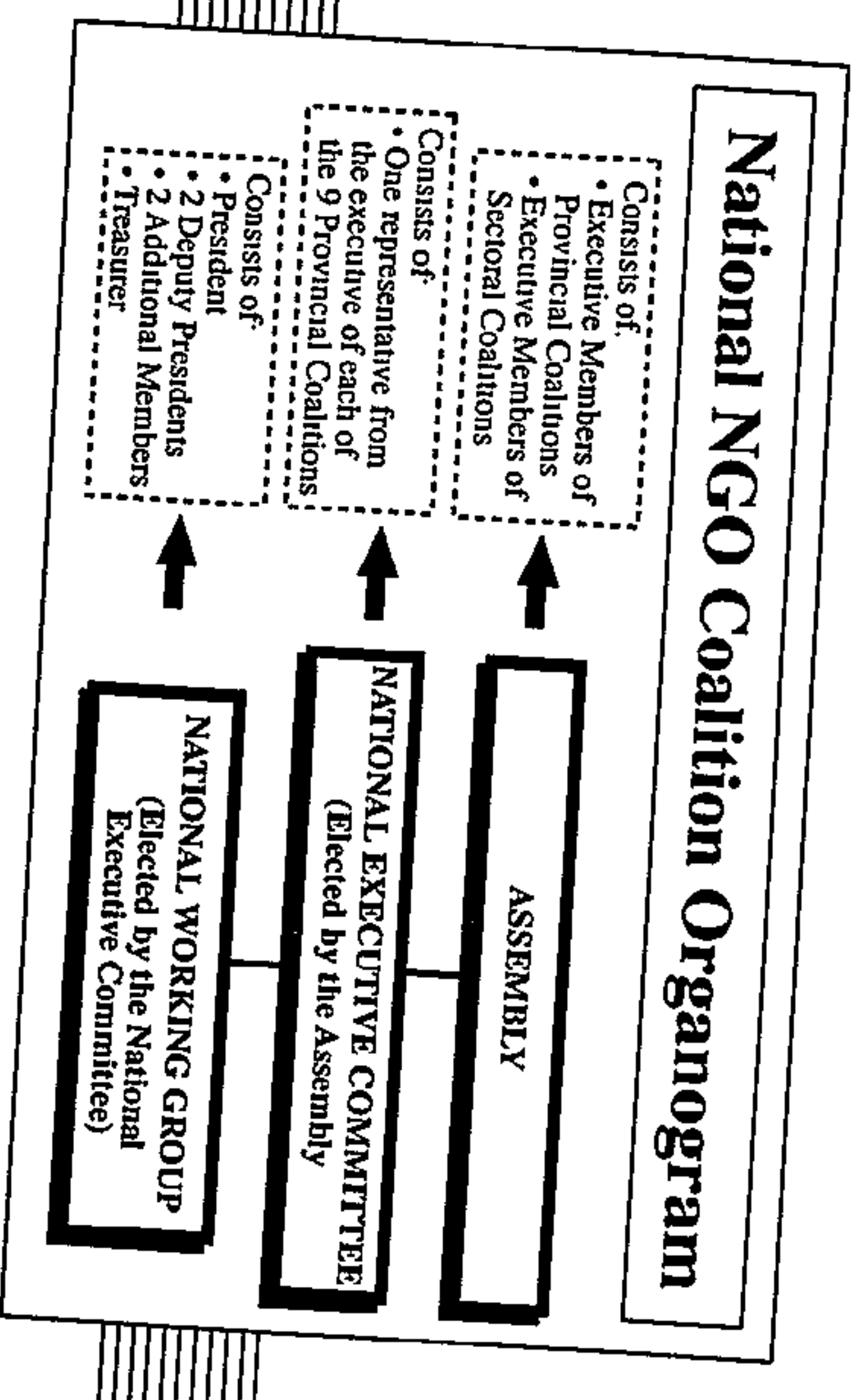
Previous figures of 54 000 have been difficult to prove as they were based on all institutions outside Government. The methodology used in that research had many limitations and did not focus on developmental institutions. As the RDP Office we have therefore discounted the 54 000 figure and are working on figures that are more recent and credible. The figures above are based on head count at a particular point in time. Processes are in place to revise them. We hope to have an update not later than June this year.

- (2) The NGO Coalition represents thousands of NGOs organised in all nine Provinces of South Africa. Each of the Provinces has a Provincial NGO Coalition that represents a majority of NGOs in that Province. Each provincial coalition is an affiliate of the National NGO Coalition. Certain Provinces, for instance the Eastern Cape, have broken down the Province into sub-regions. Each sub-regional structure is affiliated to the Provincial structure. Since the launch of the Coalition in August 1995, the membership base has kept swelling so significantly that it is difficult for us to have an accurate picture of how many NGOs are affiliated to the Coalition. Provincial and Sectoral Coalitions are in the process of consolidating their lists and it is envisaged that this process will be concluded by mid-March 1996.

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sists of Chairpersons from each of the nine Provincial Coalitions and Chairpersons of each of the 12 sectors, elected by their own constituencies. Together they constitute an Executive Committee which is ratified by the Assembly. The term of office of the National Executive is two years. The National Executive Committee meets twice a year.

The National Working Group is a group of seven people elected by the National Executive Committee to carry out the strategic visions of the Coalition and to take decisions on behalf of the Executive in between executive meetings. The National Working Group meets four times a year. It consists of the President, two Deputy Presidents, a Treasurer, a Secretary and two Additional Members.



- (4) The RDP Office supports the role of civil society in development and strongly believes that NGOs add value to development processes. The RDP Office, over and above encouraging and creating institutional relationships between NGOs and Government in general, has also engaged with several NGOs on various programmes and projects. The choice of NGOs with which the office has worked has depended on a number of factors including expertise, access to certain groups, and capacity.

There is no standing relationship with any one NGO, as partners have changed de-

pending on the project or issue. NGOs have been used for research purposes as well as delivery.

Some of the functions of the RDP Office relevant to NGOs are:

- Creating a policy environment that allows for NGO input and active participation in development process,
- Facilitating resources for NGOs that add value to development through the TNDDT,
- Linking NGOs to Government Departments as well as to donors,

- Engage in research that would enrich NGO-Government partnerships;
- Provide information on NGOs; and
- Working closely with key NGO structures such as the NGO Coalition, CBO Network and other less organised structures

Pietersburg police district: crime statistics

33 Mr A FOURIE asked the Minister for Safety and Security:†

How many cases of (a) murder, (b) culpable homicide, (c) assault with intent to do grievous bodily harm, (d) common assault, (e) rape, (f) robbery, (g) theft, (h) damage to property, (i) housebreaking, (j) motor vehicle hijackings and (k) possession of drugs were reported at each specified police station in the Pietersburg police district in 1995?

N78E

The MINISTER FOR SAFETY AND SECURITY:

Pietersburg	
(a)	22
(b)	55
(c)	378
(d)	759
(e)	92
(f)	344
(g)	4 390
(h)	184
(i)	961
(j)	6
(k)	52
Dendron	
(a)	2
(b)	4
(c)	51
(d)	31
(e)	6
(f)	3
(g)	126
(h)	11
(i)	41
(j)	0

(k) 8
Haenertsburg

(a)	2
(b)	5
(c)	38
(d)	20
(e)	5
(f)	5
(g)	75
(h)	12
(i)	54
(j)	0
(k)	3

Mmabatho police district: crime statistics

37. Mr A S BEYERS asked the Minister for Safety and Security:†

How many cases of (a) murder, (b) culpable homicide, (c) assault with intent to do grievous bodily harm, (d) common assault, (e) rape, (f) robbery, (g) theft, (h) damage to property, (i) housebreaking, (j) motor vehicle hijacking and (k) possession of drugs were reported at each specified police station in the Mmabatho police district in 1995?

N82E

The MINISTER FOR SAFETY AND SECURITY:

Mmabatho	
(a)	122
(b)	55
(c)	2 182
(d)	721
(e)	0
(f)	2 719
(g)	635
(h)	0
(i)	109
(j)	0
(k)	98

* Statistics used in the above tables are subject to change.

Bloemfontein police district: crime statistics

41. Dr F J VAN HEERDEN asked the Minister for Safety and Security:†

How many cases of (a) murder, (b) culpable homicide, (c) assault with intent to do grievous bodily harm, (d) common assault, (e) rape, (f) robbery, (g) theft, (h) damage to property, (i) housebreaking, (j) motor vehicle hijacking

and (k) possession of drugs were reported at each specified police station in the Bloemfontein police district in 1995?

N87E
The MINISTER FOR SAFETY AND SECURITY:

** Statistics for Batho included Kagsanong.

Station	(a) Murder	(b) Culpable homicide	(c) Assault GBH	(d) Common assault	(e) Rape	(f) Robbery	(g) Theft	(h) Damage to prop	(i) House-breaking	(j) Hijacking vehicle	(k) Poss of drugs
Bayswater	3	6	31	89	10	27	658	98	363	1	58
Beaunpruit	10	31	112	111	29	35	577	68	302	1	76
Bainsvlei	12	17	83	71	26	12	431	58	232	0	22
Batho	178	24	2 011	2 120	428	704	1 739	1 106	1 410	4	73
Bouthiso	36	20	443	329	117	94	339	192	239	1	7
Boshof	6	6	110	67	12	7	133	28	43	0	17
Boshabela	37	9	621	347	109	151	580	195	321	1	21
Brandfont	4	6	96	72	19	20	191	23	54	0	28
Dealsville	0	3	52	53	8	2	106	16	9	1	16
Dewetsdorp	6	8	77	71	16	6	281	36	75	0	16
Edenburg	5	7	43	62	7	7	109	19	20	0	14
Glen	3	6	25	18	3	2	118	16	46	0	3
Navalag	7	6	96	179	19	57	994	149	276	1	23
Heidedal	43	15	507	449	62	101	540	338	310	0	13
Hertzogville	5	4	91	118	16	1	191	33	38	0	10
Parkweg	41	27	405	1 313	101	534	10 743	1 303	1 901	7	253
Reddensburg	3	4	29	50	5	4	77	10	21	0	2
Soupan	4	1	18	29	1	3	63	10	14	0	1
Tierpoort	2	1	12	5	1	3	75	4	13	2	2
Verkeerdvlei	1	18	7	8	3	3	40	3	11	0	1

Nelspruit police district: crime statistics

42. Mr B C BESTER asked the Minister for Safety and Security:†

robbery, (g) theft, (h) damage to property, (i) housebreaking, (j) motor vehicle hijacking and (k) possession of drugs were reported at each specified police station in the Nelspruit police district in 1995?

How many cases of (a) murder, (b) culpable homicide, (c) assault with intent to do grievous bodily harm, (d) common assault, (e) rape, (f)

N88E

RDP: use of NGOs

*2 Mr M J ELLIS asked the Minister without Portfolio

- (1) Whether his Office is experiencing any problems with regard to the lack of an adequate infrastructure in the provinces for implementing the RDP; if so, what problems,
- (2) whether his Office has considered using existing non-government organisations (NGOs) to act as agents for the RDP to speed up the process and avoid duplication; if not, why not, if so, where;
- (3) whether his Office has implemented the use of such NGOs, if not, why not; if so, where;
- (4) what are the (a) advantages and/or (b) disadvantages of using such NGOs for the purpose referred to in paragraph (2)?

N2E

The MINISTER WITHOUT PORTFOLIO:

- (1) Yes. A number of problems are being experienced with the lack of adequate infrastructure in Provinces. To mention but a few that are most prominent
 - (a) Inadequate information systems to gather and co-ordinate information for development activities/work;
 - (b) poor physical infrastructure, for example the condition of roads—especially in the rural areas—render some areas inaccessible;
 - (c) the lack of project management experience;
 - (d) problems relating to community participation and consultation;
 - (e) the absence of local government structures in certain areas, and the fact that those recently established are still trying to find their feet;
 - (f) the myriad of Government regulations;
 - (g) senior key accounting and decision-making officials have only recently been appointed on a permanent basis. Up to now liaison and consultation

had to be done with acting or part-time or voluntary people

- (2) Although my Office is not an implementing agent, it is our policy to encourage the involvement of NGOs in the implementation of RDP projects as one of the ways of encouraging a partnership with Government, building community capacity to engage in development planning and assisting in community ownership of the product

In the RDP White Paper, the role of NGOs was recognised as central to development. Through the initiative of the RDP National Office, support was given to Provinces for workshops and discussions to identify working relationships between NGOs and Government in Provinces

Many RDP related programmes have used, and are using NGOs in their work

We have also been instrumental in setting up the Transitional National Development Trust, which is a structure that brings together NGOs and community organisations in relation to implementation of the RDP. We have made a contribution of R50 million for this financial year, and also secured close to R70 million from the European Union for their programme

 - (3) Some examples of the working relationship between NGOs and Government are:
 - (a) Primary School Nutrition Programme:

Western Cape School Nutrition Programme was run by the Peninsula School Feeding Scheme

National Progressive Primary Health Care Network (NPPHCN) conducted the development audit in addition to the financial audit done by Deloitte and Touche.
 - (b) National Public Works Programme:

The Public Works programme implemented 25% of their programme through small NGOs, and the bulk with the Independent Development Trust.
 - (c) Adult Basic Education and Training:

National Literacy Campaign has been

contracted to assist in the delivery of the programme

A number of NGOs have been contracted to assist on the curriculum framework

An NGO has been commissioned with regard to Technology Enhanced Learning

- (d) On land restitution, Government is making use of many NGOs including
 - National Land Commission,
 - IMSSA (Independent Mediation Services of South Africa); and
 - Environment and Development Agency (EDA).
 - (e) With regard to health care, the following NGOs.
 - Women's Health Project, and
 - National Progressive Primary Health Care Network
 - (f) The rural water project run by the Department of Water Affairs making use of MVULA Trust.
- There are many more NGOs involved in a vast range of Government programmes who assist in the process of implementation.
- (4) There are both (a) advantages and (b) disadvantages to making use of NGOs. The advantages are
 - (i) It is expected that NGOs don't make profits from development work done for the poor and disadvantaged
 - (ii) They have experience and skills in community facilitation and development work that is of great value to Government.
 - (iii) They often have a better understanding of the needs of the poor and disadvantaged and a demonstrated loyalty to development objectives.
- The disadvantages are:
- (i) Mismatch between Government needs and NGO services. In addition to community interface activities, Government also needs services in areas of high technology, such as:

water projects, infrastructure and information systems, NGOs do not traditionally work in these areas

- (ii) On capacity, Government also needs advanced skills like the auditing of big sums of money, large projects and their management and many NGOs have not developed capacity in this area

- (iii) NGOs also have general programmes (not specific enough) which are too inflexible to address urgent specific issues (spot audits, etc)

- (iv) Until recently, there were many individual NGOs with no national coordination, and management of the relationship with NGOs therefore is difficult both at central and provincial level

- (v) Many NGOs have not as yet taken up the challenges of the new dispensation and have not transformed themselves to meet these new demands.

Telkom: fraud in conference telephones

*3. Mr J A JORDAAN asked the Minister for Posts, Telecommunications and Broadcasting:

- (1) Whether Telkom has lost any money as a result of the conference telephone fraud operation uncovered by the South African Police Service in August 1995; if so, (a) what amount and (b) over what period;
- (2) whether it is the intention to recoup such money; if not, why not, if so, how;
- (3) whether Telkom has introduced or intends introducing any measures aimed at improving internal checking procedures, if not, why not; if so, what measures?

N3E

The MINISTER FOR POSTS, TELECOMMUNICATIONS AND BROADCASTING:

- (1) Telkom has lost in excess of R210 million in an international telephone fraud scam, over a period stretching from October 1994 to December 1995, as was communicated by Telkom to the public. The fraud was uncovered by Telkom and not the SAPS

In the deep end again

From regional police to national welfare

AA 4/3/96

INTERFACE

JOE ARANES
talks to Patrick McKenzie



FORMER Western Cape Police Minister Patrick McKenzie has been sworn in as the new national Minister of Welfare and Population Development, replacing his disgraced National Party colleague, Abe Williams. Staff Reporter JOSEPH ARANES spoke to him on Friday - hours before he took up his new position - about the challenges facing him

PATRICK McKenzie is no stranger to controversy; he has managed to ride out many a storm in a political career spanning more than 20 years, turning around difficult situations to his benefit.

Now he has again been thrown in the deep end, with his cabinet appointment as the national Minister of Welfare and Population Development, at a time when the department is steeped in controversy around allegations of fraud and corruption.

Hours before he was due to leave for Pretoria to take up his appointment on Friday, the former Western Cape police minister spoke fondly of his family and the time he manages to spend with them.

"Friday nights are family nights - that is when I play games with my children and have quiet, uninterrupted conversations with my wife."

It seems that the daunting task awaiting him is the furthest thing from his mind as he cheerfully answers his telephone to accept congratula-

tions from another well-wisher.

Born in District Six, Mr McKenzie was faced with the realities of apartheid at a young age. His family was forced to leave the area after the National Party government declared it a white area.

They moved to Mowbray, but Group Areas Act officials followed them, and they were soon resettled on the dusty dunes of Bonteheuwel on the Cape Flats.

"Life was very difficult there - there were no facilities and this, to a large extent, gave rise to my political convictions."

"I got involved with some radical political movements in the area and soon, with many other youths, challenged the government on the streets and on many occasions was at the receiving end of their bullets."

But a trip to London in the early 1980s and a chat to the late African National Congress leader, Oliver Tambo, changed many of his radical views.

"We spoke about the situation in the country and the role of the ANC's military wing, Umkhonto weSizwe."

"He also gave me a lot of

books to read, many of which I still have, including Mao Tse-tung's Little Red Book.

"But I came out of that meeting with my head in turmoil. I was at my political crossroads and only decided later to take the non-violent route."

His decision cost him many of his friends and comrades, and when he publicly stood for election for the House of Representatives in the old tri-cameral parliament, as a Labour Party candidate, the people of his beloved township of Bonteheuwel rejected him.

He managed to get into parliament with little more than 2,000 people voting for him. And although he had a constituency office in the area, he was seldom seen in Bonteheuwel.

In 1991, a week after he likened fellow Labour Party MPs who crossed the floor to join the National Party to "Judas' betrayal of Jesus", he, too, joined the ranks of the NP.

After the country's first democratic elections in April 1994, Mr McKenzie challenged Herens Kriel for the premier ship of the Western Cape

province. He came second and was appointed regional minister of police.

It was a difficult appointment, as the country was just emerging from some of its darkest days, and the majority of people had absolutely no faith in the police.

But Mr McKenzie, with his hands-on approach, set up community policing forums across the province and restructured the top echelons of the police.

"When I took over, people were still petrol-bombing police personnel's houses, and there was a general feeling that large sections of the police were corrupt and many of the members in cahoots with gangsters."

"We have managed to address many of these concerns in spite of the difficulties, and the provincial police (service) is regarded by many as world leaders in the field of crowd control after we did away with the dogs, shotguns and stun grenades."

"In fact, when the announcement was made of my being transferred to the cabinet, even the three police unions expressed their disappointment."

Now he is faced with a similar task: restructuring and restoring credibility to the ministry of Welfare and Population Development.

He takes over the reins from his National Party colleague, Abe Williams, who resigned

from the post hours after police attached to the Office of Serious Economic Offences (OSEO) raided his homes and offices in Pretoria and Cape Town, amid allegations of fraud and corruption.

Mr Williams was named as a suspect in the investigations of the OSEO, which initially looked at possible irregularities in the awarding of pension contracts in the Western Cape.

Mr McKenzie said he would make a success of his new job by continuing to be himself, employing his favoured hands-on approach.

"My goal will be to ensure that the majority of the country's people start to benefit from the wonderful changes that have taken place. I come from a township and know the suffering and pain people experience because of poverty and unemployment."

"We cannot continue with a situation where only a few of us live in glass houses and the rest continue to live in abject poverty. These people have dreams, hopes and wishes and it is time we started fulfilling them for them."

"It is time the different political parties lived up to their promises and worked together to create a better life for all the people of the country."



MOVING UP: After serving as a "hands-on" regional minister of police, Patrick McKenzie is moving up - to national Minister of Welfare and Population Development.

Single women run half the homes in townships

Business Day Reporter

ALTHOUGH the quality of life for urban blacks is steadily improving, the influx of people to the cities and growing squatter populations are having a considerable effect on overall standards. This was shown in the latest Urban Black Household Report, just released by Market Research Africa.

The survey has been done every two years since 1975. The sample of 1 000 focuses on housewives living in urban areas throughout the nine provinces, and represents 42% of the total black housewife population.

An interesting feature of the survey is that there has been a considerable increase in the number of single women running households. They now account for a little more than half of all township households, compared with 39% in 1975.

Women have improved their education also to the point where there are slightly more women with Standard 9 or 10 qualifications than men.

The steady progress in electrification is reflected in the possession of such household goods as TV sets and ironing boards. Seven out of 10 households now own TV sets, and one in 10 has a video recorder. The popularity of TV has led to a decline in purchases of formal dining room furniture, and in leisure activities such as visiting friends and gardening.

While many households are now better furnished than in the past — 28% have wall-to-wall carpets — the overall standard of homes is slightly down on the early '90s. This is attributed to the growing number of shacks, which is reducing the percentage of brick and mortar homes and the average number of rooms. The average house has four rooms, but 20% of homes have only one or two rooms. Sixty percent do not have a bathroom.

The proportion of housewives who regard their homes as "cold, draughty, damp or leaky" has increased from 10% in 1985 to 30%. Nevertheless home ownership has nearly doubled in the past 10 years — from 35% to 65%.

Housewives believe their children's health is improving (66% said it was "good" in 1975, compared with 72% in the latest survey). They are serving more brown bread, fresh fruit and eggs than they used to. At breakfast, cold cereal is becoming popular. Mealie meal is still served at the evening meal in two-thirds of households.

Major worries include unemployment — mentioned by 44% of households, compared with only 4% in 1975 — and crime. However, crime is considered slightly less of a problem than it was two years ago.

It is predicted that by 2005, for the first time, the number of blacks with post-matric qualifications will overtake whites.

On the ground, the RDP needs patience and a push

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partnerships which could generate real incomes lies with the slowness of central and provincial government.

But frustration does not beat a straight path to disaffection. Time and again, encounters between local people, the visiting politicians and their constituency workers show just how much credit the government still enjoys.

This is an area where ANC loyalty is imbibed with mother's milk, an area whose people have learned patience through decades of waiting.

So, in discussions with Land Affairs Minister Derek Hanekom, who is here with Marcus, the tales of frustration are intertwined with equally fervent expressions of faith in President Nelson Mandela and his party.

Hanekom does a lot of listening and makes some promises to help remove obstacles standing in the path of development.

For some, like the black stock farmers in Kirkwood near Uitenhage, he has brought tangible progress.

Relishing his moment in the Moses Mabida township hall, he signs the document which will allow 94 families to purchase jointly 1 200ha of grazing land. They have waited five years.

Hanekom harvests loud applause when he cites Marcus for her tenacity in pursuing the transfer of ownership of the land,



MARCUS

via the scheme which allows farmers to choose a R15 000 land grant instead of the national housing subsidy. And he praises his department's officials "who worked for the previous government but are now playing a critical role in reconstruction and development".

Indeed, the local land affairs official who accompanies the minister during the weekend is at pains to be responsive to the needs and style of the communities visited. The hands-on presence of the politicians is clearly new and occasionally a little uncomfortable, but Albert van Rensburg's willingness to help move obstacles is evident too.

His efforts are going to be need-

ed all over the region. During a visit to the Boskor sawmill in the village of Coldstream, Hanekom and Marcus are shown hostel rooms in which 11 families share 91m². The company, aware of the squalid conditions, has joined hands with local pastor and ANC district councillor Wilson Wongani to plan subsidised housing.

But the land earmarked for the housing development belongs to state-owned Safcol, and negotiations are needed with the company and the public enterprise department. Progress has been slow. For community representatives acting alone, SA still feels like a country where the barriers between public and state are virtually impenetrable.

Looking across the Bloukrans gorge on the border between the Eastern and the Western Cape near Coldstream, where a community trust's plans for a major tourist centre have been similarly frustrated by months of indecision over land ownership — this time by Jeff Radebe's public works ministry — Hanekom says "it is our responsibility to act as one government, not 20".

The economic potential of the Bloukrans site is immediately obvious to the visiting party. Set high above the gorge and with a view of the sea and a bridge which dwarfs the more famous Storms River crossing further up the N2, the moribund 29ha rest stop has been promised to the community trust by Safcol and the transport department.

It has the potential to transform the lives of hundreds of families in the surrounding Tsitsikamma villages and beyond. Until now, virtually their only source of income has been the small logging and sawmill industry.

Plans are well advanced for a craft market where production groups from throughout the region can sell beadwork, hand-painted cloth bags and hats, pottery, proteas, woodcrafts and anything else they can come up with.

Together with the provincial

nature conservation authorities, forest trails, a bushpig restaurant — similar to a vulture restaurant — and an indigenous nursery will be laid out.

"Currently," says Prinsloo, who is also the project manager, "there is nothing between Plettenberg Bay and Storms River to induce the hundreds of tourists passing by every day to stop and spend some money."

With a petrol station, fast food outlet, backpacker's lodge, provincial tourist information centre and the world's highest bungee jump, all that could change. The trust is in discussion with major chains who, they say, have expressed a readiness to invest.

In a second phase, a hotel and a haute cuisine restaurant capable of attracting trade from Plettenberg Bay and Knysna are planned.

Besides creating jobs and a sales outlet for people from miles around, this project is about training and skills development, say Prinsloo.

Those efforts are not required in Humansdorp, where she has assembled 15 experienced seamstresses in a co-operative named Trustitch. Working with startup capital from the Liberty Life foundation and the local Absa branch the group has secured bulk contracts for overalls and T-shirts.

Solving the ownership problems at Bloukrans, all agree, will be relatively easy. A visit to St Francis shows how limited the RDP's prospects are if there is no local community leadership.

Rising from a filthy mattress, a family — apparently the worse for wear following a night of alcohol and dagga — complains about the dismal housing built at the behest of the local council. The 15m² single room with one tiny window and an open doorway to the toilet built by Newhco for the R15 000 maximum housing subsidy is an assault on their dignity.

Like the Humansdorp council up the road, where R15 000 has financed a 54m² house, this local authority has an ANC majority. But the St Francis councillors are "AWOL", Marcus is told. Unlike Humansdorp, this community has no leadership and no cohesion.

The St Francis situation shows the limits of outside intervention, Marcus says: "As constituency MPs we can only help to make the commitment of the local people more effective. They are the key to transformation in SA."

Stephen Laufer

POLITICS, the German sociologist Max Weber observed, is the art of patiently drilling holes in very thick planks. And, ANC MP Gill Marcus and her local assistants Juline Prinsloo and McBride Screech might add, a willingness to travel hundreds of kilometres criss-crossing a huge constituency between the Tsitsikamma forest and Port Elizabeth.

This is where economic and social transformation — described in countless high generalities in RDP plans, flow charts, and organograms — must become sustainable reality.

It is Saturday, and Marcus — who is one of the MPs redefining Parliament's authority through her chairing of the finance committee — is engaging with the country's soft underbelly, the world beyond the debating chambers and tax hearings.

This is an area of industry and unemployment, great natural beauty and grinding poverty. Work in a constituency allocated by her party means recognising the region's potential, galvanising the energies and ideas of the local population, and linking their enthusiasm to the skills and finances outsiders can add.

It also means spending beyond the parliamentary allowance for constituency work, to keep a second car here, pay assistants and stay in hotels on monthly visits.

In many of the towns and villages here, local initiatives are stirring. But in others, dissent, sectional interests and an inability to rise above the daily battle for survival are laming efforts to combat a 75% unemployment rate.

Often, the frustration of those building self-help projects, and seeking community/private sector

Operation Hunger urges prosecution of swindlers

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BY SHIRLEY WOODGATE

Star 4/3/96

Operation Hunger has asked authorities to prosecute all the parties involved in a scam which allegedly siphoned millions of rands from the organisation.

Food worth R5-million meant for the poor in the Free State was allegedly diverted and sold from 1993 until last year.

The call follows the dismissal of former executive director Mpho Mashini in September, after an internal disciplinary hearing which took eight months to complete.

Johannesburg-based Mashini and two Free State employees, Antony and Pam Mfila, were first suspended in May. The Mfilas have also been dismissed.

The scam, through which the charity lost 80% of its local funding, is being investigated by the Commercial Crime Unit.

A company allegedly used to defraud the organisation and a so-called "Mr Big", the mastermind behind the fraud ring, are being investigated.

Irregularities were revealed by an internal investigation and the matter handed over to the police for further probing nine months ago. OH continued to operate after significant restructuring.

A Commercial Crime Unit spokesman said police had gone to great lengths to get almost 70 statements from people in rural areas of the Free State, but changes to Section 205 of the Criminal Procedures Act had led to delays in getting bank statements from some Bloemfontein banks.

"Our side of the investigation has been completed and we now are hoping to get the statements which we requested last year."

He said police were confident they would make an arrest within a month, once they got the go-ahead from the prosecutor.

Banks to do 'everything possible' to implement aspects of the RDP

By LLEWELLYN JONES

Johannesburg — Danie Cronje, the chairman of the Council of Southern African Bankers (Cosab), said in the council's review for last year that the banking industry would do everything in its power to implement aspects of the RDP relevant to the industry.

Cronje said: "The banking industry is committed to playing a pivotal role where possible, but it is the government's responsibility to create an environment in which the business sector can operate with confidence.

"The rule of law must be strictly, fairly and effectively upheld and executed to make it clear to borrowers that defaulting on their mortgages will result in firm action being taken against them.

"The banking industry is only able to operate in that portion of the market which can afford home loan finance and the mass housing market, as a socio-economic

issue, is the responsibility of the government and alternative funding structures."

Cronje criticised the lack of effective measures to protect consumers against exploitation. He said regulations were only applied to the formal sectors of the economy, while informal, unregistered and unethical businesses flourished.

"We strongly believe there should be national legislation to ensure consistency of procedures across the country and while consumer affairs is a provincial competency, new and updated central legislation needs to be promulgated and adhered to nationally," he said.

Piet Liebenberg, the chief executive of Cosab, said although the council had consolidated its position as the representative body of the industry, "it will always be a major challenge to explain banking to the broader public and to correct perceptions and expectations of what can and cannot be realised".

Committee touring SA to evaluate RDP performance

Robyn Chalmers

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THE RDP national standing committee has begun a tour of the provinces to find out the extent of RDP implementation and its effectiveness.

Members of the standing committee met Gauteng portfolio committee chairmen and political party representatives to gain a greater understanding of the RDP in Gauteng.

Standing committee member John Gogotya said the tour had been prompted by mounting concern among members that the RDP had not delivered, and that it was important to assess what was happening.

Gogotya said there had been criticism that RDP management was top heavy, and that there was an urgent need to boost staffing at grassroots levels. This was under consideration.

Standing committee deputy chairman Smangalisiso Mkhathshwa said committee members had already visited Mpumalanga, Northwest and the Free State to assess RDP progress.

"In Mpumalanga, there is a separate RDP ministry with an MEC directly responsible for it. This appears to have facilitated the RDP process in the province and projects are moving ahead well."

Standing committee member Beatrice Marshoff said tendering processes had been identified by all the provinces visited as a major stumbling block in implementing the RDP.

Marshoff said the migration of people from regional countries had begun to place a huge strain on the resources of provinces — particularly Gauteng — and a strategy to deal effectively with this should be considered, she said.

We may be losing money — Rasool

CHRIS BATEMAN

CT 6/3/96

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WESTERN CAPE Health and Welfare MEC Ebrahim Rasool admitted yesterday that the province "may be losing money".

The DP's Mr Hennie Bester has put the amount lost so far through a poorly negotiated pension payout contract with Nisec at R7,4 million.

Rasool said much had been learnt since the contract was negotiated in June 1994.

"We believe we're close to understanding what the contract says and what Nisec is capable of doing (in delivery of pension payouts)," he said.

Yesterday Bester wanted to know what progress had been made with the review of the province's rights and obligations under the Nisec contract — which he said had cost the province R1,2m a month for the past six months.

Rasool said his department could be accused of not acting fast enough in appointing a senior counsel — as urgently recommended by forensic auditors — but "not of a lack of action".

"The rural areas of SA contain more than 40% of the country's population — some 17,8-million people. Of all the poor households in the country, 64% live in small towns or remote rural areas." — Centre for Development and Enterprise demographic/income model, 1995

FOR decades, SA has neglected the needs of the millions of people living in rural areas. The country desperately needs an effective rural strategy as part of its new national vision of growth and development. So publication of a draft rural strategy document by government is a step to be welcomed.

Unfortunately, the nature and contents of this document are a disappointment. It is an inadequate companion to government's urban strategy document, and a poor step-cousin to the new green paper on land policy.

The draft rural strategy is a "wish list" of what the authors would like to happen. It fails to identify or define the elementary building blocks of even the terms for an analysis of the rural areas. It fails to capture the factual information that is available about many aspects of rural SA.

Most importantly, it does not identify the key policy choices facing government in deciding on a new approach. And it does not provide a practical and achievable national strategy. There is little possibility that sustained and positive development will occur in the rural areas as a consequence of this document.

SA's rural areas are complex places. They include the former white plateau and the former "homelands". Within these two categories are many subsectors, including: black tenants on white farms; small towns and dorps, resettlement areas in homelands, towns in homelands; commercial farming areas; areas close to cities; areas far away from cities; areas in high rainfall zones, and areas in low rainfall regions. Generally the document speaks of "rural" without clarifying what kind of area it is referring to or in what way the challenges of development will differ in these very

Govt must go back to drawing board on its rural strategy

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ANN BERNSTEIN

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different types of places.

The document fails to clarify what the "problem" in SA's rural areas actually revolves around. What is required, surely, is an analytic and quantitative assessment of the nature of the current situation and the core of the development challenge in rural areas. Having done that, strategies must then be put forward to deal with this definition of the "problem". These strategies must be demonstrably viable and relevant to the situation as quantified, described and analysed.

The document does none of this and tends to assume a common understanding of the "problems of the rural areas" and how best to respond to them. Few facts are provided (although many are available) and little argument is given to justify assertions.

Little understanding is reflected on the dynamic nature of rural-urban relationships. There is even less appreciation of the policy implications of the fact that we are an urbanising society and have been urbanising fairly rapidly over the past 30 years. For decades now, the countryside has become increasingly dependent on the urban economy, and urban options are a central part of almost every rural person's life choices. The rural areas are having to deal with the consequences of declining migrant labour possibilities and increasing urban unemployment.

What all this means for options with respect to rural development is not even mentioned.

What will increased urban development mean? What are prerequisite sites for effective and sustainable growth and expansion of opportunities for rural people? What are our rural options as sub-Saharan Africa's most urbanised country?

The document fails to deal adequately (or at all) with a number of key policy issues.

The list includes: the small towns with the potential of their facilities and infrastructure; "apart-hed's hidden urbanites" in the dense settlements of the former homelands; the facts about rural people's "land hunger" (exaggerated or underestimated?) and the importance of this issue in development strategy; the scale of demand for farming and in which parts of the country; small-scale farming and its importance (or not) as a component of future rural policy; regional differences between rural areas in the country; the thorny issue of communal land tenure and its effect on development opportunities; the effect of urban competition on rural markets; the homelands and their complicated legacy in rural areas; and finally the politically sensitive issue of traditional leaders and their role

in rural development.

Two of the most important issues the document neglects to tackle adequately concern economic growth and employment creation. The draft strategy provides no sense of connection between rural development and the national aim of achieving 6% economic growth a year. Surely we need to know what is the economic potential in rural areas? Which parts of the very diverse rural sector of the country have potential? How are we going to maximise this? An what are we going to do about those parts of rural SA that have little or no economic potential? One would have expected the enormous problem of rural unemployment to feature high on the list of issues in rural strategy. With the exception of the rather idealistic discussion on "periodic markets", a cursory discussion of tourism and local economic development, this is surprisingly not the case.

How will rural strategy interact with the intense debates taking place about SA's economic restructuring? What are the possibilities for new job opportunities arising out of the tourism sector, for example? What about the research the trade and industry department is doing on selected productive sectors such as footwear or forestry?

The critical challenge is that of wealth creation and job expansion in rural SA. Can this take place at a

greater scale and in a more inclusive way than at present? If so, how can this be done, and where?

The "wish list" nature of this document lists everything as of equal importance. In the real world of limited capacity, resources and time, it is essential that priorities are identified and, here again, choices will need to be made. Some examples: Does government see increased urbanisation as necessary for effective rural development or is its rural development strategy designed to hold as many people out of urban areas as possible? Will "state-induced wage increases" as advocated help to create more employment? How will better health care and educational opportunities affect the rate of migration from rural areas? What is government's response to the reality of large-scale unemployment among rural school leavers?

This draft rural strategy is an inadequate beginning to a complex and important process. This is unfortunately not a document which can be amended or improved.

Government must go back to the drawing board and ensure the process of drafting rural strategy involves a wider range of expertise.

The Centre for Development and Enterprise recommends that government appoints a special presidential commission on rural strategy. The commission must perform a threefold task. One, produce a thorough and factual analysis of rural areas and regions. Two, develop rural strategy options for government that complement overall national economic growth and development strategy. And three, develop a national strategy to specifically deal with the negative legacy of the homeland policy.

The commission should be chaired by a leading independent South African and be a partnership between public and private sectors.

In the meantime, a government task team representing directors-general from relevant departments should identify short-term actions to be taken in rural areas.

□ Bernstein is executive director of the Centre for Development and Enterprise.

Northwest's additional expenditure totals R422

BD 6/3/96

John Dlodlu

NORTHWEST finance MEC Martin Kuscus presented the provincial Adjustment Appropriations Bill yesterday, showing supplementary expenditure of R422,6m.

The R422,6m additional spending will increase the provincial budget to R6,72bn from the original budget.

He attributed the additional appropriations to salary adjustments, assistance to local government and local government elections. The appropriations would be financed with the help of funds from the national treasury.

The province began the current fiscal year with an expected deficit of R361m. "Of this, R228,57m was negotiated with national government and will be transferred to us in due course."

Kuscus said the projected shortfall in education of about R800m was brought down through strict fiscal controls to R100m. "This was achieved through close cashflow management

and continuous review of the expenditure pattern in education."

The R100m shortfall would be funded by the national government. An amount of R36,3m was received from the constitutional development and provincial affairs department to facilitate last year's local government elections. The revised expenditure for the premier's department was nearly R80m from the original R46,2m.

Kuscus said the increase was caused by the premier's discretionary fund of R30m and the project preparation facility fund of R3m.

The revised expenditure for health and welfare amounted to R1,9bn against the original R1,8bn due to salary adjustments. Spending for economic affairs increased to R78,9m (R56,5m) because of carry-over funds in compensation for businesses damaged in 1994 (R5,9m), assistance for the Miss World Pageant and the Million Dollar Golf tournament (R6m) and general export incentives (R5,9m).

Widow tells of shooting

Deborah Fine

LENASIA widow Le-ichiemmy Ramdin told the Rand Supreme Court yesterday she was shot seven times by one of the men accused of murdering her husband outside the court last year.

She was testifying at the trial of Imraan Khan, 22, and brothers Shiraaz Essop, 34, and Sal who have pleaded not guilty to fatally shooting Jay Ramdin, 47, minutes after he was acquitted on two charges of murder.

Ramdin was found not guilty on August 8 last year of murdering his wife's boss, Dawood Motala, 42, and Motala's nephew, Ismail Tutla.

Testifying in camera and protected by 12 policemen, Ramdin told the court yesterday she had not attended court proceedings on the day of her husband's acquittal, but had stayed at home with her sons whom she had been too afraid to send to school.

Draft rural strategy paper is ill-founded — Bernstein

(297) BD 6/3/96

Robyn Chalmers

THE Centre for Development and Enterprise has criticised government's draft rural strategy document, saying it is a well meaning but ill-founded piece of work which can be neither amended nor improved.

Centre for Development and Enterprise executive director Ann Bernstein said yesterday that government would have to go back to the drawing board and ensure the drafting of a rural strategy involved a wider range of expertise.

Bernstein said the main problems with the strategy were its lack of a factual analysis of SA's different rural areas and regions, little attention having been given to the different nature of the former homeland areas and no information being given on the needs of the rural people.

"Rural development is a critical component of

a new national vision of growth and development. The rural areas of SA currently contain more than 40%, or almost 18-million, of the country's population."

There had been little analysis on the cost of implementing a rural development strategy, which was imperative if the private sector was going to be supportive of the strategy, she said.

While it was important that government reassessed its strategy, a number of short term issues should be urgently identified by a government task team appointed at the highest possible level, she said.

Bernstein said that the centre's response to the rural strategy document had been submitted to Minister without Portfolio Jay Naidoo, the RDP parliamentary standing committee and Nedlac.

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R5.9m milked from schools

(298)
FRAUD and mismanagement had resulted in the misappropriation of R5,9 million from the Primary School Nutrition Programme, the Minister of Health, Dr Nkosazana Ziima, said yesterday. CT 7/3/96

This figure was 0,61% of the total budget allocation of R972,8 million over two financial years, she said in reply to a question in the senate.

The most serious irregularities had occurred in the Eastern Cape, where R4,7m had been misappropriated, through the errors and irregularities by suppliers in overpayment of VAT, price differences, and six-day and double deliveries, nine cases of cheque fraud, and one case of an alleged fraudulent transaction.

In the Western Cape there had been two cases totalling R11,616. There had been other cases in Mpumalanga, Northern Province and KwaZulu-Natal. — Political Writer

Trail that led

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to Williams raid

ROGER FRIEDMAN
Provincial Affairs Reporter

OVERSEAS trips, shadowy tendering procedures and a multi-million rand lease agreement for allegedly inferior office space — these formed part of the paper trail that eventually led detectives to raid the homes and offices of former Minister of Welfare and Population Development, Abe Williams.

Mr Williams resigned from the cabinet hours after police attached to the Office for Serious Economic Offences (OSEO) raided his homes and offices in Pretoria and Cape Town last week. They also raided the home of his former chief-director (Welfare) Ebrahim Jarodien in Pinelands.

Today The Argus reveals some of the contents of the draft report following a forensic investigation into allegations of fraud and corruption in the Western Cape Department of Social Services. The report was compiled by Ernst & Young under the guidance of University of the Western Cape professor, Pieter le Roux.

The report raises questions about the tender awarded to Nisec (now a subsidiary of Denel) for the payment of pensions and grants in the Western Cape.

It is this aspect that is presently under investigation by OSEO.

But the Ernst & Young report also points to alleged fraudulent and corrupt practices ranging from procuring premises and services to purchasing goods and equipment for the Department of Social Services.

Contacted for comment last night, Mr Williams and Dr Jarodien did not agree on the extent to which Dr Jarodien kept Mr Williams informed of events in his department.

"Look, if he was the minister he would have been kept informed," said Dr Jarodien when asked if he had kept Mr Williams abreast of developments surrounding a controversial R22 million literacy programme.

"He would have been involved. He would have been kept informed," said Dr Jarodien on the subject of a sticky R2 million a year office-space lease agreement he allegedly negotiated with "the Solomon Brothers".

According to the report, "various complaints" — from leaking roofs to dangerously sagging ceilings — were registered by officials working in the building.

Mr Williams, however, denied knowledge of various letters to and from Dr Jarodien contained in the report, saying it was unfair to question Dr Jarodien as chief-director. The welfare director of the House of Representatives at the time, Patrick McEnery, was officially the accounting officer in the department.

Mr Williams said: "Those letters were never referred to me," when he was asked whether he was aware that the director-general of Budgetary and Auxiliary Services had asked the Ombudsman to appoint an inquiry into alleged irregularities in a R22 million computerised literacy project.

Mr Williams referred questions relating to the OSEO investigation to his lawyer, Frikkie Erasmus, saying the matter was sub-judice as far as he was concerned.

Dr Jarodien said "something sounds funny" with the report, after having excerpts read to him over the telephone.

It was inappropriate to comment on the report as he had not yet seen it.

But Dr Jarodien said "various different departments" in the provincial administration were involved in authorising projects and tenders — decisions had never been his alone to take.

On the subject of the extended lease

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agreement for premises at Minelli Centre/Nerina House in Cape Town, the report concludes: "The State may have suffered losses in that monies were paid out, without authorisation and under circumstances in which authorisation had been specifically denied."

"These losses were occasioned by acts or omissions on the part of Dr Jarodien and/or other officials."

"At the time of the acts or omissions Dr Jarodien failed to comply with or ignored standing instructions of which he was aware and, in addition, exceeded his powers."

"Accordingly, Dr Jarodien and any other officials involved in this transaction appear to have met the requirements for civil liability for losses sustained by the State."

The report reached similar conclusions with respect to the literacy programme.

Dr Jarodien was chief director (health and welfare) in the tricameral House of Representatives from the mid-1980s — and remained in office in the Western Cape until last year. Some contents of the report refer to the period prior to Mr Williams' elevation to the Welfare Ministry — others refer to the period after he took over.

Western Cape Minister of Health and Social Services, Ebrahim Rasool, who commissioned the forensic report, said he was reluctant to comment on information pertaining to such an important, on-going investigation.

He confirmed that the report in the possession of The Argus was in fact a draft copy — "for discussion purposes only" — of the Ernst & Young document.

McKenzie named as welfare minister

(297)
Tim Cohen

BO 1/3/96

CAPE TOWN — The NP's Western Cape police services MEC Patrick McKenzie, who was appointed Welfare and Population Development Minister yesterday, promised a "much more hands-on" approach to regain the department's credibility.

McKenzie replaces Abe Williams who resigned after his home and offices were raided by the Office for Serious Economic Offences.

The announcement comes just before General Affairs Minister Chris Fisser replaces Roelf Meyer as Constitutional Affairs Minister today. Meyer becomes NP secretary-general.

McKenzie's appointment was reportedly partly influenced by a solid record in the provincial parliament and his prominence among the Western Cape's coloured voters. McKenzie — active in politics since 1974 — said he would be studying the Cabinet-approved welfare white paper to find out what new legislation was required.

IFP MP Eileen Shandu has been appointed Deputy Public Works Minister and will be sworn in today. Sapa reports presidential spokesman Parks Mankahlana said the decision to add another person to the department was made because it was becoming clear that the public works programme was going to be a huge project.

Williams admits he received money

(297) (2003)
By JOVIAL RANTAO
Political Reporter

Star 1/3/96
Former welfare and population development minister Abe Williams has admitted that he had been receiving some money during his term of office. But he said the undisclosed amount - which he maintained he had received in his private capacity - was not paid by Nisec, the company that was awarded a multimillion-rand tender by the Cape Provincial Administration.

In a statement issued and released through his lawyers yesterday, Williams stated that he had received payments from Armsec, a close corporation owned by Michau Huisamen, the man who was the sole owner of Nisec when it was awarded the R500-million pensions tender.

A few months after Nisec had won the tender, Huisamen sold Nisec to Denel, which had thereafter acquired 41% of the shares.

In the statement, Williams denied that he had at any stage received any money from Nisec and said the payment re-

ceived from Armsec had no connection with or bearing on the award of the contract to Nisec or with the activities of the Department of Welfare or those of Nisec or Denel.

Williams' lawyers said Denel had also denied making any payment to the former cabinet minister.

The legal representatives issued a statement following confusion that arose from media statements by Office for Serious Economic Offences (OSEO) director advocate Jan Swanepoel, who said that during an investigation of Nisec's offices, information was obtained extending to certain payments received by Williams.

"Advocate Swanepoel has since confirmed the factual incorrectness of the information initially obtained by him and the statements made pursuant thereto, and that the information had in fact been found in Armsec's and not Nisec's offices," the lawyers said.

The OSEO announced this week that two advocates and two senior policemen from the SAPS's commercial unit have been assigned to investigate the allegations against Williams.

Cape MEC to replace Abe Williams

(297)

By Jovial Rantao
Political Reporter

Star 1/3/96
NP leader FW de Klerk yesterday bowed to pressure to appoint a Western Cape coloured to replace Abe Williams when he announced the appointment of the province's MEC for Safety and Security

Patrick McKenzie as the new Welfare and Population Development Minister.

The NP leader announced McKenzie's appointment in a joint statement with President Nelson Mandela, as required by the interim constitution.

The joint statement said Environmental Affairs and Tourism Minister Dr Dawie de Villiers would continue to act as Minister of Welfare and Population until the date on which McKenzie could start in his new job was confirmed.

Born in Cape Town's District Six 44 years ago, McKenzie started his political career in 1974



McKenzie

► ... To Page 2

Replacement for Williams

(297)

From Page 1

when he joined the Cape Town management committee.

He became a House of Representatives MP from 1984 to 1994.

The Star reported this week that McKenzie was one of the candidates being considered to replace Williams.

Williams resigned hours after his houses and offices were searched by investigators from the Office for Serious Economic Offences in connection with possible irregularities in the awarding of a tender to a private company for the payment of pensions on behalf of the Cape Provincial Administration.

Star 1/3/96
Before yesterday's appointment, NP sources had told The Star that McKenzie, Western Cape MEC for Housing Gerald Morkel and MEC for Local Government Peter Marais were being considered

Morkel fell out of the race when it became clear that he was being groomed to take over from De Villiers as leader of the NP in the Western Cape.

It is believed that Marais' stance as a hardline politician ruled him out.

The welfare and population development portfolio was also offered to outgoing SA ambassador to Denmark Coenrad Sidogo, who turned it down and opted for the private sector.

The appointment of a Western Cape coloured leader was viewed by NP strategists as crucial in view of the forthcoming May 29 local government elections.

► Newcomers to Cabinet

Page 3

Riddle of R22-m 'literacy' project

ROGER FRIEDMAN

Staff Reporter

AUDITORS appointed to investigate alleged corruption in the Western Cape Department of Social Services uncovered a maze of intrigue relating to the outlay of R22 million for a "literacy programme".

The Ernst & Young draft forensic report identifies former chief director of the department Ebrahim Jarodien as a key mover behind the literacy programme.

Dr Jarodien's Pinelands home was raided last week by police attached to the Office for Serious Economic Offences (OSEO), at the same time as the OSEO raided the offices and homes of Minister of Welfare and Population Development, Abe Williams.

Mr Williams resigned from the cabinet hours after the raids, but remains a National Party member of parliament.

Annexed to the report is a letter written by the auditor-general to the Chief-Director, Administration, House of Representatives, dated October 2 1992.

■ In a further twist to the Abe Williams Affair, questions are being asked about the management of a R22-million "literacy programme".

The letter raises a number of issues and queries, including:

■ Why the Welfare Department instead of the Education Department was involved in setting up a literacy programme.

■ Payments to local authorities were made before any services were provided, and were therefore unlawful.

■ Prescribed tender procedures were ignored.

■ The procedures followed failed to comply with prescribed regulations.

■ Clarity was required on several overseas trips, including a R182 828.13 city tour of Asia and Western Europe undertaken by Dr Jarodien, a fellow-official and their wives — allegedly in connection with an adult education programme.

Most revealing, however, is the auditor-general's analysis of the R22-million project's capacity.

The system was experiencing "serious problems", was not performing as had been represented and was simply not being used, he said.

"There was at no stage any active implementation of the system.

"There are only 10 people in the country with the necessary technical capacity for programme development."

In a letter dated July 26 1993, Dr C F Slabbert, the director of the Department of National Health and Population Development, said his department, as the central decision-making department, felt literacy programmes did not fall under the ambit of primary health.

Two weeks later Dr Jarodien prepared a report headed "Application for Ex Post Facto Approval for the use of the Icon Computer System in the Literacy Programme for Adults".

He requested that a the "Unidata" contract be ratified and implemented.

In January 1994 the director-general, budgetary and auxiliary services, approved a letter to be sent to the ombudsman, Mr Justice Van der Walt, suggesting that a commission of inquiry be appointed into the alleged literacy programme.

AKU 2/3/96

(297)



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New minister says it's now time to deliver

(297) Star 2/3/96

Cape Town - New Welfare and Population Development Minister Patrick McKenzie says it is time the majority of the people started to benefit from the changes in the country.

McKenzie was appointed to the Cabinet after the previous minister, Abe Williams, resigned hours after police attached to the Office for Serious Economic Offences raided his homes and offices in Pretoria and Cape Town last week after allegations of pension fraud and corruption.

The former Western Cape safety and security MEC said he had accepted the new challenge willingly and would strive, with the help of the staff of his new department, to restore the department's credibility.

"We can only embark on a programme that will totally uplift the underprivileged of this country when the dark clouds hanging over the department are lifted.

"It will be one of my firm objectives to help ease the plight of the homeless and destitute, and not to live in glass houses while most people continue to live in poverty."

"It is time the ordinary people, who live in informal settlements and are unemployed and who voted us into office, also start to benefit from the Reconstruction and Development Programme and the changes taking place."

Don't panic over rising food prices, say economists

Economists say there is no need to panic about food price rises yet, after expectations for a drop in the inflation rate were squashed this week with the Central Statistical Service's announcement that annual inflation remained pegged at 6.9% in January.

"There is a lot of competition in the market, which should keep food price hikes to a minimum. The consumer can rest assured it is unlikely there would be any dramatic rises in food prices in the immediate future," says Nedcor senior economist Kevin Lings.

The CSS figures indicated the consumer price index rose 1.3% between December and January. Economists say the continued upward trend in food prices and medical, health, transport and communication costs is to blame for the higher than expected inflation rate.

Medical care and health expenses contributed 0.3% to

the hike. Annual food inflation has accelerated to more than 4% - its highest level since July.

Economists say the food price rise was probably due to a spillover from the festive season, after a relatively large hike in December. Flood damage to vegetables also played a role.

Major sub-indices, which added to the food price index in January, were fruit and nuts (up 5.7%), vegetables (up 4.1%), meat (up 1.9%) and grain products (up 1.5%).

The rand's 5% devaluation against the dollar recently is unlikely to have any substantial impact on the consumer price index in the immediate future, economists say.

"Unless the rand depreciation continues at the current rate and falls by 10% or more, it will have very little effect on the CPI," says Standard Bank chief economist Nico Czyp-yonka.

dicted to have an impact on the imported-goods component of the producer price index, but analysts say that would take time to show up in the CPI.

"It will have an immediate effect on the producer level, with the result that one should expect some price hikes in imported items, with the petrol price and car prices likely to increase," says Lings.

He predicts a further fall in the inflation rate in the coming months. - Staff Reporter

Sanction moves on Cuba seen as US election tactic

San Salvador - Former Salvadoran guerrillas have accused US officials of playing election-year politics by calling for increased sanctions against Cuba after the downing of two small civilian planes.

Talk of tightened sanctions "has been converted into an electoral issue that the two parties are competing over", the Farabundo Marti National Liberation Front said in a statement this week.

The group blamed the increasing tensions since last Saturday, when Cuba shot down two aircraft flown by members of an exile group, on "the imperial politics of the US government which does not support a social system with a different logic".

Congress and President Clinton agreed this week on a package of new sanctions against Cuba.

The FMLNF urged the US to end its trade embargo on Cuba and normalise relations. The guerrilla group waged a fierce civil war against the Salvadoran government during the 1980s. More than 70 000 people were killed before the conflict ended in 1992. - Sapa-AP

Another two arrests made over South Coast murders

Port Shepstone - Another two men have been arrested in connection with murders on the KwaZulu Natal South Coast, the special investigation team probing South Coast murders announced yesterday.

One of the suspects was arrested in Lamont, near Margate, in connection with an attack on a group of people in the Mvutshini area in December, in which two people were killed.

The suspect appeared in court in Port Shepstone later yesterday.

Investigators arrested eight other suspects last month in connection with the Mvutshini incident, and on Wednesday another suspect was arrested in connection with an attack in the Nsimbini area in 1994.

A third man, currently in custody in Paddock, will also be charged with murder for his alleged role in the Nsimbini attack.

The special investigation team has now arrested 15 people since January in connection with 10 murder cases on the South Coast. - Sapa

'Various payments' to Williams under scrutiny

Cape Town - Hard on the heels of the resignation of former minister of welfare and population development Abe Williams, it can be disclosed that the Office for Serious Economic Offences is investigating and that Williams is at the centre of a controversy over clothing donated to the Department of Welfare and Population Development by a Taiwan-based charity group.

The director of the Office for Serious Economic Offences, Jan Swanepoel, said the investigation had been extended.

"We are looking at various suspicious payments made to Williams which involve the past couple of years," he said.

In another development this week, a government source alleged that Williams ordered a government 3-ton truck to cart away 80 boxes of clothing donated for distribution to the poor. - Own Correspondent

2/3/96

New minister says it's now time to deliver

(297) Star 2/3/96

Cape Town — New Welfare and Population Development Minister Patrick McKenzie says it is time the majority of the people started to benefit from the changes in the country.

McKenzie was appointed to the Cabinet after the previous minister, Abe Williams, resigned hours after police attached to the Office for Serious Economic Offences raided his homes and offices in Pretoria and Cape Town last week after allegations of pension fraud and corruption.

The former Western Cape safety and security MEC said he had accepted the new challenge willingly and would strive, with the help of the staff of his new department, to restore the department's credibility.

"We can only embark on a programme that will totally uplift the underprivileged of this country when the dark clouds hanging over the department are lifted.

"It will be one of my firm objectives to help ease the plight of the homeless and destitute, and not to live in glass houses while most people continue to live in poverty.

"It is time the ordinary people, who live in informal settlements and are unemployed and who voted us into office, also start to benefit from the Reconstruction and Development Programme and the changes taking place."

Controversy continues to follow Abe

GLYNNIS UNDERHILL

Staff Reporter

ARG 2/3/96 (297)

HARD on the heels of the shock resignation of former Minister of Welfare and Population Development Abe Williams, SATURDAY Argus can now reveal:

■ That the Office for Serious Economic Offences is investigating "various suspicious payments" made to Mr Williams during his years in public office;

■ That Mr Williams is at the centre of a controversy over clothing given to the Department of Welfare and Population Development by a Taiwan-based charity group.

The director of the Office for Serious Economic Offences (Oseo), Jan Swanepoel, told SATURDAY Argus the investigation had been extended to include the years Mr Williams held public office.

"We are looking at various suspicious payments made to Mr Williams which involve the last couple of years," he said.

And, in another development this week, a government source has alleged Mr Williams ordered a government three-ton truck to cart away, to a National Party office, 80 box-loads of clothing given to the government for distribution to the poor.

In the week following Mr Williams' resignation, under a cloud of suspicion after Oseo raids on his homes and offices in Pretoria and Cape Town, the controversy has deepened.

Mr Swanepoel said the investigation initially related to the awarding of the Western Cape tender — for the payment of pensions on behalf of the Cape Provincial Administration — to pensions company Nisec.

"Later on, it developed into looking into Mr Williams' affairs and all payments received," he said.

Mr Williams was one of the first Labour Party MPs to walk over to the National Party in 1989. In 1993, he was the first coloured cabinet minister appointed by then State President F W de Klerk.

This week, Mr Williams was embroiled in another controversy in his former Welfare Department after it was alleged he had requisitioned a government vehicle to transport 80 boxes of

■ To page 2



□ **SOMEONE TO LEAN ON:** "It is in times like this that you have got to stand by your husband and be a real wife," says Esme Williams.

Williams' controversy

■ From page 1

clothing, given to the department, to a National Party office on the West Coast.

The former cabinet minister is a Member of Parliament and he serves a constituency on the West Coast.

After a complaint was lodged officially against Mr Williams by a member of his former department, the clothing was returned to the Welfare Department in boxes, claimed a government source who asked not to be identified.

Mr Williams declined to answer questions this week and referred all queries to his lawyer.

The Oseo claim that it is investigating "various suspicious payments" made to Mr Williams over the years comes on the heels of a startling chain of events in the past week.

Last week, Mr Williams disclosed to SATURDAY Argus he had received money from Nisec — but claimed this money was unrelated to the awarding of a multi-million rand tender to the company.

JAY AND THABO BURY THEIR DIFFERENCES, NOW THEY MUST

(297) ST 3/3/96

DEPUTY President Thabo Mbeki and Jay Naidoo, the minister in charge of the reconstruction and development programme, visited Umtata last week to unblock the R800-million allocated to development in the languishing region.

On Monday and Tuesday, they met ministers, provincial premiers and MECs to discuss the latest product of government's tireless acronym factory — the Growth and Development Strategy, or GDS.

The Transkei visit and GDS meetings seem to signal that Mr Mbeki and Mr Naidoo have resolved their differences over where economic planning should take place and how it should be monitored.

The differences date back to December 1994, when Mr Mbeki identified mass restlessness over RDP delivery as the most important looming problem facing the ANC at its conference in Bloemfontein.

At the same conference, Mr Naidoo, still riding on the crest of a giant wave of RDP mania, was the only minister to turn down nomination to the ANC's national executive committee, signalling his desire to retain some political independence.

Since taking office, Mr Naidoo had made a habit of saying time and again that he



was not Father Christmas, that his job was to change the way his fellow ministers spent the money allocated to them and to ensure that they transformed their departments.

In early 1995 the tide turned against the RDP on two fronts. On the one hand, it became apparent that very little actual delivery — of houses, services and municipal infrastructure — was taking place.

On the other, Mr Naidoo's cabinet colleagues began to squirm uncomfortably under the burden of having to account to a mere fellow minister for their internal budgeting.

The chief target of their ire was Mr Naidoo's insistence on vetting comprehensive business plans before handing out RDP money.

Get South Africa working

FROM THE GALLERY



By
RAY
HARTLEY

While some ministers, such as Water Affairs Minister Kader Asmal, managed to get more than 90 such business plans submitted and approved, many others proved unwilling or unable to submit to Mr Naidoo's requirements.

From being an essential acronym on corporate letterheads, the RDP overnight became shorthand for suffocating bureaucracy.

Mr Naidoo was compared to the previous government's master of smoke and mirrors, Chris Hennis.

Suddenly, he found himself with very few friends and no seat on the ANC's national executive from which he could mount a political defence.

Mr Mbeki had, meanwhile, begun a tour of the country to assess delivery of the RDP at grassroots level.

The tour confirmed Mr Mbeki's worst fears: everywhere he went he met a rising tide of disillusionment with the government's ability to deliver. Relations between Mr Mbeki's office and that of Mr Naidoo sank to an all-time low.

Mr Naidoo disappeared from public view and in July last year the ANC executive met to assess the government's performance in its first 15 months.



The assessment concluded that the current delivery strategy was foundering.

Growth had to be made the number one priority, without growth there would be no development, it decided.

The ANC's policy sea change was quickly endorsed by the cabinet.

In July a cabinet committee including Mr Mbeki, Mr Naidoo, Deputy President F W de Klerk and Finance Minister Chris Liebenberg was set up to formulate six or eight immediate priorities for growth.

Mr Mbeki told the Sunday Times at the time: "Part of the mistake we made from the government's side was to say that the whole effort to reconstruct and develop is centred on the RDP ministry."

ALLEGATIONS OF FRONT COMPANY

Abe 'was paid thousands'

(297) (2011)

A LETTER IN THE Cape Times' possession links Abe Williams to payments. CHRIS BATEMAN and DALE GRANGER report.

FORMER Nisec director Mr Michau Huisamen last night admitted paying "about R100 000" into an account called the West Coast Community Development Fund (WCCDF) — which is said to be a front company for former Welfare and Population Development Minister Abe Williams.

Williams earlier admitted receiving an undisclosed sum, but claimed it was "totally unrelated" to the R149 million five-year contract to Nisec to administer the Western Cape's pension payouts.

The Cape Times has obtained a copy of a letter written this week by the office for serious economic offences (OSEO) director Mr Jan Swanepoel to Nisec lawyers.

It reveals it was at Huisamen's Port Elizabeth premises that OSEO found documents linking Williams to payments.

The letter seeks to clarify it was at Huisamen's (Armsco) company office and his home, not Nisec premises, that the documents linking the two men were seized.

Cape Times sources claim to know of just under R1m allegedly deposited in the

WCCDF account. Huisamen last night admitted paying money to the WCCDF from his security company Armsco, saying: "We did make a donation to the fund, but definitely not for that (R1m) amount".

He said the document OSEA found in his office was, "I think, for the amount of R50 112, a donation, a sponsorship".

Asked how much he had given the fund, he replied: "About R100 000 or less, I think, I'll have to go and have a look."

Huisamen said his company made many such donations to projects, including the Sport Foundation Trust, the RDP, the Parliamentary Rugby Club, the Zwarte Sports Ground and the Eastern Province rugby team.

"Donations and sponsorships must be seen in that light. It was a meagre amount in the broader spectrum."

Huisamen said the R50 112 donation to WCCDF was made on May 25 last year after he had sold his shares in Nisec and resigned as managing director.

He said Nisec was awarded the Western Cape tender to administer social welfare pension payouts a year earlier and that "to try to link the two (WCCDF payment and Nisec tender) is absurd".

Western Cape Police Services MEC Patrick McKenzie is to take over as Minister of Welfare and Population Development.

DOSSIER
FROM THE FRONT LINES

— Page 4

Bank's declining influence

Chris Stals, the Reserve Bank governor, addressed a gathering in Durban yesterday to celebrate the first anniversary of Business Report. His speech was entitled *The Integration of South Africa in the World Financial markets*. This is an edited version of that address.

The turnover in the South African foreign-exchange market provides further evidence of the opening up of the South African markets for foreign participation and competition.

The Reserve Bank's influence over this market is declining. This market is gradually taking over the function of providing forward cover for South Africans with foreign currency exposures. The Reserve Bank's net oversold position in spot and forward foreign currencies declined from more than \$20 billion at one stage to less than \$10 billion.

The integration of the South African financial markets in the global village has important implications for the monetary policy of the Reserve Bank.

Firstly, the Bank's influence on the liquidity of the banking sector is less effective. South African banks have access to an outside source of liquidity and have become less dependent on the discount window of the Reserve Bank.

Secondly, the level of interest rates in South Africa has an important influence on the capital flows into and out of the country.

The difference between South African interest rates and those in the major financial centres, adjusted for inflation differentials, provides an indication of the risk premium foreign investors demand in South Africa.

Thirdly, the money supply, which has been used since 1986 as an anchor for monetary policy in South Africa, is now a less reliable barometer of underlying inflationary pressures. Changes in the Reserve Bank's net gold and foreign-exchange reserves can at times have an important influence on the total money supply.

Fourthly, the exchange rate of the rand is more exposed to the whims of international investors and can easily be influenced by changed international perceptions of the South African political, social and economic situation. The fundamentals, such as purchasing-power parity and the international competitiveness of a country, do not necessarily determine the equilibrium level of the exchange rate, particularly not in the short term.

The turmoil in the South African foreign-exchange market over the past few weeks provided some further evidence of the consequences of participating in global financial markets.

It is true the combination of a number of unfounded rumours about the health of President Mandela, an imminent relaxation or even abolition of exchange controls and a contentious assessment made by economist gnomes of the Bahnhofstrasse in Zurich about the exchange rate of the rand all contributed to the speculation and the consequent wide fluctuations in the foreign-exchange market.

The rumours referred to above certainly triggered the events, although there were also some more fundamental reasons for the frenzy in the markets.

Firstly, it must be noted that there was some nervousness, particularly in the capital markets, on a worldwide basis. During that time, investors in many countries and particularly in the United States, were disinvesting from fixed-interest-bearing bonds, for example government stock.

Taking account of the large amount of foreign investments made in South African bonds recently — R3,1 billion in January and the first two weeks of February this year — it can be understood that the global action of investors to become more liquid also affected South Africa.

Secondly, the South African rand appreciated from May 1995 to the middle of February 1996 by almost 6 percent, mainly under the pressure of a persistent large inflow of capital.

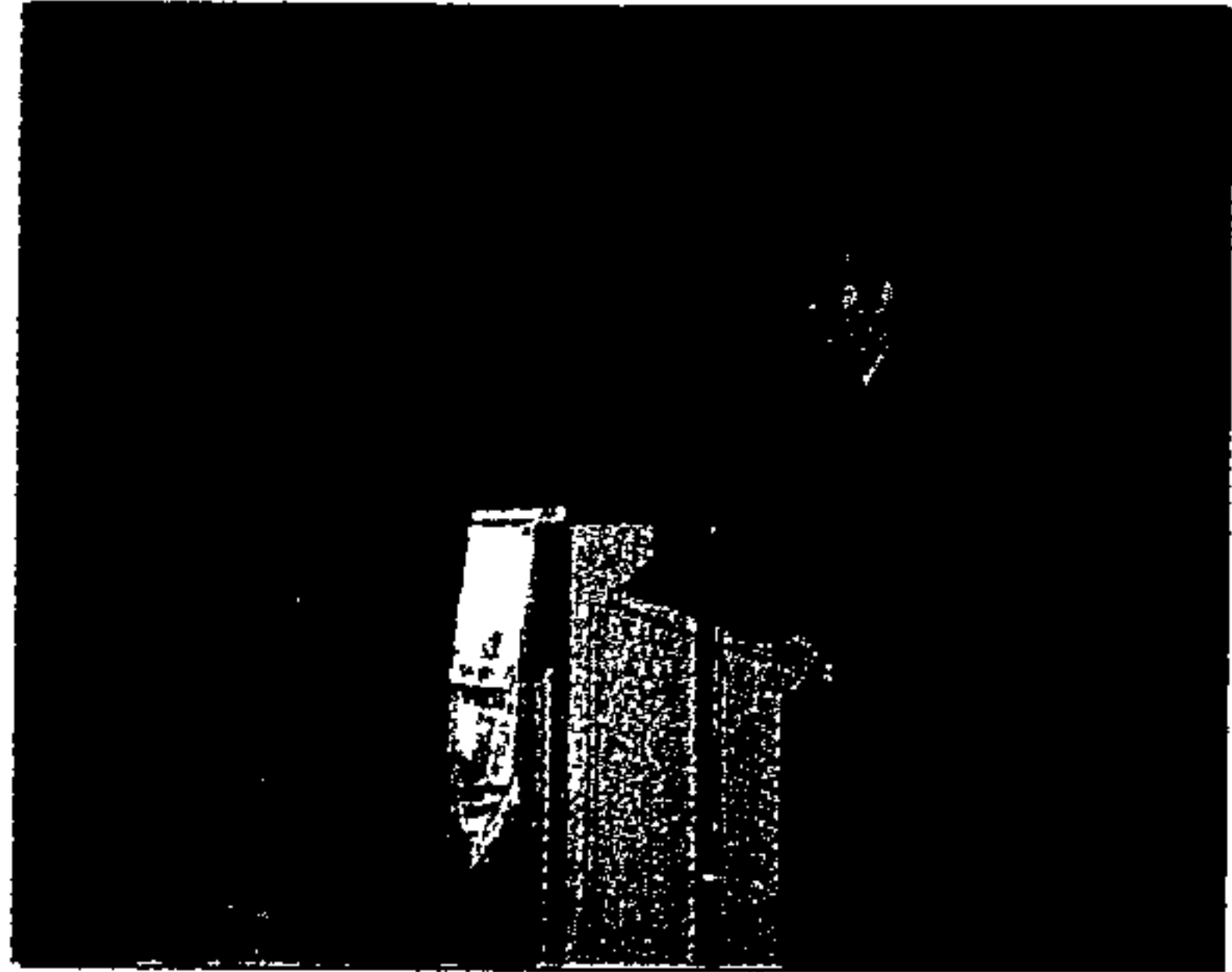
In a situation of large and persistent net capital inflows it is extremely difficult to decide what a correct exchange rate for the rand should be. The conventional

definition of purchasing-power parity becomes difficult to apply as the country can afford in this situation to run a permanent deficit on the current account of the balance of payments.

Any calculation must be based on many subjective assumptions, for example, how permanent is the net capital inflow into South Africa and what will happen once exchange controls will be relaxed further?

It is because of such complexities that the Reserve Bank is reluctant to target the exchange rate, or to try and fix the exchange rate at any predetermined level.

Taking account, however, of the relatively higher rate of inflation in South Africa compared to the average rate of



MONEY MAN Chris Stals, the Reserve Bank governor
PHOTO: PURI DEVJEE

inflation in our major trading partners, and of current trends in the average unit labour cost of production in South Africa, an appreciation of the rand will not be sustainable in the longer term.

The Reserve Bank, as all importers and exporters and foreign investors, does not like the abrupt way in which the adjustment took place in February. This, however, is part of the consequences of becoming more integrated in the global financial markets.

In this environment, South Africa will be tested from time to time, and political, social and economic developments in South Africa will have profound effects on the exchange rate of the rand. The Reserve Bank will have to increase its foreign reserves to a much higher level should it want to smooth out all fluctuations in the market.

The Bank will, however, have to be cautious not to lure international speculators on to the bandwagon, and not to create the impression that it would be willing to support the exchange rate of the rand at a level not perceived by the market to be sustainable.

The recent disruption in the foreign-exchange market, and the abrupt way in which the exchange rate of the rand was adjusted, vindicates the Reserve Bank's cautious approach in relaxing the remaining exchange controls, applicable to the outward investment by South African residents.

The speculation that the next round of exchange-control relaxations will lead to a major downward adjustment of the exchange rate of the rand, was presumptuous. If the Reserve Bank was of the opinion that further relaxations could lead to a large outflow of capital, the Bank will not advise the minister to proceed with the programme.

The Bank is still of the opinion, despite the recent developments, that some further relaxations of exchange controls will be justified during the year. The phasing out of the exchange controls is a longer-term programme that should not be unduly upset by short-term gyrations in the market.

The Bank is reluctant to fix the exchange rate at any predetermined level

THE MCKENZIE MAKE UP

(297) FM 8/3/96

Incoming Minister of Welfare & Population Development Patrick McKenzie has the advantage of being a fresh face — at least on the national scene. And he could soon register more forcefully in the national consciousness. Indeed, he could contribute to the "new look" of the recast National Party announced by F W de Klerk.

As MEC for Police Services in the Western Cape, McKenzie is regarded as having done a good job. He is popular with his colleagues and believes in being accessible to the public and media. Born in District Six, he has real "community" roots — though, like Abe Williams, he served in the (unrepresentative) coloured House of Representatives.

Under McKenzie, policing in Cape Town has been visible and largely effective. He has been less successful in bringing peace to the gang-stricken Cape Flats, though community policing is making some headway there.

But is McKenzie simply a regional figure? His abilities will be sorely tested by his appointment to a ministry clouded by scandal and alleged corruption.

In the week that Williams was compelled to resign after raids on his premises by the Office for Serious Economic Offences, the NP stressed that among the "core values" espoused by the new-look party, the fight against corruption was one. In reaffirming this, Western Cape Premier Hernus Kriel was looking ahead to the May 29 local elections.

Williams's abrupt resignation came after a year-long probe of alleged welfare payment fraud estimated to cost taxpayers R1bn a year. He remains under investigation, but as the NP's most prominent coloured parliamentarian he's accepted as having helped secure the Western Cape as the sole NP-controlled province.

McKenzie seems intended as an improvement on Williams in his role of vote-catcher. But unfortunately for McKenzie, the question is whether further revelations of welfare corruption will inhibit the NP's electoral performance in May. There's simply not

enough time for McKenzie to clean up the department by then.

As Minister, Williams did produce a sensible draft White Paper that placed the emphasis on self-reliance and sought to remove the bias towards whites in the previous welfare structures (*Current Affairs* November 10 1995). The *FM* noted then that the main obstacle facing Williams in transforming welfare was that it relied on an estimated 10 000 private organisations that received government subsidies for their work.

It would need years to track them all down and implement "greater accountability and focus." Indeed.

The information that the Office for Serious Economic Offences was looking for at Williams's premises related to alleged payments in the award of a tender to a company that pays out pensions in the Western Cape.

With Williams out of the Cabinet, there can be little doubt that the reshaping of the NP gains greater urgency. Whether or not the ANC makes electoral gains in the Western Cape, the NP will remain the major national opposition party. McKenzie's appointment could assist in its often-questioned potential for growth.

McKenzie, however, freely admits that his primary loyalties are to his home province. And the Western Cape Nats have at times been seen as diverting the NP from its countrywide aspirations. Understandably so, with their robust share of provincial chauvinism.

But the NP in the Western Cape has begun to make electoral use of Williams's departure — contrasting its swiftness with the ANC's dilatoriness over Winnie Mandela and Allan Boesak.

The ANC has sneered at this. "The crucial point . . . is that Abe Williams is still a member of the NP," it said in reaction to the NP's suave handling of the affair. "He has neither resigned, nor has the NP intimated any intention of taking disciplinary action against him. Until they do so, their claims of having acted decisively against allegations of corruption continue to ring hollow."

McKenzie will have to move swiftly to eliminate the taint that hovers over welfare. But for the moment he must deal with the political ghost of Williams ■



Patrick McKenzie

Trust swamped with funding applications

Robyn Chalmers

(297) BD 8/3/96
THE Transitional National Development Trust has been swamped with R500m worth of funding applications from non-governmental organisations over the past six weeks, reflecting the extent of the funding crisis for grassroots bodies.

Trust CEO Eric Molobi said yesterday that the trust had a total of R125m to disburse over the next two years, which would provide only limited relief to the thousands of cash-strapped organisations around SA.

"We are being flooded with applications and there is obviously a desperate need for funds among a wide range of non-governmental organisations.

"We have only a finite amount of funds, so we intend to approve applications for sustainable projects which add value," he said.

Sources estimated that of the R500m in funding applications, about R100m could be classified as emergencies. Should the funding not be forthcoming, a significant number of these non-governmental organisations would be forced to fold.

Retrenchments

Molobi said many of the non-governmental organisations which were going through a cash crunch would be forced to retrench staff in order to survive if they did not get immediate funding.

He said it was highly unlikely that the trust would receive further funding from government.

It had been set up last month as a two-year transitional structure to assist organisations while the proposed National Development Agency was being set up. The trust was established to provide development support and financial assistance to non-governmental and community-based organisations.

Its start-up funding of R125m comprised R50m from the RDP ministry and R75m from the European Union. In granting funding, the trust would be guided by a number of principles, including that projects should comply with broad RDP priority areas and should take into account the actual needs and wishes of target communities.

Projects would also have to have discernible objectives, plans for reducing dependency on external funding and impeccable financial management.

The Zevin plan to kick-start growth

(in billions of rands to be spent)

Programme	1996	1997	1998	1999	2000	2001	2002	2003	Total
Housing	11	11	11	11	11	11	11	11	88
Water	2	2	2	2	2	2	2	2	16
Sewage	0.5	0.5	0.5	1	1	1	1	1	6.5
Electricity services	2	2	2	2	2	2	2	2	16
Residential dev	15.5	15.5	15.5	16	16	16	16	16	126.5
Road Improvements	6	6	6	6	6	6	6	6	48
Other infrastructure	2	4	6	8	8	8	8	8	52
Public works	8	10	12	14	14	14	14	14	100
Education	4	5	7	10	13	16	19	23	97
Health	2	2	2	2	2	2	2	2	16
Human resources	6	7	9	12	15	18	21	25	113
Grand total less	29.5	32.5	36.5	42	45	48	51	55	339.5
Planned RDP spending	8	10	12	12	12	12	12	12	90
Total to be funded	21.5	22.5	24.5	30	33	36	39	43	249.5

SOURCE: DR ROBERT ZEVIN. Graphic: Val Singh

Zevin's proposal: Government should spend R250-billion over the next eight years on the RDP

'SA economy needs an accelerator effect'

M+G 8-14/3/96 (297)

Madeleine Wackernagel reports on an unusual proposal to kick-start the RDP

TWO years after South Africa's first democratic elections there is a sense of economic inertia. Part of the transition problem has been building a new government on old structures, conservatism is deeply entrenched, in business as well as government.

Policy-makers are loath to upset the apple-cart of international opinion with controversial — but necessary — proposals for job creation and economic growth.

So says Dr Robert Zevin, an American economist with a long and abiding interest in this country in his capacity as director of the Fund for Democratic Elections in South Africa and The New World Foundation. He believes a radical re-think is needed before the *impasse* leads to stagnation and political instability

The South Africa Foundation last week noted that with gross domestic product (GDP) growth of 4%, an annual rate of job creation of 0,5% in the formal sector, and 2 to 3% increase in the labour force, no dent in the unemployment rate was likely in the short to medium term. The foundation looked to the Far East for inspiration, favouring a low-wage, labour-intensive route to expansion.

Zevin, however, believes such a framework to be totally inappropriate to South Africa — a middle-income, medium-technology economy. What this country needs is a typical Keynesian kick-start; present fiscal policies

are consistent with a high employment economy, not one with a 40 to 50% unemployment rate.

Government should spend R250-billion over the next eight years on the Reconstruction and Development Programme (RDP), satisfying the demand for job creation and service provision in one go.

Says Zevin: "Drastic problems call for drastic solutions. The private sector alone cannot create the millions of jobs needed by the year 2000, nor will it build all the houses and provide all the services.

"No matter how much legislation is implemented to make mortgage provision easier, for instance, companies will continue to invest in office blocks in Sandton; there is no money in squatter camps and private capital is return-driven."

His premise is that once the accelerator effect has kicked in, with 60% of that extra RDP expenditure going on low-income labour, GDP will grow by a factor of R1,89, that is, every R1 spent will boost GDP by R1,89. This in turn will raise capital spending by businesses from 16% of GDP to over 25%. Growth will be higher and tax revenues will rise by more than the additional expenditure, bringing the deficit down sharply as a percentage of GDP.

The mere mention of adding to the Budget deficit gives most economists sleepless nights. Any deviation from strict fiscal discipline would result in international opprobrium, capital flight and a collapse in confidence, they say. But present policies have done much to encourage short-term portfolio investment and less foreign

direct investment, which creates jobs and growth.

South Africa's situation is unique; there is no precedent for successfully overcoming a massive unemployment rate in a low-growth, middle-income economy. There are plenty of examples of burgeoning budget deficits and their disastrous effects, notably in Latin America, and these scenarios are invariably quoted to silence the Keynesians. But *laissez-faire* economics has not had a good run in the former Soviet Union and Eastern Europe.

South Africa should shrug off international opinion, says Zevin. Even local investors will buy government bonds if the returns are high enough; there is no need to seek approval or credit from the World Bank. Indeed, South Africa is perfectly positioned to implement its own "Marshall plan" in the region, extending credit to neighbouring countries, which in turn will buy our goods.

The unemployment problem cannot be ignored, the government must harness untapped resources of labour, raw materials and industrial capacity to set the economy on a 7 to 10% growth path. Trying to galvanise the private sector in this direction is tantamount to ants pushing an elephant, says Zevin.

The alternative, he believes, is to sacrifice all the gains of social transformation to economic failure. Instead of trying to cut the Budget deficit to levels lower than most Western countries achieve, South Africa must seek its own solution, capitalising on export competitiveness and economic autonomy on the African continent.

ARG 9/3/96

Denel quashes allegations of Nisec link to Williams

PRETORIA. — The Office for Serious Economic Offences (Oseo) has said that an affiliate of arms manufacturer Denel was not responsible for an alleged irregular payment to former Welfare Minister Abe Williams, Denel said.

In a statement issued here it said managing director Johan Alberts had received a letter to this effect from Oseo earlier in the day. (297) (254)

"The purpose of the letter was to clarify the matter and to eliminate any incorrect perceptions which may have arisen," the statement said.

Mr Williams resigned on February 21 after Oseo had searched his offices and homes.

It declined to reveal the charges being investigated.

At the time African National Congress Western Cape MEC Ebrahim Rasool claimed to have initiated the probe, alleging it concerned the award of a R149-million five-year contract to distribute social pensions.

The contract to pay about R1,5 billion a year using fingerprint identification was awarded to Nisec, a Denel affiliate.

Denel yesterday released the letter from Oseo on the matter. It said in part: "The company which ... made a payment into an account controlled by Mr. A Williams was not Nisec."

Mr Alberts said he was happy the matter had been cleared up. — Sapa.

No payment to Williams, says Denel

(297) Star 9/3/96

The Office for Serious Economic Offences has confirmed that an affiliate of arms manufacturer Denel had not been responsible for an alleged irregular payment to former welfare minister Abe Williams, Denel said yesterday.

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Denel yesterday also released the letter from the OSEO on the matter. It said in part: "The company which ... made a payment into an account controlled by Mr A Williams was not Nisec." Alberts said he was happy the matter had been cleared up. - Sapa

Private sector co-operating with bank

Drive to raise RDP finance paying off

Greta Steyn

THE Development Bank of Southern Africa's drive to get private finance for the RDP is paying off, with R522m secured and R537m under discussion.

The bank and its private sector partners are poised to announce that the first co-financing deal, lead managed by a foreign bank, has been signed. The project will provide water to underserved communities in Northern Province.

Private involvement has also been attracted for greater Johannesburg's southern bulk sewerage scheme.

The scheme's total project cost is R625m, the bank's contribution is R380m and the private sector's contribution R245m.

A R169,6m Port Elizabeth water and sanitation programme has been split equally between the bank and the private sector.

The figures are included in the bank's latest progress report on co-funding. The report also notes that a further 21 projects requiring private sector investment of R537m are under discussion after being highlighted in a monthly publication sent to financial institutions. The bank began circulating the publication last year, when it decided to court the private sector. Banks were asked to submit detailed funding proposals.

Bank GM Div Botha said all 21 projects had attracted interest from banks and life offices. "The response has been positive, but both sides are still on a learning curve. The relationship between the bank and its private-sector partners is being fine-tuned," he said.

The partnership was a key facet of the municipal infrastructure investment programme. Local authorities were unlikely to tap the capital market to the extent they had done in the past, partly because private lenders were understandably sceptical about their financial strength. "The bank sees itself as a facilitator between private lenders and local authorities, especially when communities opt for a higher level of service provision than basic."

Botha believed private-sector involvement would be confined initially to local authorities with the financial strength and capacity to deliver.

The five metropolitan areas and secondary cities, which between them accounted for about 80% of local government income, would be the focus of attention. The other local authorities — many of which were in dire financial straits — would depend mainly on transfers from central government. A transparent system of local government financing was being developed.

Botha said the advantages for the

Continued on Page 2

Bank

Continued from Page 1

private sector in the bank's involvement included the bank's ability to assess institutional capacity and economic potential.

"The bank will not invest in a project if the borrower cannot implement it or cannot pay his debts."

When the bank identified institutional deficiencies, it helped set programmes in place to rectify them. The private sector's competence in financial engineering and risk definition complemented the bank's skills.

"It would obviously be easy to draw

private finance if government put up guarantees for loans, but as there is no chance of that happening, other ways will have to be sought to minimise risk," Botha said.

Ideas under discussion included providing a "put" option which could be exercised after a couple of years, providing an investor with an exit.

The bank had decided all resources and funding facilities at its disposal that could have a positive effect on the lowering of risk should be utilised.

The approach would be to exclude the bank's resources only if their utilisation would have a negative effect on the long-term sustainability of its loan book, or on the overall development finance system.

RDP council slams Foundation plan

(297) / Star 11/3/96

A plan proposed by the South African Foundation to slash the country's deficit and boost business was "heartless", the Reconstruction and Development Programme Council said yesterday.

"While we agree with the need to avoid the debt trap, business fiscal policy is aimed at severely undermining ... (government's) capacity to address the social needs of our people," the council said.

It added that privatisation had to be done in phases and should concentrate more on restructuring state assets effectively. - Sapa.

Rural strategy is inadequate

ANNE BERNSTEIN
CONTRIBUTING EDITOR

FOR decades South Africa has neglected the needs of the millions of people living in rural areas. The country desperately needs an effective rural strategy as part of its new national vision of growth and development.

The government's draft rural strategy document is an inadequate companion to its urban strategy document and a poor step-cousin to the new Green Paper on land policy.

The document, essentially a "wish list" of what the authors would like to happen, fails to identify, understand or define the elementary building blocks of terms for analysing rural areas. Key policy choices facing the government and a practical and achievable national strategy are not identified. While many facts are available, few are provided.

Against this background, there is little possibility that sustained and positive development will occur in the rural areas.

They are complex places which include the former white plantation and the former "homelands".

Within these two categories are many sub-sectors including: black tenants on white farms; small towns and dorps; resettlement areas and towns in homelands; commercial farming areas; areas close to and far away from cities; areas in high rainfall zones, and areas in low rainfall regions.

Generally the document speaks of "rural" without clarifying what kind of area it is referring to or the specific development challenges confronting very different types of places.

What is required is an analytical and quantitative assessment of the nature of the "problem", followed by demonstrably viable strategies to deal with it.

The document tends to assume a common understanding of the "problem" and the best way to respond to this.

For many decades, the countryside has become increasingly dependent on the urban economy and urban options are part of almost every rural person's life choices.

The dynamic nature of rural-urban relationships is not appreciated. For many decades, the countryside has become increasingly dependent on the urban economy and urban options are a central part of almost every rural person's life choices.

Rural areas have to deal with increasing urban unemployment and the consequences of declining migrant labour possibilities. What this means for rural development options is unclear.

A number of key policy issues are inadequately dealt with. For example, what will increased urban development mean for the rural areas?



What are prerequisites for effective and sustainable growth and expansion of opportunities for rural people? What are our rural options as sub-Saharan Africa's most unbalanced country?

Other issues which need much more attention include: the potential of small towns in terms of facilities and infrastructure; "apartheid's hidden urbanites" in the dense settlements of former homelands; facts about rural people's "land hunger" and its importance in development strategy; the scale and location of demand for farming; small-scale farming and its importance (or not) as a component of future rural policy; regional differences between rural areas; communal land tenure and its effect on development opportunities; the effect of urban competition on rural markets; the complicated legacy of homelands in rural areas; and the politically sensitive issue of traditional leaders and their role in rural development.

Economic growth and employment.

BUCOUC: The draft strategy fails to take into account the range in rural areas, from commercial farms to towns in former homelands.

both of critical importance, are tackled inadequately.

The draft strategy provides no sense of connection between rural development and the national aim of achieving 6% economic growth a year. What is the economic potential in rural areas? How does one maximise this? What should be done about those parts of rural South Africa that have little or no economic potential?

With the exception of the idealistic discussion on "periodic markets" and a cursory discussion of tourism and local economic development, rural unemployment does not feature prominently in the government's document.

This is surprising, given that the critical challenge is that of wealth creation and job expansion in rural South Africa. What are the possibilities for new job opportunities arising out of the tourism sector, for example? Can job expansion and wealth creation take place on a greater scale and in a more inclusive way than at present?

If so, how can this be done and where? Will "state-induced wage increases" as advocated help create more employment? What effect on migration? What is the Government's response to the reality of large-scale unemployment among rural school leavers? The document lists everything as of equal importance. The real world of limited capacity, resources and time, demands that priorities are identified and choices made.

The government must go back to the drawing-board and ensure the process of drafting rural strategy involves a wide range of expertise. The Centre for Development and Enterprise recommends that the government appoints a special presidential commission on rural strategy, chaired by a leading independent South African.

The commission must be a partnership between public and private sectors and perform a threefold task. One, produce a thorough and factual analysis of rural areas and regions. Two, develop rural strategy options for government that complement overall national economic growth and development strategy. And three, develop a national strategy specifically to deal with the negative legacy of the homeland policy.

In the meantime, a government task team representing directors-general from relevant departments should identify short-term actions to be taken in rural areas. South Africa's neglected rural areas demand much more serious attention at the very highest level of government. They have not yet received this.

□ *Ann Bernstein is executive director of the Centre for Development and Enterprise.*

CT 14/3/96

(297)

Government pumps up the action on RDP

Business Reporter

THE increase in the RDP funds and its focus on projects that are improving the lives of the poor has shown that the government is committed to development, say experts involved in community work.

The RDP received an additional R7,5 billion for its 1996-97 budget, bringing the amount allocated to the fund since the 1994/95 budget to R15 billion.

But only departments which have shown high performance will benefit more from the funds.

Jolyon Nuttall, communication director of Independent Development Trust (IDT) welcomed the government's decision to place emphasis on improved delivery programmes, saying the move was better than adding to huge unspent funds rolled over from last year.

"We hope that competent NGOs and CBOs will be drawn fully into enhancing the delivery record of the RDP in the year ahead," he said.

Research Associate Dr Gavin Lewis from the Centre for Southern African Studies said it was a good move to invest in departments like Water Affairs which have delivered more. Other departments like housing had their RDP funds rolled over from last

year.

SA National Civic Organisation president Mlungisi Hlongwane was impressed with the allocation of funds, saying the Budget was sensitive to the poor.

"The government has also shown that is moving away from simply planning and is now focusing on results. It is encouraging that it will not continue to channel funds on non-performing projects," he said.

But he added that there was no clarity on how it was going to develop small and medium enterprise to develop local economy.

Special Presidents Project Themba Maluleke said the increase was "excellent".

"I think there is sufficient funding to improve people's lives. This gives an indication of the government's commitment to uplift society," he said.

Among the projects the RDP will focus on are water-supply projects to reach 3,5 million people who had no access to clean running water, municipal and bulk infra-structure projects, the primary school nutrition programme and free health care for pregnant women, mothers and children.

■ The government's 1996-97 Budget should have a positive impact on the residential property

market, reports Sapa

Johannesburg estate agency head Lew Geffen said in a statement the decision not to increase the VAT rate and the provision of some tax relief for individual taxpayers would increase disposable income and benefit homebuyers at the lower end of the market.

Camdon First National chief executive officer Scott McRae said the increase in the tax threshold for the maximum tax payable would encourage top income earners to remain in South Africa and thereby help to improve demand for property.

He said the absence of an increase in VAT would keep homes affordable.

However, Seeff Holdings deplored the retention of VAT on new property developments.

"To us it is iniquitous that the man in the street, for whom a development scheme is the most cost efficient method of owning his own home, should be financially penalised by having to pay VAT on his purchase," the company said in a statement.

It said the minister had lost a "golden opportunity" to provide impetus to South Africa's home ownership programme by not removing tax on new property developments



Mr Budget ... Finance Minister Chris Liebenberg on the steps of Parliament in Cape Town yesterday.

Increased funds for RDP hailed

By BONKWE MLANGENI

Housing Reporter

Star 12/3/96

The increase in RDP funds and its focus on projects to improve the lives of the poor has shown that the Government is committed to development, say experts involved in community work.

The RDP received an additional R7,5-billion for its 1996-97 budget, bringing the amount allocated to the fund since the 1994-95 Budget to R15-billion.

But only departments which have shown high performance will benefit more from the funds.

Independent Development Trust communication director Jolyon Nuttall welcomed the Government's decision to place emphasis on improved delivery programmes.

"We hope that competent NGOs and CBOs will be drawn into enhancing the RDP delivery record in the year ahead," he said.

Research associate Dr Gavin Lewis from Wits University's Centre for Southern African Studies said it was wise to invest in departments, such as water affairs, which had been high on delivery.

South African National Civic Organisation president Mlungisi Hlongwane was impressed with the allocation of funds, saying the Budget was sensitive to the poor.

RDP places emphasis on delivery

ET 14/3/96
OWN CORRESPONDENT

JOHANNESBURG: The increase in the RDP funding has proved that the government is committed to development, say experts in community work.

The RDP received an additional R7,5 billion for its 1996/7 budget, bringing the amount allocated to the fund since the 1994/5 budget to R15bn.

But only departments which have proved they can deliver will benefit more from the funds.

Independent Development Trust communications director Mr Jolyon Nuttall welcomed the government's decision to place emphasis on programmes with a history of delivery, saying the move was better than adding to funds rolled over from last year.

"We hope that competent non-governmental and community-based organisations will be drawn fully into enhancing the delivery record of the RDP in the year ahead," said Nuttall.

Centre for Southern African Studies research associate Dr Gavin Lewis said it was a step in the right direction to invest in departments that had delivered more. Non-performing departments had their funds rolled over from last year.

SA National Civics Organisation president Mr Mlungisi Hlongwane was impressed with the allocation of funds, saying the Budget was sensitive to the poor.

"The government has shown that it is moving away from simply planning and is now focusing on results," said Hlongwane.

Water supply will be among the RDP's major projects. The government hopes to reach more than 3,5 million who have no access to clean, running water.

THE BUDGET



President Nelson Mandela, left, shakes hands with Finance Minister Chris Liebenberg after Liebenberg delivered his Budget address to Parliament yesterday.

Picture AP

RDP funding promise kept for third time, with R2,5bn

Wyndham Hartley
PD 14/3/96
(297)

CAPE TOWN — The promised R2,5bn increase in RDP funding has been achieved for the third successive budget, bringing the total allocation for three years to R15bn.

The amount of R7,5bn is in addition to commitments carried over from the previous two budgets when an RDP fund was first provided for. The fund was initially allocated R2,5bn and the commitment was to add the same amount each year.

Finance Minister Chris Liebenberg made only passing reference to the RDP in his Budget speech.

The Budget review, released by the finance department yesterday, stresses a fundamental change in RDP funding away from the individual projects of the past.

“RDP fund resources have been earmarked for departments as part of their annual budgets. In effect the departments will be assured of these funds, as long as they go through the business planning requirements of the development planning branch and use the resources for the specified aims,” the Budget review stated.

The review stated that most of the new spending under the RDP fund will finance programmes requiring government departments to co-operate with each other, to try to overcome “compartmentalisation”.

It was also stressed that the RDP fund will focus on areas identified in the recently launched growth and development strategy “and in particular ensure preplanning of these major initiatives is supported.”

In the new allocations the constitutional development department and provincial affairs get almost R1bn for the establishment of stable rural government and the extension of municipal services.

Land affairs gets R369m for a variety of projects, and water affairs is allocated an additional R400m. Allocations for the nine provinces total R2,7bn.

Govt set to help⁽²⁹⁷⁾ the poor

By Waghied Misbach and
Isaac Moledi

THE Government was committed to helping the poor while trying to promote growth and global competitiveness, Finance Minister Chris Liebenberg said in his Budget speech yesterday.

Liebenberg said there had been a "high degree of success" with programmes such as school feeding – targeted at 5 million children – free health care for children and pregnant mothers, and labour-based construction programmes. *Sawetan*

However, the Government had given "careful attention" to additional ways in which to give relief to the needy, because this meant "sacrifices elsewhere". *14/3/96*

The Government had already allocated a considerable amount of money to social spending, which would go some way to helping the needy.

He said the Government had decided to retain the zero-rating of VAT on basic foodstuffs, which means there will be no VAT paid on basic foods including bread, milk and mealie meal.

Rick de Satgé

INFO TECH
EXCHANGE

Shacking up with high tech

THE southeaster is blowing through the shack settlement. Loose roof sheeting lifts and falls.

Deep in the settlement a woman cooks on a primus stove. She turns her back, the pot slips, the stove falls. Within a few minutes the shack is ablaze. The fire spreads. Within an hour several hundred families have lost their shelter and their belongings.

This has been an all too common scene among the shack settlements in Cape Town. One such settlement, Marconi Beam, has made national headlines with a series of devastating fires.

A computer-based housing information management system developed in a joint venture between the CSIR and Urban Sector Network has proved its value both in disaster management and in planning a new housing project for the residents of the settlement.

How can a computer be of any help in a situation like this? In the case of Marconi Beam, households had been registered prior to the fires with the help of an aerial photograph. This photograph was enlarged and digitised, enabling it to be called up on screen.

Each shack was assigned a number and mapped. Later, teams on the ground visited every household to collect information required for future planning.

The information was entered into a database which was linked to the digitised photo. Now it's a simple matter of taking your mouse, clicking on a shack and the details of who lives there pop up.

Scorched earth and some twisted metal are all that's left after the fire. As the local authority and various relief agencies move in they need information to establish who are genuine residents needing assistance.

The system helps manage disputes over location and exposes queue jumpers.

The disaster management capability is a spin-off of a more sophisticated system to strengthen the information base of the local community and local authorities.

This can include information on people's employment status and skills and become the basis for a job placement system.

The system also manages household subsidy applications. Scanned images of different house plan options are interactively linked to a spreadsheet which contains a breakdown of costs involved.

The system has now been installed in the offices of a number of provincial and local authorities. The data will make it possible to do an in-depth evaluation of housing projects to assess who has benefited and who has been overlooked.

The system is developed in an easy-to-use Microsoft Windows environment. Regular updates are provided, which will include new government policy with regard to housing assistance measures.

Rick de Satgé is a trainer with the Development Action Group. Contributions are invited for a regular Info Tech Exchange Column



Bigger boxes than presents

The grand promises of foreign aid to the new government have many hidden strings, writes **Hans Brandt**

ALL that glitters is not gold: that's what the RDP has been finding as it "unpacks" the grandiose aid pledges made in the heat of President Nelson Mandela's inauguration.

According to Shaheed Rajee, director for international development co-operation in the RDP, of the R13-billion announced by ebullient donors after the elections, only R4-billion was in grant form. Some R1-billion in aid is expected in the 1996/97 financial year.

Most South Africans were taken in by the promises. "South Africa had never before received international development aid", explains Rajee. "People expected that the donors would simply issue a cheque for those amounts to South Africa."

Instead, Rajee says, inexperienced officials had to learn to decipher the difference between grants, loans, trade credits, and guarantee funds for companies back home to do business in South Africa.

South Africa insisted that donor funds be channeled through the

central RDP Fund and be co-ordinated with the national Budget.

Integrating aid into the Budget helps ensure that recurrent costs — what it takes to maintain projects after they are completed — are fully taken into account.

Most donors have different financial years to South Africa, which makes it difficult to integrate their aid into the South African budgetary process running from March to February.

South Africa's efforts to be more systematic about aid were sometimes viewed among donors as looking a gift horse in the mouth.

Soon after the elections, the Japanese said they might have to send aid back because they had no one in government with whom to negotiate.

Unwrapping of the Japanese aid package showed that most of it was in fact destined for Japan.

Out of the \$1.3-billion (more than R6-billion) pledged by the Japanese, \$500-million consists of export credits made available to Japanese companies doing business with South Africa. \$750-million dollars is in the form of concessional loans.

Only \$50-million is in grant form, spread over two years. The grant money can only be spent on contracts given to Japanese companies.

The British package consists

almost entirely of £5-billion (about R28-billion) of export credit guarantees by the British government to companies trading with South Africa. It is unlikely that these guarantees will be taken up fully.

Only \$33-million of USAID's \$600-million (R2.26-billion) pledge (which Mandela publicly referred to as "peanuts") goes to government. The rest goes to NGOs and the private sector.

The 150-strong US Agency for International Development (USAID) office in South Africa manages and administers almost all its projects directly. Co-ordination with the RDP office, according to Rajee, is minimal.

Sweden's aid package of R110-million per annum is all in grant form, and tenders are open to international bidding. Rajee cites the Nordic countries and Netherlands as being the countries most open to scrutiny.

"What South Africa is striving for by way of transparency, integrating aid into the Budget, and avoiding white elephants is what the DAC (Development Assistance Committee of Western countries) has been advocating for years," says Johan Brismann, who is in charge of development assistance at the Swedish embassy.

The European Union aid of R650-million in the current financial year is all in grant form. "There are no strings attached — except accountability and maximum transparency," says EU ambassador Erwan Fouéré.

Rajee's main difficulty with EU aid is the technicalities. "The reporting procedures are among the most complex."

After two years of sorting through the different reporting procedures of donors, Rajee would like to put forward "a generic reporting system". He concedes that most donors are likely to balk at the idea, "but at least the initiative will come from the South African side".

RDP hosts forum for donor consultation

THE RDP will be hosting an "International Development Forum" on April 15 to 16 — the first major donor conference convened by South Africans since the elections in 1994.

The only other donor conference to be held in the country was the October 1994 human resource development conference co-sponsored by the United Nations Development Programme (UNDP) and Commonwealth Secretariat.

The RDP's Shaheed Rajee points

out that African countries undergoing IMF and World Bank-sponsored structural adjustment programmes have an annual consultation with donors in Paris. Since South Africa is not on one of these programmes, it is useful to start a system of regular reviews, he says.

Rajee emphasised that the conference would not "present a shopping list to donors", but rather review broad policy: in particular the role of aid in the Growth and Development Strategy.

Feeding scheme under attack

Overspending, fraud and inadequate planning have hit the presidential feeding scheme. **Rod Amner and Beth Houston** report

THE government's R623-million presidential feeding scheme has a limited impact on the nutritional well-being of primary school children, according to a report released exclusively to *Reconstruct*.

The Primary School Nutrition Programme (PSNP) is "alleviating temporary hunger" and improving concentration and attendance in many needy schools, says the report, which was compiled by the National Progressive Primary Health Care Network (NPPHCN).

But, the report adds, children are receiving only a small proportion of their daily energy and nutritional needs (20% of Required Dietary Allowance for energy, and about 50% for protein). Also, "opportunities are being missed to provide more nutritious and substantive meals" where they are most needed, among the babies.

Says NPPHCN director Irwin Friedman: "If I were asked where to direct R623-million for malnutrition, I would direct it towards pre-schools, because that is where kids are actually dying — there is a huge pre-school movement and they are desperate for government assistance."

According to the recent Reconstruction and Development Pro-

gramme (RDP)/World Bank report on poverty in South Africa, "stunting [insufficient height for age] occurs among 38% of ultra-poor children under the age of five". If malnutrition goes unattended at the pre-primary level, learning problems are encountered in the school-going years.

The NPPHCN report was compiled after the discovery of widespread fraud in the Eastern Cape feeding scheme in August 1995. It was released to the government in October. Despite numerous requests, the report has only just been made available to the press.

Friedman says despite its name, the PSNP is more of an educational aid than a nutritional intervention. "There is a benefit in having some sort of a primary school nutrition programme if the country can afford it, but mainly because it attracts children to school and helps them get through the school day."

Operation Hunger's Eastern Cape manager, Sheelagh Shelper adds, "If we are trying to improve the nutritional status of children, the PSNP is a waste of money. Children suffering from micro-nutrient malnutrition are not best served by getting whole food because there are more effective and economical ways of doing this."

Before the PSNP took over, Opera-

'If we are trying to improve the nutritional status of children, the PSNP is a waste of money'



Feeding schemes: 'The quality, timing and supply of food is problematic'

PHOTOGRAPH: HENNER FRANKENFELD

tion Hunger used to run community kitchens parallel to feeding children in over 1 000 of the neediest schools in the Eastern Cape, which meant that schoolchildren had somewhere

to go during the holidays.

Under the PSNP, primary school pupils are only fed on schooldays. Even then, "the quality, timing and supply of food — especially in periph-

eral areas — is problematic", the report says.

The report also criticises the "virtual absence of non-governmental organisations (NGOs) and community-based organisations (CBOs) participation" in the feeding scheme in the Eastern Cape. Dozens of respected NGOs fed hundreds of thousands of schoolchildren for many years before the PSNP started, but the government chose to ignore their expertise and experience.

East Cape children didn't receive their "Mandela sandwiches" in the third term of 1995 because the PSNP had already grossly overspent its budget. Part of the money was lost to fraud, but an even greater problem was the lack of any reliable data about the education system, which meant that officials were unable to target the neediest schools.

Indiscriminate feeding led to reports of "food fights" in middle-class schools and most of the budget was burned up in just one school term. Eastern Cape pupils had to again wait until the seventh week of the current school term until the scheme was bailed out by a R35-million grant from the Department of Health. Only children from Sub A to Standard Two will be fed in the remaining three weeks of term.

A representative for the PSNP in the Eastern Cape, Khulekile Bata, says the scheme was "started by the president and must go ahead".

Many NGOs argue that the scheme's vote-catching potential is insufficient justification for spending R623-million a year on it.

Crisis looming over community constables

Colleen Lowe Morna

A PROGRAMME to turn former self-protection units (SPUs) and self-defence units (SDUs) into community constables in the East Rand hangs in the balance following mounting tension between the police and former operatives.

A directive from the Ministry of Safety and Security that the programme be discontinued on March 31 has been temporarily withdrawn, after the community constables branded the date "execution day" and threatened to go underground again.

Mkhabela Sibeko, deputy director general in the office of the Gauteng MEC for Safety and Security, said provincial authorities had sought an urgent meeting with Minister of Safety and Security Sydney Mafumadi after the directive was issued for fear that it would "seriously compromise security" in the volatile East Rand.

While no decision has yet been taken on the future of the programme, which is jointly sponsored

by the Reconstruction and Development Programme and the South African Police Service (SAPS), various options are being considered, he said.

The bottom line for SAPS, area commander for the East Rand General Don Aspleing told *Reconstruct*, "is that we phase out the term 'community constable'. The East Rand is the only area in the country with community constables and this is not a healthy situation."

The main problem, he said, is "we can't have community constables

who are under police management and still adhere to management from outside the police".

Frans Mothapo, chairperson of the Community Constables Committee, says that while there were initial problems with community constables reporting to *indunas* (in the case of the former Inkatha Freedom Party SPUs) and commanders (in the case of former African National Congress SDUs) this is no longer the case.

He warned that if "the programme is disbanded or terminated without suitable alternatives, everything will go back to square one. Unemployment will rise. Crime will rise. There will be security problems again in the East Rand."

The programme was initially conceived as part of the RDP Presidential Lead Project to bring peace and development to the East Rand (see PAGE 4). Some 1 000 officers were selected out of an estimated 4 000 SPUs and SDUs in the area. The main role of the constables, who wear police uniform, has been to staff the 17 satellite police stations in the East Rand.

All parties agree that the extent to which the SPUs and SDUs have managed to bury their differences has been an important factor in bringing peace to the area once nicknamed "Beirut".

But disciplinary problems among some members have led to the initial group decreasing in number to 886. Police officers on the ground in the East Rand are bitter about what they see as lax rules applying to the community constables.

The direct line which the commu-



Satellite stations: If the community constables 'programme is disbanded, without suitable alternatives, everything will go back to square one'

PHOTOGRAPH: NAASHON ZALK

nity constables have to the MEC for Safety and Security Jesse Duarte has been another source of tension with the police.

Mothapo, meanwhile, reels off a list of grievances which the community constables have presented to SAPS. These include:

- low pay: on average, the community constables earn R734 a month, compared to the R2 000 per month earned by regular constables

- inadequate training: the community constables received three weeks training, compared to the one year training that SAPS recruits receive

- lack of career prospects: while the community constables are expected to report to their seniors in the SAPS, there is no promotion built into their ranks.

There is general agreement that in

the rush to get the programme off the ground after the elections, insufficient thought was given — as one source puts it — "to what would happen to the constables when they grow up".

In interviews, many constables said they would like to join SAPS. Bertha Radebe, who cringes when she recalls the gangster methods of the SDU to which she belonged, said she was studying to get her matric by correspondence so that she could apply to train at the police college.

However, it is estimated that only 10% of the constables have matric. This raises the question of whether or not entry levels for the police college might be lowered to accommodate the community constables.

Marcel Williams, acting area head of legal services for the East Rand, warned that such a move would open a can of worms, as others might now expect to get into the police college with lower grades. He pointed out that there are an estimated 30 000 former SPUs and SDUs countrywide who are watching the programme closely.

A further complication is the insistence by the community constables that whatever solution is arrived at applies to all equally. A community constable who has gained acceptance at the police college confided that his comrades had threatened to kill him if he went off on his own.

"If we are going to cross into Egypt, then we will have to do so together," Mothapo said.

Rick Two years down the line: What has the Reconstruction and Development Programme achieved so i

Promises are no help to tent dwellers⁽²⁹⁷⁾

M+G 15-21/3/96

AFTER eight years of living in a tent on the outskirts of Weenen in Northern Natal, Fikile Mbata, an evicted labour tenant, is on the brink of despair.

"I am sick and tired of promises," she says. "I have heard about the RDP on the radio, but I have never seen it. Maybe it happens in other parts of the country."

"The problem is that we are illiterate. We don't get much information. We don't know how to get this RDP. We are forgotten. Abandoned. No one remembers we are still here."

During the recent floods, Mbata struggled with a needle and thread to sew up her tent as the water swept inside. "We would have been better off just sitting outside," she sighs.

The mother of five winces as she

remembers the bleak day in 1988 when the family had to leave Umgweni farm, where they had lived for generations.

"A white man with a tractor arrived to pull down our homes. Some goods were broken. Others — those which could be used, like corrugated iron — were taken by another white man (the messenger of the court)."

The 27 families on the farm were "put in a tata van and thrown here". Council authorities and the Red Cross provided tents.

Just before the elections in 1994, the former government offered the evicted labour tenants plots on a farm purchased under Section 126 of the former Land Act, which provided for resettlement, provided those resettled put up 20% of the cost.

Mbata's family was among the 16



Abandoned: Sixteen families live in Red Cross tents on the outskirts of Weenen in KwaZulu-Natal

families who could not afford to move.

Nationwide, there are some 250 000 labour tenants, mostly in Mpumalanga and KwaZulu-Natal, where, historically, farmers in neighbouring provinces bought land and allowed landless black peasants to farm it. Evictions started in the 1970s when the former government outlawed labour tenancy, fearing it would "blacken" white farm land.

Another wave of evictions has taken place in the past few months during which the Land Reform (Labour Tenants) Bill, which would allow labour tenants to seek title to land they live on, has been debated in Parliament.

The Bill has passed through both houses and now awaits the president's signature.

Concern over the plight of tenants already evicted led labour tenants in

Weenen to demand a meeting with Land Affairs Minister Derek Hanekom last year.

Weenen is now part of a triangle which includes Estcourt and Middelburg, that has been designated as one of the pilot land projects (there is one each province) sponsored by the RDP.

But the pilot project will only provide land for 800 of the estimated

Hope returns to the East Rand

M+G 15-21/3/96

The rebuilding of one of the most violence-racked areas is a symbol that peace has returned to Katorus

CHRISTINA SITHOLE'S worldly possessions fit in the corner of a room no larger than a double bed. Yet, despite years of suffering and pain, the Katsheong grandmother wears a look of joy.

Her home in Mngadi section — on a street once known as "Snipers Alley" — is one of 1 500 violence-racked homes in the Katorus area (the densely populated triangle consisting of Katsheong, Thokoza and Vosloorus) being rebuilt under a Reconstruction and Development Programme (RDP) Presidential Lead Project.

"I am so happy," Sithole says. "Even though I have nothing, there is no substitute for me to being in my home."

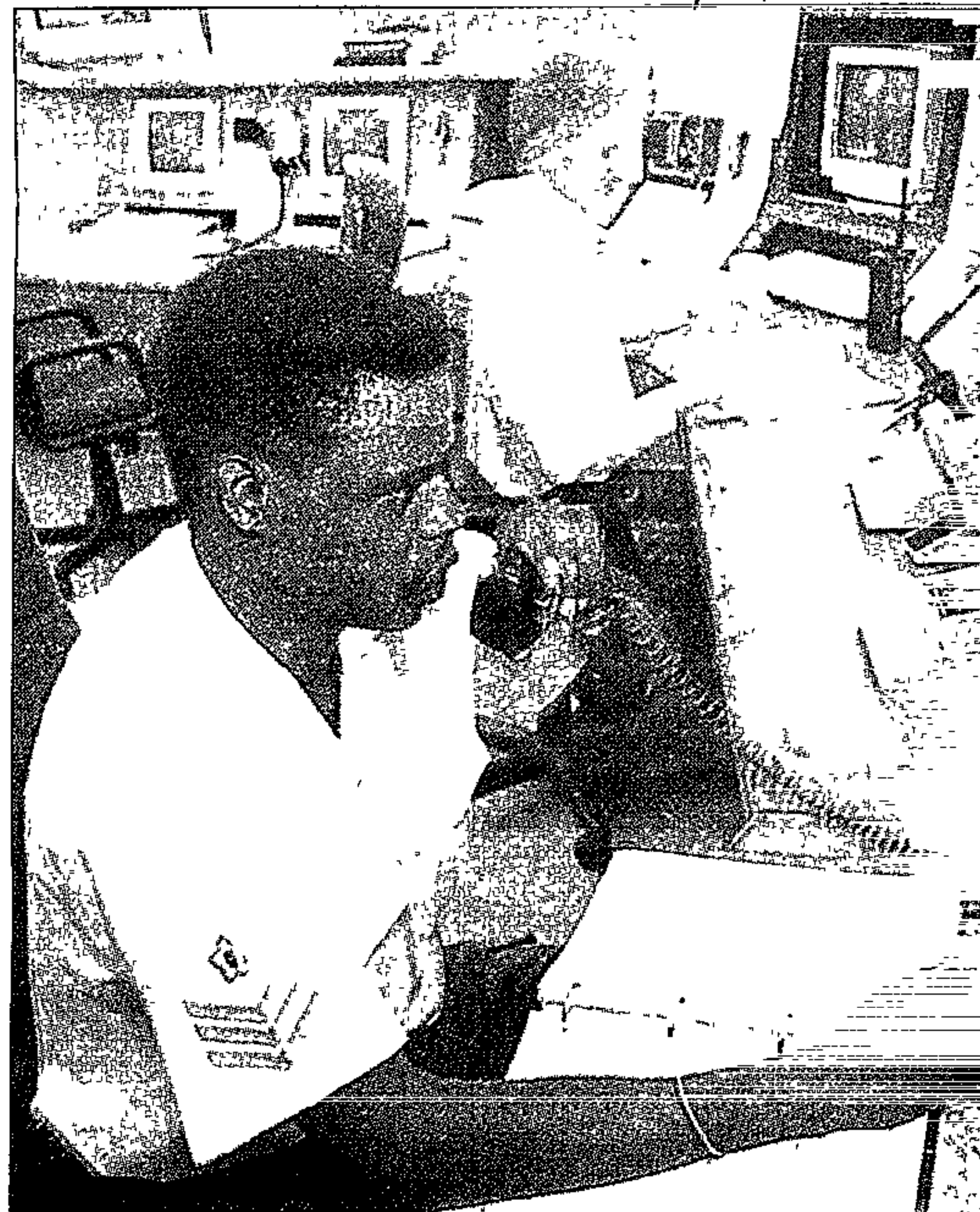
Sithole and her six children were forced to abandon their house in August 1993 after Inkatha Freedom Party supporters in a neighbouring hostel threatened the African National Congress-supporting family. Sithole's husband had disappeared. His body later showed up at the mortuary — the reason for his death is unknown.

For a year, Sithole and her children lived with relatives in Soweto. The seven of them crammed into a home that already had 12 residents.

Last year, news filtered through on the radio that homes on the East Rand were being rebuilt. In July, Sithole put in an application at the RDP office in Germiston which verifies all claims.

As soon as the reconstruction of her home started in January, Sithole moved back. She has a one-day-a-week job in Alberton. The hostel dwellers who once terrified her walk past her house and greet her. "It is a symbol that things have changed," she says. "We have found peace in the East Rand. That is enough."

According to Colonel A Van Driel, security co-ordinator of the Katorus Special Presidential Project manage-



You are not alone: Katorus's emergency control room where police are

ment team, in 1993 about half (or 1 500) of the 3 000 politically motivated deaths in South Africa took place on the East Rand. In the first 10 months of 1995, he says, there were fewer than 200 deaths in the area, most as a result of criminal violence.

"Development is contributing to harmony," notes project manager Temba Maluleke. "As people return to their homes, shops open, and taxis begin to function, a feeling of normality is returning to Katorus."

To date, only R50-million of the R645-million available through the RDP has been spent, although projects worth R321-million have been approved.

Many areas in the Katorus triangle have not yet been touched. A recent

visit to Kwesine hostel on a rainy day when hostel dwellers had to wade knee-deep in puddles to get from a dungeon-like room to the next, was stark reminder that there are overnight miracles.

Maluleke lists a host of frustrations. Non-payment of rent and rates in the area has severely hamstrung new local government authorities which the RDP is leaning for help.

The requirement that local contractors be hired as far as possible while good in principle, has been problematic in practice, Maluleke says.

The black company selected as construction manager for housing projects was unable to borrow capital with which to take on the task. In the end, the contract



Sign of the times: Advertising boards for RDP projects have been beset by unforeseen complications

PHOTOGRAPH NAASHON ZALK

What it takes to put up a sign

IT'S easy to create the impression that you are not delivering because you are inefficient, but in fact there are a thousand factors you have to sequence in," says Jay Naidoo.

An internal RDP report on the state of the 43 000 RDP projects currently under way offers some insight into why this may be so.

Take the case of putting up billboards, a requirement now for all RDP projects, so that communities "know and understand" what they are about.

The project is said to have been delayed due to "a range of unforeseen complications".

■ Billboards were unspecified and fell over in foul weather. Specifications had to be changed and structures redesigned.

■ All town authorities insist that formal applications be made to their

town planning sections before billboards can be mounted. This entails vetting the sites, which can be time-consuming.

■ RDP provincial co-ordinators have not made time to assist in co-ordinating the project.

■ Some sites, such as schools, are ending up with a plethora of billboards on top of each other — for example, for electrification, culture of learning and the school feeding scheme projects.

■ Due to the haste with which the billboards were put up, the report says, there was no time to involve small contractors. The RDP has been criticised for this, since this is one type of project in which small contractors must surely have an edge.

The report notes, in passing, that billboards are still to be put up in the Western Cape and KwaZulu-Natal. There is no explanation or speculation as to why this might be so.

ar and what's in store for the future? **Colleen Lowe Morna** reports

Pulling out all the stops

(297) M+G 15-21/3/96

There's been enough time for planning and consultation. Now Jay Naidoo plans to get things moving

UNDER fire for the slow pace of change during the first two years of the Reconstruction and Development Programme, Jay Naidoo has called for "extraordinary" measures to turn billions of rands into bricks and mortar

The minister without portfolio will also send out a strong plea for closer co-operation between the RDP and the private sector when he opens the R60-billion Municipal Infrastructure Investment Conference in Johannesburg on March 28.

But Naidoo will need to convince sceptics in the private sector that the RDP, with its reputation for inefficiency, can now effectively become a bureaucracy buster.

Naidoo will also need to assure non-governmental organisations (NGOs) that, in its rush to deliver ahead of the 1999 elections, the RDP will not create white elephants along the way.

Recovering from flu and exhaustion, but in a militant mood, Naidoo told *Reconstruct* there had been enough planning and consultation in the first two years: "We can't wait until we've spoken to every hockey club to get going"

Citing State Tender Board and Treasury rules as major bottlenecks to getting projects off the ground, Naidoo said: "We require extraordinary measures. We are going to need to be ruthless in the methods we pursue to create the necessary institutions and laws, and to make the necessary interventions that give us results."

"I think government as a whole should go on a results-driven mission. Anything that is there that is preventing us from delivering should be removed. I don't believe we have the luxury to theorise about this anymore."

Project management, he said, "has been identified as a major problem. This is not the kind of project expertise dealing with a few million rand here and there. While we can factor in NGO expertise, to run these multi-billion-rand programmes I don't need organisers or activists. I need managers who are used to big, construction-based projects. These have to be from the private sector."

Among the new RDP initiatives which Naidoo cites as being key over the next two years are the following:

■ Crack management teams seconded to projects, departments or provinces — such as the team just sent to the Eastern Cape — to cut through red tape which is blocking delivery

■ The review of State Tender Board procedures — funded by the World Bank, to cover the nine provincial tender boards and the national tender board — expected to lead to a green paper on tendering later this year.

Meanwhile, the RDP has hired a retired State Tender Board official to help it "fast track" applications

■ Massive investment in infrastructure, through the unveiling of the Municipal Infrastructure Investment Framework (MIIF), based on what it would cost to provide every South African with basic utilities over 10 years. Some R30-billion, or about half the sum, is to come from government sources. The remainder is to be raised from development finance institutions and the private sector.

■ The MIIF will form part of the efforts to kickstart the economy



Jay Naidoo: The RDP's billions must be turned into bricks and mortar

PHOTOGRAPH HENNER FRANKENFELD

Where's the money going?

IN a five-year programme, R 2,5-billion was allocated to the RDP in the fiscal year 1994-95, R5,6-billion has been granted this fiscal year and this will increase to R7,5-billion, R10-billion and R12-billion over the next three fiscal years.

In the first year some R600-million was approved for projects. This meant R1,9-billion was rolled over to the 1995-96 fiscal year, bringing the total of RDP funds available to R7,5-billion.

With the additional allocation of R7,5-billion this fiscal year, R15-billion

will have been allocated to the RDP since its inception. R5-billion has been spent, leaving R10-billion in the kitty. Most of this is now committed to future projects.

The main users have been the urban renewal projects (R1-billion), free health services (R865-million), the extension and upgrading of municipal services (R830-million), the primary school nutrition programme (R623-million), housing infrastructure (R600-million) and primary health (R500-million).

through the Growth and Development Strategy (GDS) which the RDP and Deputy President Thabo Mbeki's office are spearheading. The strategy, due out in June, aims to boost GDP growth from 3% to 6% a year, with a view to making as big a dent as possible in the unemployment rate

Naidoo declines to comment on where the GDS fits into the politically charged debate over growth versus distribution, saying the two are inseparable. He denies that the GDS is a successor to the RDP or that it in any way obscures it

But, as Ashley Symes, RDP specialist in the National Business Initiative team which has been working to improve relations between the RDP and the private sector, points out, "If the RDP is not linked to this broader strategy, it will constantly chase its tail trying to find solutions to problems."

Two years since its inception, adds *RDP Monitor* editor Gavin Lewis, "the RDP is much more aware of its own limitations".

Naidoo admits that when he first took the job, he had no idea how difficult it would be to spend money. "With far less in Cosatu [where he was secretary general] we managed to get so much more done," he recalls.

One of many consultants who worked briefly at the RDP office and left in a huff attributes the RDP's problems to the fact that Naidoo brought with him a motley group of activists with virtually no management experience

"You have in the top management of the RDP a trade union leader, a nuclear physicist, an entomologist and a medical doctor. If you want to instruct pilots, you have to be better than all the pilots. Can we really say that about the RDP team?"

Naidoo says his top team is augmented by a programme-management team of five, soon to be beefed up to 11, drawn mainly from the private sector

The problems, Naidoo contends, run deeper than who is at the helm

The RDP, he notes, has had to walk a tightrope, not always successfully, between doing it right — consulting, scrutinising the aid packages, hiring small contractors — and getting the job done, which may at times require that such niceties be overlooked

The civil service on which the RDP relies for delivery, adds deputy director general Bernie Farnaroff, is "governed by rules, not results. The government has never in the past recognised programme management as a career path. We have learned that reform of the civil service is much

more urgent, difficult and slower than we had ever imagined"

As a Cabinet minister with no superior authority, Naidoo has had the unenviable task of getting other ministers who want money from his RDP fund to submit business plans to him. His fund — 3% of the total budget — is meant to be a catalyst for re-prioritising their budgets and converting them to the business-planning method

"There is no common culture of reporting, on brief, on budget, on time," bemoans RDP national programme manager Roy Page Ship

"We've had to challenge the notion that the RDP is a busload of money," adds Naidoo's spokesperson, Connie Molusi. "It's been a battle to get everyone to understand that the RDP is, in fact, a very ambitious instrument for policy transformation."

Some ministries are making a go of it: the Ministry of Water Affairs has delivered piped water to four million people, and the Ministry of Energy (through Eskom) has brought electricity to three million people since the elections in 1994

The problems that have bedevilled the Housing Ministry, which has delivered fewer than 15 000 houses since the elections, against a target of 300 000 houses a year, has been the biggest blow to the RDP.

The performance of provincial administrations has also been a major variable. Money from the RDP fund is lodged in line ministries, which then make these available to provincial administrations.

Thabo Rapoo of the Centre for Policy Studies outlines the many, sometimes conflicting, structures for getting the RDP going which have sprouted in different provinces.*

Provinces which have inherited old Bantustan bureaucracies, like those of the Transkei and Ciskei in the Eastern Cape, tend to be furthest behind in getting projects off the ground.

Political factors have complicated matters in KwaZulu-Natal where only R5-million of the R1,5-billion allocated to the province has been spent.

The Eastern Cape and KwaZulu-Natal will now become major test cases for the RDP's new action-oriented agenda.

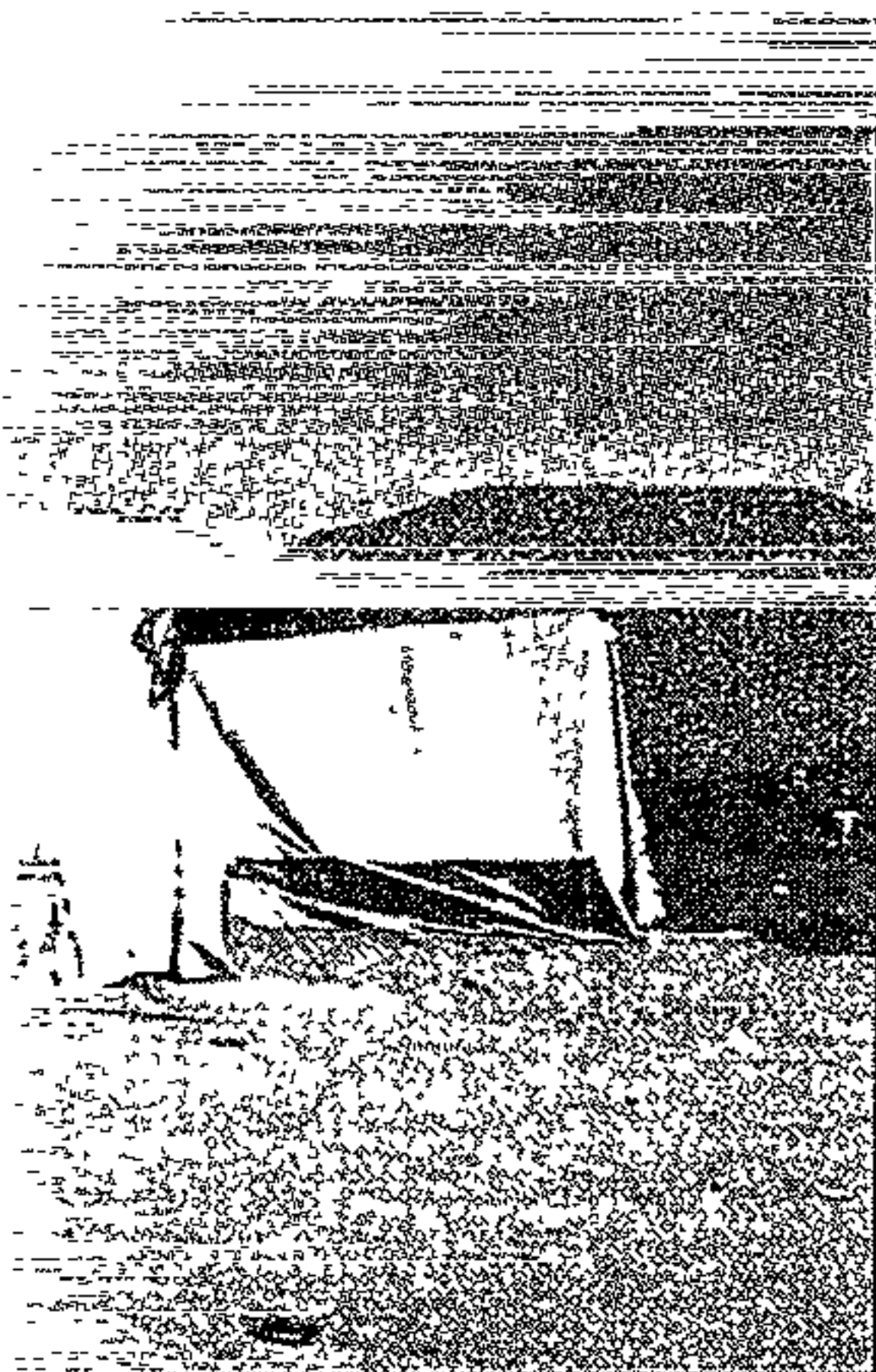
A series of behind-the-scenes meetings between Naidoo, the ANC's Jacob Zuma (who heads the RDP in Natal) and the IFP's Frank Mdlalose, are said to have paved the way for funds to be released. Two project managers have been seconded from the RDP to help unblock problems.

"I used to think the problems in KwaZulu-Natal were political," says Farnaroff. "Now I am more convinced than ever that these are secondary to capacity problems."

Can such problems be resolved by shipping in technical teams? That the task might be more complex was underscored by the response of a community meeting in the Eastern Cape to the team flown in to help unlock R800-million-worth of projects. Questioners wanted to know why outsiders had been brought in to do the job

Naidoo stood his ground. "Very little has happened in the past two years because, while we have had money and the business plans, people don't have the technical capacity to turn this into bricks and mortar," he told the gathering. "We're intervening, to make sure this happens."

* Making the Means Justify the Ends? The Theory and Practice of the RDP by Thabo Rapoo, Centre for Policy Studies Research Officer



PHOTOGRAPH COLLEEN LOWE MORNA

6 000 families in need

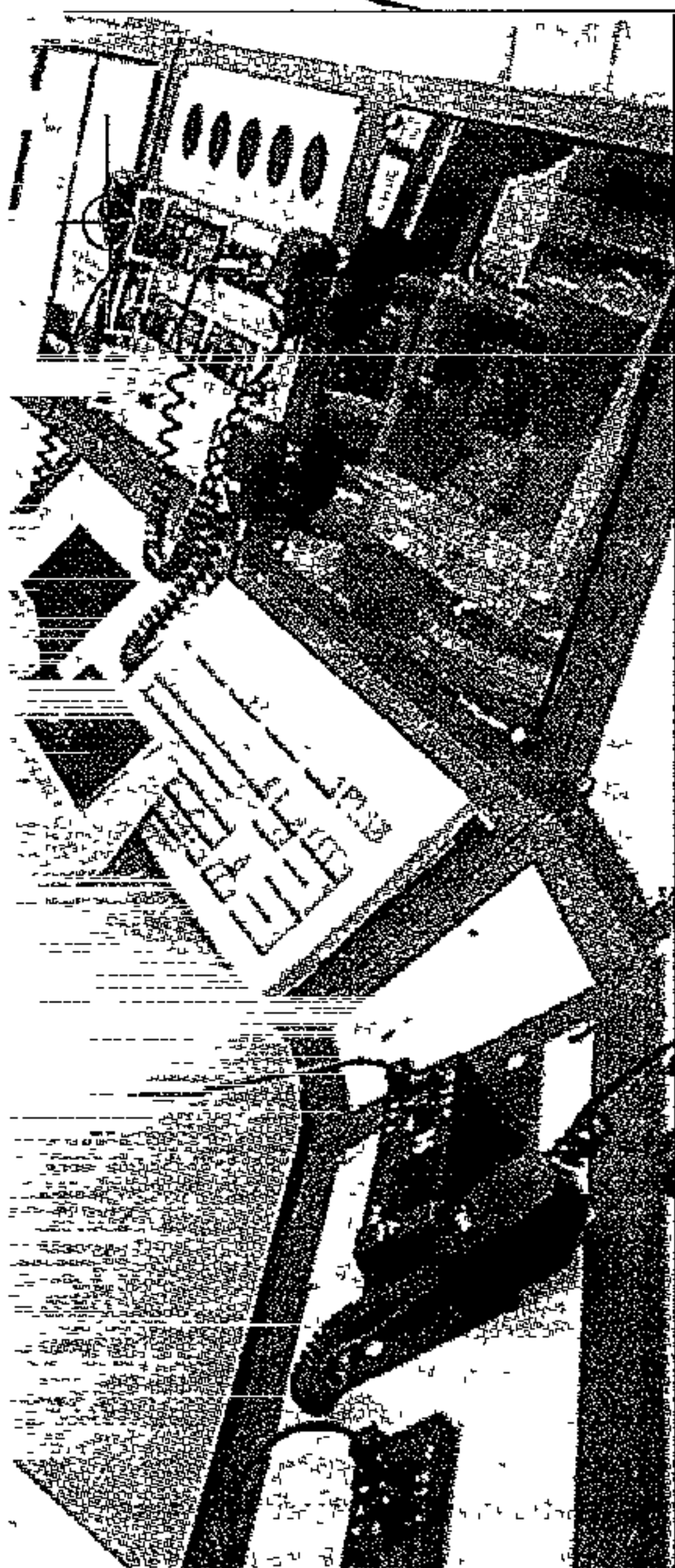
No immediate reprieve is in sight for Mbata and the 16 families camped outside Weenen.

The thought of winter, when "icicles hang on our faces in the early morning" brings with it memories of the death of one of her children last year, and that of five others

Only a miracle will prevent more deaths this year, she says

st Rand

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call 24 hours a day PHOTO NAASHON ZALK

handed over to Leech Price, a large white construction firm.

But even the modest changes that have taken place so far — the repair of lights and sewers, homes and damaged schools — has brought a new sense of hope

A unique SOS system, not found in even neighbouring white suburbs, links residents to an ultra-modern communications centre where police and other staff are on call 24 hours a day to combat crime and help solve problems like broken-down services. A flying squad, the first of its kind to be based in a township, has also begun operations.

The security system, says Sithole, "means there is somewhere we can turn to. We are no longer just left alone"

Paving the way for change

The passage of new legislation just made putting development promises into practice a whole lot easier, reports **Jacqui Golding-Duffy**

EVER wondered who owns the vast tracts of empty space around Alexandria? Ever wondered why this land should not be available to the so-called squatters in Johannesburg's most densely populated township?

Passed quietly last year, but potentially one of the most significant pieces of post-election legislation, the Development Facilitation Act (DFA) aims to provide answers to questions like this.

Land Affairs Minister Derek Hanekom said the Act represented a "giant step" forward in the struggle to address the plight of homeless people.

The Act also creates a new policy framework for land development in our country and will allow for fast-track land delivery and development in both urban and rural areas," Hanekom said.

He added that it was vital in cutting through red tape and to avoid costly delays connected to development.

"It provides a uniform point of reference which would greatly assist in ensuring integrated and sustainable land development within all sectors," Hanekom said.

The main mechanism needed to trigger off development in the various provinces is the establishment of provincial development tribunals.

Western Cape and Natal are contesting the Development Facilitation Act on the grounds that it is attempting to override laws in areas that fall within the purview of provinces. They are considering coming up with their own legislation in place of the Act.

Out of the nine provinces, Gauteng has shown the greatest enthusiasm for putting the Act to work.

The province has already requested nominees for the Gauteng Development Tribunal.

The tribunals are meant to cut through bureaucratic and technical delays and will handle applications for development.

Director of policy development and implementation in the Department of Development Planning, Environment and Works in Gauteng Rolf

Dauskardt said the tribunal would be an independent group of about 80 people — 25% local government officials, 25% provincial officials and 50% from civil society.

"The Gauteng Development Tribunal allows for anybody to apply if they want approval for a proposed development," Dauskardt said.

He said the tribunal would hold hearings and make final decisions, either to allow a development to proceed, to establish conditions, or not to approve an application. It was much "speedier" than the normal channels, Dauskardt said.

In the past, laws and development procedures had been stumbling blocks for growth and development. The DFA would help Gauteng to address the confusion and delays associated with development. It would also allow Gauteng and its cities to draw up clear plans for how they intend to develop in the future.

Tribunals will hear disputes, especially where low-cost housing projects, informal settlements and land invasions are involved.

The dispute could be caused by communities themselves or by home owners who feel threatened by nearby squatter settlements.

Dauskardt said in the case of a land invasion, a report would be written for the tribunal and all relevant parties would be given the opportunity to present their case. In all their decisions, tribunals will be guided by policies developed at national, provincial and local government levels based on principles set out in the DFA.

Dauskardt said the tribunals will not be part of the provincial government, but would be appointed by provincial legislatures based on proposals made by individual members.

He said the tribunal would, among other things, set aside unreasonable building standards and order building plans to be submitted in accordance with more realistic standards acceptable to banks providing loans for building projects.

For the property development industry, the tribunals are the most significant practical proposal, but a



Hoping for houses: The passage of the Development Facilitation Act is intended to cut out some of the red tape stifling development. PHOTOGRAPH: HENNER FRANKENFELD

Western Cape defies the law

Rehana Rossouw

AS other provinces gear up to put the Development Facilitation Act (DFA) into action, in the Western Cape the legislation has become yet another battlefield between the National Party and the African National Congress.

Under Schedule Six of the constitution, development planning is a provincial competence, allowing provinces to draft their own laws.

A spokesman for the Western Cape Department of Housing, Local Government and Planning, Armand le Roux, said the DFA was not supported by the National Party-dominated provincial government because

provincial initiatives to nationalise legislation had been overlooked.

Saying the DFA is "prescriptive" rather than enabling, le Roux said the province is concerned about the costs of enforcing multiple sets of legislation.

He also argued that the system of tribunals undermines the autonomy of local authorities.

ANC development spokesperson Cameron Dugmore maintains that these arguments are just a smoke-screen for the NP's real intentions:

"The NP is attempting to gain complete control over one of the most critical aspects of development in the province, and they are doing so at the expense of people who need

assistance most."

The upshot would be to slow down the pace at which pressing disputes over land and housing are resolved in the province, he said.

In December 1994, the provincial cabinet approved the drafting of a Law on Planning and Development. This is expected to be adopted by the provincial legislature later this year.

le Roux declined to comment on how the provincial law would differ from the DFA, but said it would "definitely be better".

He warned that legal steps might be taken against local authorities who attempt to make use of the DFA in defiance of provincial authorities.

It depends on whether provinces can adequately and expertly staff them.

The middle of last month — after the Land Affairs Ministry and Gauteng MECs agreed to release huge tracts of land — saw the Gauteng gov-

ernment kick off its bid to halt land invasions by calling for tenders to develop 16 000 serviced sites in the province at a cost of R800-million.

The sites identified for fast-track development are around Pretoria,

the East Rand, North-East Rand and south of Johannesburg.

These efforts are expected to help stabilise informal settlements and encourage owners to upgrade their homes

PATRICK MCKENZIE

A TRUSTED VOICE

PM 15/3/96
Placing the Ministry of Welfare & Population Development, embroiled in corruption charges, in the fairly inexperienced hands of National Party MEC Patrick McKenzie is a bold move. And it will make or break the fresh-faced politician.

The home-grown *Kapenaar* has acquitted himself well as the Western Cape's MEC for Police Services but not well enough to justify such a dramatic leap to the Cabinet, according to some disgruntled coloured NP MPs and Senators who have been overlooked.

By promoting McKenzie (43) on the eve of the local elections, the NP is signalling to Western Cape coloured voters that they have a trusted voice in the executive.

And McKenzie has wasted no time declaring that he will use his new influence to increase the onslaught against gangsterism on the Cape Flats.

A family man, he laments the lost generation, the high divorce rate and collapse of family values. He genuinely believes that a caring welfare ministry, free of corruption, can make a real difference to the quality of life in SA.

Despite 20 years in politics, McKenzie sounds more like a preacher or a poet than a jaded politician, making him well-suited to the welfare portfolio "the nearest department to the RDP."

He says 88% of the welfare budget is spent on social pensions, leaving little for social upliftment. His greatest challenge will be to restructure the department into one which uplifts the community and restores people's dignity.

The only drawback is having to split his life between Cape Town and Pretoria as his four children will remain at their Cape Town schools.

(297)
 "It's imperative that I spend a lot of time in Pretoria, especially in the beginning when I'll be working to shape the department and its thinking."

His style is open and consultative, so he thinks of himself as a coach rather than a boss.

McKenzie aims to restore credibility to the department, shaken by the sudden resignation of NP MP Abe Williams and

given by allegations of a multimillion-rand pensions scandal.

How will he achieve this? "By being open to the public, by informing people and letting them see you are determined to clean it up."

"They won't mind how long it takes as long as they see you are sincere."

Though he takes up the post next month, he is studying the Welfare White Paper deep into the night and meets his new head of finance this week to be briefed on corruption in the de-

partment. He is clearly itching to take up the reins.

"If I wanted a stable future, I should have stayed here," he says. "I'm going to a national department in the GNU and there's no guarantee that I will ever be a Minister again after this."

"I'm going because there's a need. I'm known to always like to go into a position where there's a crisis and a need to turn it around."

Western Cape premier Hernus Kriel says "We will miss his dedication, zeal and enthusiasm." And even the three police unions have expressed their disappointment at his departure.

McKenzie's political convictions were formed by the experience of being forcibly removed from his birthplace, District Six, to the coloured township of

Bonteheuwel on the Cape Flats.

He believes his upbringing equips him with a genuine empathy for struggling communities and is "the advantage, far beyond my colour, for which I think I've been appointed." He also freely admits that "for once in my life, my colour has been to my advantage."

From 1984-1994, he served as a Labour Party MP in the tricameral parliament. He has no regrets about having been part of the apartheid system, which he entered "to try to change from within."

In 1989, he delivered what he calls "the most radical speech ever made in parliament" when he warned the National Party that SA would burn unless it crossed the Rubicon. Two years later, as the Labour Party disintegrated, he crossed the floor to the NP with the backing of his district council.

He says, "I despised the NP of the past. In the NP of today, you can stand tall."

And stand tall is what McKenzie will have to do if he is to conquer the demons in his new post and pass this ultimate test of his career. *Claire Bisseker*

CHARLES WIGGILL

SHADOW PLAYER

Charles Wiggill plays down the idea he's heir apparent to John Newbury at Automakers.

Despite recently being named CEO of the main operating company, Nissan SA, he insists it's too early to pencil in his name as Newbury's successor as head of Automakers, which was listed on the JSE late last year.

Of course, Wiggill admits he has the inside track. But he says "One can't make assumptions. It's in my hands but it will depend on my performance and the company's results."

In addition to being CEO of Nissan, Wiggill is also chairman of both arms, Nissan Manufacturing and Nissan Marketing. He was previously MD of the manufacturing company.



Patrick McKenzie standing tall to pass the ultimate test

15-21/3/96

297

Colleen Lowe Morna reports on the fickle future that NGOs have to face in South Africa

NGOs must sink or swim

MTG (297) 15-21/3/96 (297)

As it becomes increasingly clear that the Transitional National Development Trust (TNDT) will not be the knight in shining armour cash-starved non-governmental organisations (NGOs) had hoped for, stark choices face the sector.

In the bad old days of apartheid, says Rams Ramashya of the National NGO Coalition, "there was more money than could be spent. Now the reverse is true. NGOs have to adapt. It may not be a case of survival of the fittest, but it will be one of survival of the most efficient."

The long-awaited TNDT, a R125-million fund to which the European Union has committed R75-million and the Reconstruction and Development Programme (RDP) the remainder, opened its doors in Braamfontein in early March.

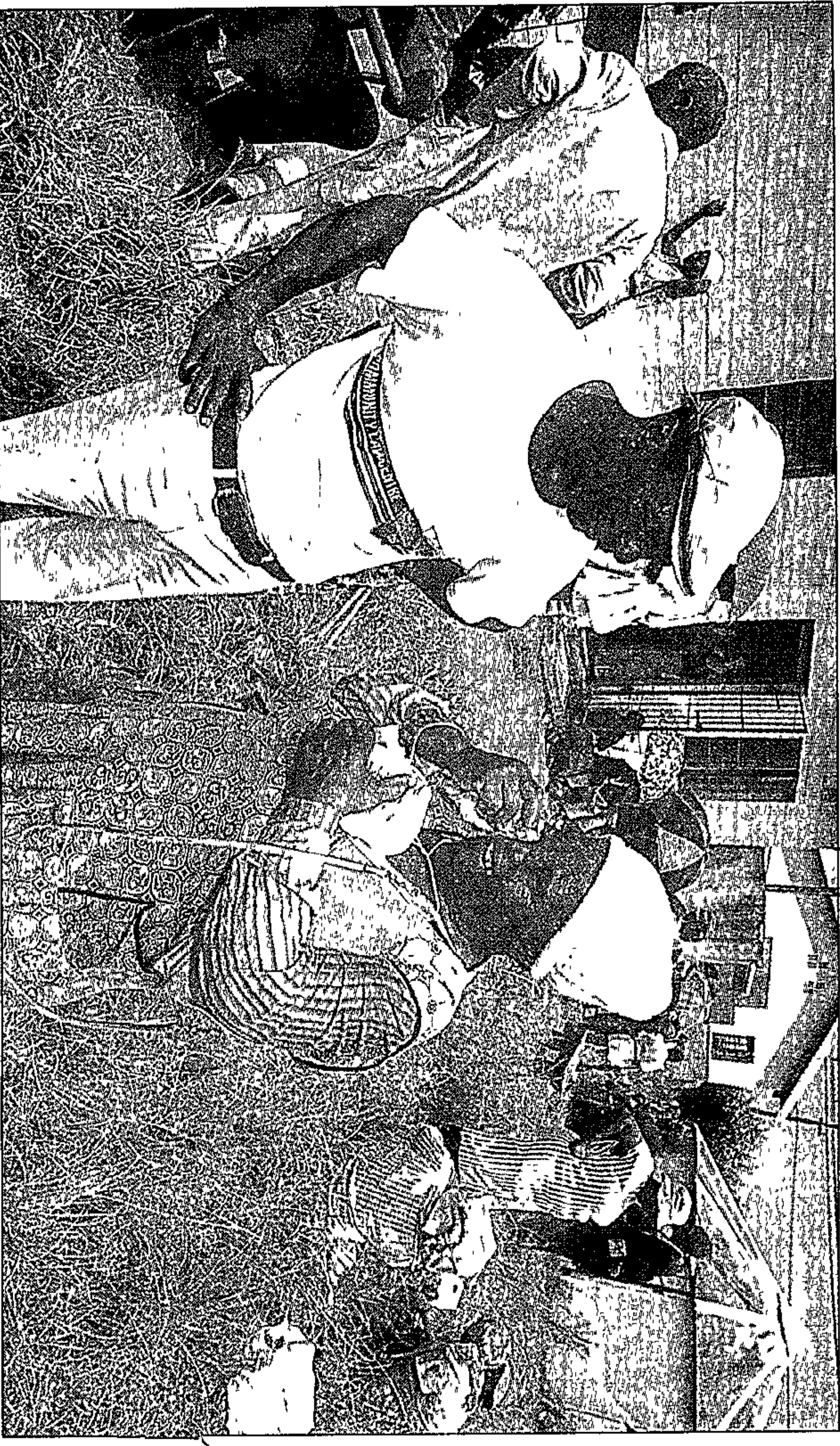
Its board will meet for the first time on March 19 to consider an avalanche of emergency fund applications, estimated by TNDT chief executive officer Eric Molobi to amount to over R600-million.

Apart from the glaring gap between what is sought and what is available, other disappointments are in store, said Molobi in a frank interview. Reasons for this include:

- the R125-million has to be spread over the two-year life of the TNDT;
- the trust is not yet legally registered. While it is going ahead with making decisions, it cannot open a bank account;
- wrangling between the trust and EU over who has the final say on how the money is spent could also cause delays and
- there is already a delay of up to 60 days from the time projects are approved, to the time funds are released, for EU-funded projects.

"To say there is a desperate crunch in the NGO sector is to put it mildly," Molobi said. "My heart goes out to them."

Because of the huge diversity of the sector — there are up to 54 000 NGOs in South Africa — it has been impossible to establish the



Community Law Centre: Paralegal officer Thulani Jali (left) advises a rural client on how to claim her pension

PHOTOGRAPH DAVE BUZZARD

full extent of the financial crisis in this sector as donors now split their funds between non-profit organisations and the RDP.

But a snap survey of 128 NGOs carried out by the Independent Development Trust (IDT) last June suggested that on average, NGOs are down by at least a third of their previous budgets. Some NGOs that sprouted around assisting victims of apartheid folded because they could not adapt their programmes, noted Ramashya. "They kept on singing the old song and no one was willing to pay for the tune."

Many NGOs, used to "donors soft on accounting", have found it difficult to adapt to the far more stringent accounting requirements being made by donors globally, adds Herman Koetze of the Inst-

tute for Development Alternatives in South Africa (Idasa).

Like all South Africans, says Minister without Portfolio Jay Naidoo, the NGO sector has had to "re-examine itself and see how it can be most relevant in the new environment"

Some NGOs have risen to the challenge. The Kagiso Trust, which Molobi heads, used to be the major conduit of EU funds to community-based organisations (CBOs). As a result of funding cuts, it had to reduce its staff by one-third.

But, the trust has set up the Kagiso Trust Investment Company, a business venture that has borrowed from market sources with the aim of ploughing the profits back into the trust.

Molobi is a heavily sought-after

speaker by cash-strapped NGOs around the world looking for solutions to funding problems.

"Not all NGOs can take the risks we have," Molobi says. But there are many opportunities for NGOs to recover some of their costs, he adds. For example, the Mvula Trust, which receives some of its funding from the Kagiso Trust, has successfully tendered with the RDP to deliver water to rural communities. Planact, an Urban Sector Network affiliate, was on the verge of closure earlier this year and has had to lay off half its staff.

But Planact Director Brian Moholo says there is a realisation that you don't have to employ a full staff all the time.

"We are undergoing a mindshift," he said. Planact is looking at con-

tracting out its services in training new local government councillors rather than providing these for free.

NGOs warn, however, that not all services can be contracted out. Groups like the Community Law Centre in KwaZulu-Natal, for example, cannot exactly charge the desperately poor rural clients it advises. There is also a danger, says Shanieh Rajee, director of internal relations in the RDP, that "donors will go for the big Yeoville- and Braamfontein-based NGOs" who know how to write up sophisticated project proposals.

Molobi says a major brief of the TNDT is to seek out CBOs that lack such skills, but are effective community agents. Asked how he would do so, he responded, "I smell such applications in the post."

OVERSEAS FUNDING

ANGRY DONOR

FM 15/3/96

(297)

Another overseas donor is heading for a showdown with its SA recipient. This time the dispute is over funds channelled from Germany to a Pretoria-based non-government organisation — Get Ahead Foundation — via the financial rand.

In terms of two agreements signed in June 1993, the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) promised DM1,45m (R3,8m) to Get Ahead to promote private sector initiatives in the townships.

The funds were donated, according to the agreement, "on the basis of a request by" the foundation. The German Federal Ministry for Economic Co-operation & Development commissioned GTZ to finance the project.

DM1m was designated for business loans with the balance — DM450 000 — for house building or renovations.

The agreements further stated that Get Ahead would deposit payments received from GTZ in a special US dollar-denominated bank account and "to remain in the account until called for disbursement for use as credit for the target groups."

Get Ahead was obliged to provide US dollar-based profit and loss statements and balance sheets on the free rate of exchange for the currency as quoted by banks in each instance.

On March 17 1994, Get Ahead MD Don MacRobert — in a letter to Standard Bank's Hatfield branch for the attention of the bank's Malcolm Young — directed that DM317 050 be used "to purchase finrands (to make R850 000) and urgently (repeat urgently) request release". It instructed Young "for the balance of DM202 092 please repurchase commercial rands and charge our account".

In February 1995, a progress review conducted for the GTZ concluded that, in most programmes, Get Ahead "shows a rather mediocre performance" and that it is driven by donor funding rather than by vision and clear-cut objectives.

Last week, GTZ representative and project officer Karin Binder visited SA following a confidential report by GTZ auditors KPMG. Last Friday, Binder visited the Office for Serious Economic Offences (Oseo), apparently to make a statement. Before she could have met Get Ahead's MacRobert she returned to Germany after a death in her family.

Earlier, Binder said the KPMG report raised a few questions and that "we have difficulty in finding some of the money".

Oseo's Dawie Fouche confirmed Binder's visit. Fouche says, "We have no reason to investigate anything and are merely looking whether there are any grounds for an investigation."

In terms of exchange control policy which applied to financial rand transactions (before the system was terminated in March 1995), special authorisation to donate funds introduced through the financial rand system were given for social upliftment projects. Donors could apply via their recipients for permission for the release of such funds. Interest on funds marked as financial rand deposits could be used by donors in SA.

GTZ's Christine Kalle, who is based in Eschborn, Germany, and responsible for donations to various countries, says, "GTZ never applied or requested Get Ahead Foundation to convert the funds from GTZ through the financial rand."

Kalle says the first time GTZ became aware of the financial rand transactions was through the KPMG report.

"GTZ is not satisfied with the manner the Get Ahead Foundation is handling the accounting of the two agreements... That is why KPMG had been contracted to do an audit."

Kalle says GTZ has instructed its legal and accounting departments to take the necessary steps to secure a proper accounting procedure... "and to obtain

the original invoices from the foundation which are missing."

MacRobert this week stressed that Get Ahead had always fully complied with Reserve Bank regulations and had permission to obtain funds through the financial rand. "My job is to help the poor in Soweto with Reserve Bank approval. KPMG found there's more money in our account than what came in from abroad."

MacRobert claims he had approval from the US government to bring funds into SA through the financial rand. He could not remember whether he had obtained permission from GTZ to do so, and did not recall the letter instructing Standard Bank to convert DM to financial rand. *Eddie Botha*

B2 BUSINESS

1996 BUDGET Few surprises and lacking in boldness

The year of RDP delivery

m+g (BM) 15-21/3/96 (297)

Lynda Loxton

THERE was a predictably mixed reaction from political parties to Finance Minister Chris Liebenberg's 1996/97 Budget on Wednesday.

The African National Congress welcomed the fact that Liebenberg had not succumbed to the "short-sighted and insensitive free advice" of the likes of the South African Foundation to sharply increase value-added tax (VAT) while slashing the deficit.

This was never likely anyway, given the extensive consultations with representatives of both business and labour ahead of the Budget, but rank and file members must have been somewhat alarmed by the widespread publicity given to the foundation's suggestions and wondered who would win the war of words.

Labour Minister and chairman of the ANC's National Executive Economics Committee Tito Mboweni said that the Budget was a clear rebuff of the foundation's outdated views and set a more sustainable course for growth.

But the ANC did give notice that it expected the government to "remain firmly focused throughout the year on the critical areas of Reconstruction and Development Programme (RDP) delivery" and, as Liebenberg had said, make this the Year of Meaningful Delivery on the RDP.

Mboweni said that although some progress had been made in reprioritising government spending, more should be done, especially to support the critical task of job creation.



Tito Mboweni: 'Job creation needs support'

He believed that labour intensive public works programmes could play an important role in creating jobs.

The ANC also welcomed progress in introducing tax reform but said that this should be speeded up "so that certainty can be achieved". The controversial introduction of a 17% tax on pension fund income had been handled in a "responsible and strategic manner" and Mboweni called on the industry to co-operate with government to make it work.

"There is no cause in our view for any alarm on the part of members of retirement funds," he said.

National Party finance representative Theo Alant condemned plans to tax pension fund interest and rental income as an "ad hoc" measure that would affect savings. Freedom Front finance representative Willie Botha said the tax "targeted the sitting

ducks providing for their retirement".

Democratic Party finance representative called the Budget a "spend now, pay later Budget" because the Budget had not been cut substantially and had instead raided retirement funds.

"The government is forcing future generations of taxpayers and pensioners to pay for its inability to control its excessive expenditure," he said.

Alant welcomed the fact that the government had adopted sound economic policies that had demonstrably led to growth, but warned against complacency.

"The challenge facing the Government of National Unity is to strengthen confidence in the new South Africa and in the government's ability to maintain peace and law and order, and to apply sound economic policies amid signs of growing tensions and support for populist policies," Alant said.

On the positive side, most parties welcomed the reduction of the Secondary Tax on Companies and Marketable Securities Tax, but equally hoped that the planned revamp of revenue collection services would show rapid results.

Liebenberg is banking on getting an extra R1,5-billion from the revamped service but Alant said that progress in getting this up and running had been "unacceptably slow".

The fact that all parties agreed on the need for fiscal discipline and reducing the budget deficit bodes well for continued efforts to bring the deficit down. But the proof of the pudding will be in the eating, and it might not be very palatable.

Welfare Staff face

face criminal charges

CT 15/3/96

(297)

REPORTS OF gross maladministration and fraud in the Western Cape Welfare Department, including the promotion of convicted fraudsters, the use of dead people's pension numbers to claim benefits, and "non-existent" financial controls emerged yesterday, writes **CHRIS BATEMAN**.

AT LEAST 25 Western Cape welfare staffers, including former director Dr Ebrahim Jarodien, face either criminal charges or misconduct hearings in connection with "horrific" financial maladministration which is expected to cost "hundreds of millions" of rand.

This emerged from a report by Professor Pieter le Roux's forensic task group handed to the provincial legislature's watchdog, the Standing Committee on Finance (SCOF), yesterday.

The Cape Times discovered that among those being probed by the Office for Serious Economic Offences (OSEO) are Jarodien, a Welfare transport supervisor (on 15 counts of fraud for allegedly setting up dummy companies) and a Wynberg welfare official sacked in January this year.

Le Roux painted an alarming picture of convicted fraudsters promoted to positions of financial responsibility and data-capture clerks collecting payments for people, creating payment instructions, pulling "dead client" files and re-using their pension numbers.

He said financial control systems were either weak or non-existent, data bases were invalid, and files were missing — singling out the former House of Representatives where there was "a complete breakdown in registry".

Le Roux said over R1,6 billion was paid out to social security beneficiaries in the 1995/96 financial year and estimated losses due to inadequate systems at "tens, maybe hundreds of millions of rand".

Ms Virginia Petersen, the province's director of welfare, confirmed yesterday that *prima facie* evidence of fraud or theft existed against 14 of her staffers, ranging from a "senior administrator in head office and people in charge of welfare branches to clerks".

Petersen said 11 more welfare staff were "currently in the process of being suspended" and she expected them to be sent home on full pay "by Monday", pending misconduct hearings.

The latest crackdown follows last year's raids by OSEO on the offices of Nisec and its founder Mr Michau Huisamen.

One raid on Huisamen's Port Elizabeth premises last year led to Population and

Welfare Minister Mr Abe Williams home and office being raided last month and Williams' resignation hours later.

Nisec was contracted to pay the province's welfare clients in a bid to solve the problems of the province's chaotic welfare system. OSEO is now probing how the company secured a R149-million five-year contract just two months after the watershed April 1994 election.

The contract gives Nisec power over data bases and interest on cash payouts worth millions.

At least 17 Western Cape social security staff "jumped ship" to join Nisec, denuding the province of almost its entire social security middle management.

Advocate Mr Jeremy Gauntlett, SC, has been retained by the province to re-negotiate the Nisec contract, explore the possibility of civil prosecutions and find out whether Nisec had the necessary technology available at the time of signing.

The Standing Committee on Finance briefing was marked by bruising encounters between Health and Welfare Minister Mr Ebrahim Rasool, the committee chairman Mr Arnold de Jager and the DP's Mr Hennie Bester.

Tempers flared over a letter written by Rasool to key officials expressing alarm at the "openness" with which the full forensic report was delivered to the Wale Street building.

Rasool also questioned whether he was compelled to participate if the briefing prejudiced the OSEO probe.

"I will not sacrifice justice for transparency", he said, prompting Bester to draw what Rasool called a "spurious" parallel with Dr Nkósazana Zuma and the controversial Aids musical *Sarafina 2*.

Rasool pronounced himself satisfied once De Jager ruled he would allow nothing to emerge which could prejudice the OSEO probe and Bester read out SCOF's wide-ranging powers.

Jarodien, now in private practice, reacted with surprise last night when told he was being investigated by OSEO.

"I was the one who agitated for a probe in the first place and I'm on record regarding the pension debacle as far back as 1990," he said.

● See Page 4



him supervising young boys in a gymnasium vaultman who massacred 16 children and a teacher at

PICTURE: AP

PO resisted Nisec takeover

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DALE GRANGER
STAFF WRITER

THE POST Office fought attempts by Nisec to take over the 216 000 social welfare grants they pay out in the Western Cape after a stormy meeting in Pretoria in the middle of last year attended by, among others, Western Cape government officials, former Nisec managing director Mr Michau Huisamen and the company's then public relations officer, Mr Naas Botha.

Mr Tommy Ackermann, who was the senior manager in charge of social grants at the Post Office at the time, said in an interview yesterday the meeting was also attended by Ms Virginia Petersen, chairwoman of the provincial welfare strategic management team, and Dr Ebrahim Jarodien, then acting director of welfare.

He said Jarodien and Nisec officials insisted that the Western Cape social grants paid out by the Post Office be handed over to Nisec.

Ackermann, now managing director of Pensecure, a new firm set up by the Post Office to pay out social grants, said they had told him this "instruction" came from the office of Mr Abe Williams, former national Minister of Social Welfare and Population Development, who is now being investigated by the Office for Serious Economic Offences.

They were adamant the contract Nisec had won from the Western Cape government (to administer black social welfare pensions) be extended to include those in the Western Cape who were paid out by the Post Office.

"I retaliated and said this could not be the case because the Post Office had an agreement with the provincial administration that we rendered a service on behalf of the government. The meeting was adjourned," Ackermann said.

The contract between the gov-

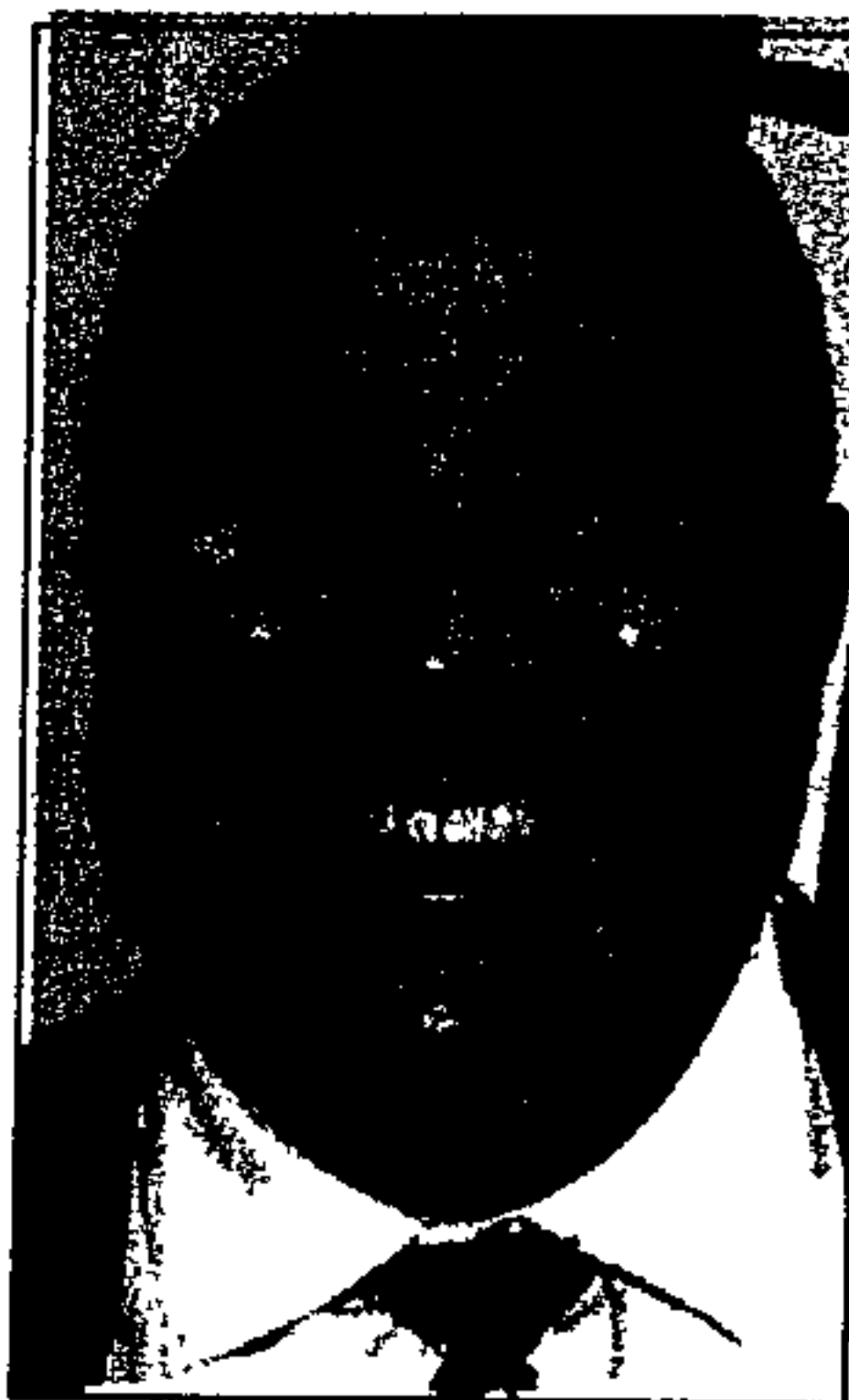
ernment and the Post Office stipulated that we "cannot just allow a tender to be given to anybody. A private firm cannot just absorb volumes and I was adamant that they prove it to me in writing. They couldn't give it to me," he said.

Ackermann said he was prepared to fight a Nisec takeover in court. At the second meeting in Cape Town, the Western Cape government delegates had told him Williams had asked that Nisec reach an agreement with them to facilitate a sub-contractor (Post Office) under the prime contractor (Nisec).

"I still adamantly demanded written proof to substantiate this verbal information as up to this date I had not received written confirmation. Later I obtained the tender document (for the Western

Cape contract with Nisec) which stipulated a supply of software and hardware for fingerprint identification for specifically the 175 000 (black) beneficiaries in the Cape."

Williams' lawyer Mr Frikkie Erasmus said yesterday: "We don't want to comment pending the outcome of the investigation. As far as we are concerned, the innocence of Abe Williams will be proven in the appropriate



'INSTRUCTION': Former Social Welfare Minister Abe Williams

forum."

Jarodien said: "I would find it difficult to believe (the instructions came from Williams). He was not (Western Cape Health) minister at the time and had no authority to instruct me. I was at the meeting at the instruction of Mr Rasool where Nisec officials were antagonistic. I was opposed to their summarily taking over Post Office clients."

Mr Huisamen said: "In the meetings where Ackermann was involved, it was always on a friendly footing. There was a little problem one day with Jarodien, but we sorted it out afterwards. He was unco-operative".

State warned on bribery

POLITICAL WRITER

UNLESS the government took steps to include a clause in the constitution that would force politicians and officials suspected of taking bribes to explain themselves before a judge, the country could forget about clean government, Prof Pieter le Roux said yesterday.

Le Roux, leader of the team which authored a forensic report on the Western Cape's welfare department, made an appeal yesterday that the report be sent to Constitutional Assembly chairman Cyril Ramaphosa and Justice Minister Dullah Omar.

The province's Standing Committee on Finance agreed to this. Le Roux questioned a system where the state had to prove transactions were fraudulent, saying guilty parties could remain silent as costly and lengthy procedures dragged out.

"We urgently appeal to the Justice Department to investigate a change to the principles of our inquisitorial system — at the very least for public officials and politicians — before the principles of the existing process law are written into our constitution," he said. Former Health and Population Development Minister Abe Williams resigned last month shortly before former Nisec director Michau Huisamen admitted paying R100 112 into Williams' West Coast Development Fund.

Hundreds of thousands of rand were poured into the fund.

Govt urged to control payouts

CT 15/3/96

THE chairman of the Forensic Task team which released its shock welfare findings yesterday, Professor Pieter le Roux, warned the government against privatising payment systems and allowing "outsiders to control the entire system".

He said that allowing individuals "crucially involved" as government employees to take part in the process of privatisation and then to be employed by the same private companies "puts everyone concerned in an invidious situation".

Le Roux urged the government to "remain ultimately in control" and warned against privatising "the actual control of such sensitive information". — Local Government Writer

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5. On
incomplete or altered numbers of for new
referred to the organisers of your own newspaper

'Hundreds of millions' may be lost in pensions chaos

TASLIMA VILJOEN
Staff Reporter

(297)
THE former House of Representatives (coloured) social services department was open to widescale fraud and corruption, a Task Group report on fraud and other irregularities has revealed.

"Horrific" maladministration in the Western Cape is expected to have cost "hundreds of millions of rand" the shock report released in Cape Town yesterday said.

The report found that no system existed to keep a check on pensioners who had died. This meant unscrupulous officials could re-use pension numbers.

The task team noted that certain people who had been convicted of offences involving financial dishonesty had been promoted to senior positions.

Former Minister of Welfare

and Population Development, Abe Williams recently resigned from cabinet hours after the Office for Serious Economic Offences raided his offices.

The report was compiled by forensic auditors, Ernst & Young.

In the cases of the former HoR, the House of Assembly and the Cape Provincial Administration, the report concluded that systems and procedures in place were susceptible to fraud. ARG 15/3/96

This resulted from ineffective management.

In 1995/6 277 000 beneficiaries received R1,6 billion in social security payments.

Identification numbers of 53 percent of HoR beneficiaries were found to be invalid on the central data base.

Internal audits of regional and branch offices had not been undertaken since 1985.

Draft NGO Bill is disowned

(297) M+G (444) 15-21/3/96

DRAFTERS of a discussion document that would pave the way for an NGO Bill have backed away from their handiwork following a barrage of criticism from NGOs.

Black Sash lawyer Mary Honey, one of three scribes of the second *Draft Proposal Concerning A Non-Profit Organisations Bill*, conceded that "a lot of the drafting is still quite shoddy. There should have been better vetting before it went out."

At a public debate on the Bill earlier this year, Gavin Anderson of the Development Resource Centre (DRC) which sponsored the consultations that led to the draft, said a "very badly drawn-up proposal" had "obscured three to four years of work."

The decision to put the draft out for debate, when the DRC disagreed with the wide powers proposed for a largely government-appointed commission to monitor non-governmental organisations (NGOs), had been "foolish and naive," he said.

Following further objections to the draft at a meeting of the Gauteng NGO coalition in early March, Zane Dangor of the DRC said it may be necessary to scrap the draft altogether and go back to the original

recommendations of the Independent Study Group.

The draft proposes that, with a few exceptions, all non-profit organisations be obliged to register in three years. They would be regulated by a commission which can refuse to register NGOs, suspend trustees, appoint new ones, curtail NGO powers and change their names in the event of financial mismanagement.

Criticisms of these measures were first voiced by NGOs perceived as being to the centre and right of the political spectrum. But as critical responses poured in from "struggle-linked" NGOs it became apparent that NGOs across the political spectrum considered the draft ominous.

Honey says the powers of the commission have become a "red herring" to the real issue: whether or not there should be compulsory registration.

She notes that a major reason behind the NGO bill initiative was concern over lax financial accountability among NGOs.

The legal drafting team reasoned that to enforce accountability, NGOs had to register and be supervised. The draft, she noted, is based on the British Charities Act.

Critics point out that the Inde-

pendent Study Group in fact recommended that registration be voluntary, with positive tax incentives to get NGOs to register. They also argue that the UK model is inappropriate to South Africa.

A more relevant comparison, says Rams Ramashiya of the National NGO Coalition, is the passage in Zimbabwe of the Private Voluntary Organisations Act, under which the 18 strong executive of the Association of African Women's clubs was recently suspended with no explanation.

Some NGOs are asking why new legislation is needed at all.

At the meeting of the Gauteng NGO Coalition, Keith Hermann, senior project leader of the Small Medium Micro Enterprises (SMME) NGO said if the problem is legislation carried over from the apartheid era, this should be reviewed or scrapped.

He cited the case of tax exemptions — grievances are best dealt with by the tax commission. If NGOs had to show their accounts in order to get tax breaks this would automatically lead to better financial management, he added.

Naidoo takes up cudgels for SA's disabled people

(297) ~~296~~ *AKG 16/3/96*
PRETORIA. — About 99 per cent of South Africa's half-a-million disabled people are not formally employed, according to a government discussion document issued here.

The document ascribed this to legislation discriminating against the disabled, inadequate educational facilities for them, a lack of vocational rehabilitation and the discriminatory attitude of employers.

The document, published by Minister without Portfolio Jay Naidoo in the Government Gazette yesterday, described the disabled as the most marginalised minority group in society. They comprised about 12 per cent of the population.

"Most are among the poorest of the poor," Mr Naidoo said in his foreword.

Research in 1990 showed only 0,26 percent of the dis-

abled were employed in the open labour market.

"This means that approximately 99 percent of disabled people are not employed in the formal sector," the paper said.

"Existing legislation not only fails to protect their rights as citizens but actively discriminates against them in a number of important areas."

Such statutes included the Blind Persons Act, the Mental Health Act and the Public Service Act.

The Public Service Act, for example, prescribed health requirements which could be used to refuse employment to any individual with a disability.

"While the application of these regulations remains a central component of the employment policy in the public service, discrimination of disabled people will continue to exist," the document said.

Other constraints facing the

disabled included the lack of accessibility to transport, buildings and other public services.

The paper proposed a disability strategy be funded by the RDP. Other sources of finance in the public and private sector should also be sought.

Money would have to be found to set up sign language and interpreter services for deaf people.

Other recommendations were the immediate adoption of a policy to make schools accessible to the disabled. Strategies for the transport and employment of people with disabilities also had to be devised.

Public comment on the document, to reach Mr Naidoo's office before the end of May, would form the basis of a White Paper on an integrated national disability strategy. — Sapa.

Probe into corruption urged

Cape Town - The former House of Representatives' social services department was open to widescale fraud and corruption, a task group report on fraud and other irregularities has revealed.

"Horrible" maladministration is expected to have cost "hundreds of millions of rands", the shock report released in Cape Town this week suggested. It found no system existed to keep a check on pensioners who had died. This had paved the way for unscrupulous officials re-using pension numbers for their own benefit.

Of particular concern was that certain people convicted of offences involving financial dishonesty had not only been retained in positions of financial responsibility, but had been promoted to senior positions.

The report highlighted the need for a national strategic restructuring of social services. It paid special attention to the House of Representatives, where most irregularities were found.

It recommended a full national investigation.

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Star 16/3/96

Hey, are we all living in the same country?

CP 17/12/96 (297)

REGULAR readers of City Press might well feel uncertain as they open their newspaper each Sunday.

Will the opinion columns bring a challenge to grapple with the task of making a better life for the majority of South Africans? Or will we find what has been the more usual fare of late – the repetition of a theme that doesn't stand up to scrutiny?

This persistent theme has two parts. Firstly, that our democratically elected government has done little or nothing to change the lives of the majority of ordinary people; and secondly that the reason for this is that they are pandering to the interests of a minority.

We are speaking not so much of the editorial column. Not that all opinions should march the same routes – but there is a depressingly repetitive character to much of the comment filling the opinion columns, depressing because they are not based on fact.

In milder form this view has even featured in the otherwise valuable contributions of the editor. While the Africa Cup of Nations was in progress, he implied that action by government – and the President in particular – to help popularise rugby and cricket was somehow hindering the promotion of soccer. Events led him to recant.

Or so it seemed – he

CRITICS who feel that the Government of National Unity has done little to change the lives of the majority of South Africans must take another look at the situation, writes MAC MAHARAJ, member of the ANC National Executive Committee and Minister of Transport. He takes City Press columnists to task for not always looking on the bright side.

gave part of his column over to quotes from Khehla Shubane's refutation of the idea that the President pays more attention to whites than to blacks.

What remained untouched in that exchange was the more fundamental assumption that the beneficiaries of apartheid privilege and those who were the oppressed majority are still locked in conflict. Only now the struggle is for the attention of the President, since time spent on one cannot be of benefit to the other.

One of the most vehement assertions of this fallacy came from Sandile Memela a couple of weeks ago. Writing on behalf of "ordinary folk", he suggests they have experienced no change since the coming of democracy and believe "that President Mandela wants to pacify white fears at the expense of black aspirations".

There is nothing to support this assertion. Instead he indulges in another favourite theme: those elected to represent

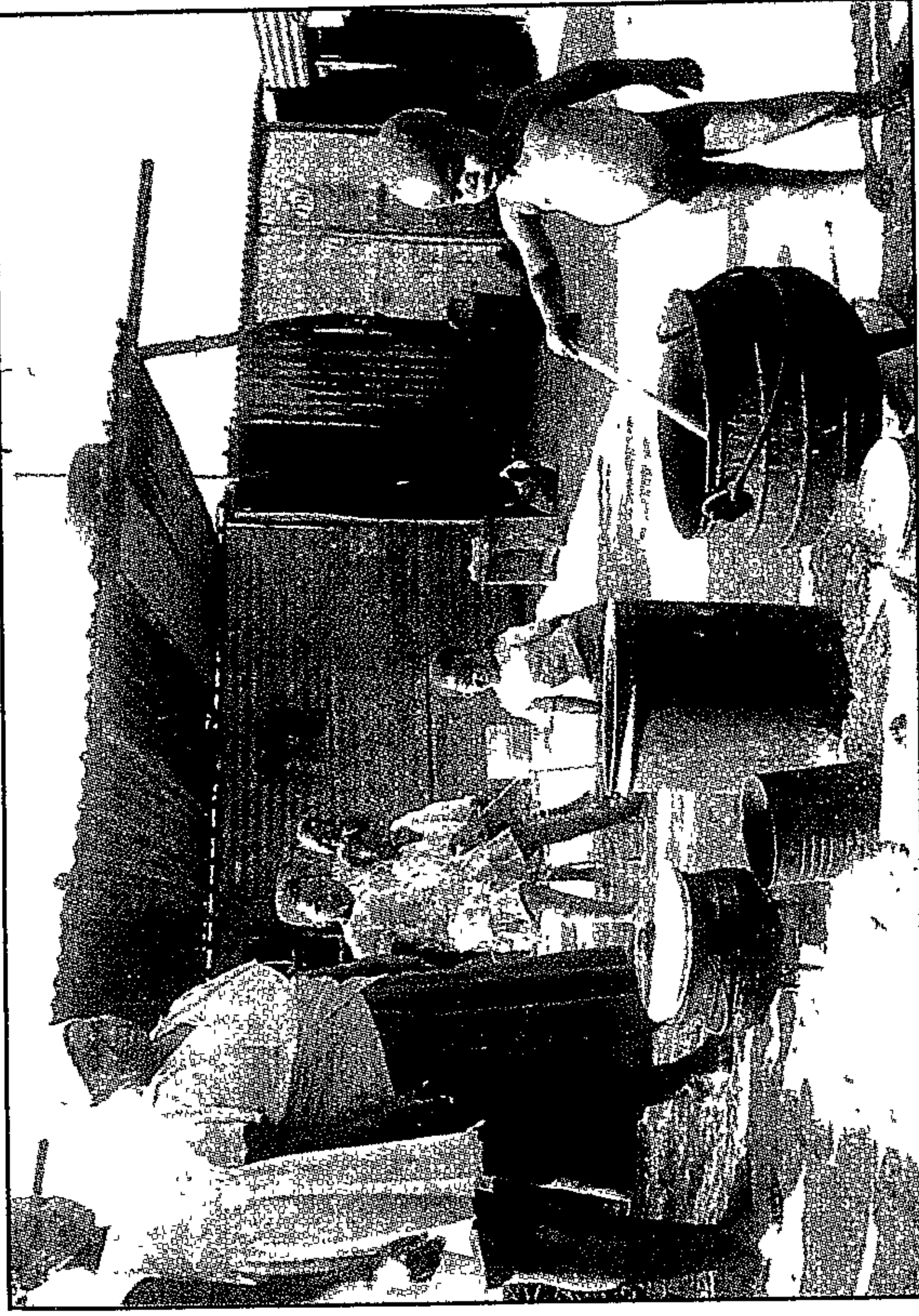
Government's view of the relation between nation-building and reconstruction was dealt with in detail in the President's State of the Nation speech at the opening of parliament. Since City Press gave the President's most important speech of the year virtually no coverage, some points are repeated here for readers.

The task of addressing apartheid's legacy is immense and it has barely begun. But a start has been made and we are on our way to building a better life for all South Africans.

Ordinary people will not need reminding of the school feeding scheme, free health care for young children and pregnant women, the households which now have electricity; and the communities who have gained access to clean water or clinics. And do the problems at Potgietersrus and a few other places not stand out precisely because non-racial education is being embraced by communities across the country?

Nation-building is not an alternative to reconstruction. We have long passed the stage of questioning the need for sustained growth and development in order to produce the jobs and the resources to create a better life for all our people.

To unleash our country's full productive potential we need a shared



MAKING A GREAT STIR? ... Mac Maharaj says a start has been made with uplifting the poor – and that national reconciliation, far from taking resources away from them, makes it possible to help them.

vision of the future. Overcoming the divisions of the past does not draw resources away from meeting the aspirations of the poor. On the contrary, it makes them available.

We do need further progress in addressing the legacy of apartheid. Serious concern for the welfare of ordinary people demands serious analysis to identify the most effective ways in which they can work with government to meet

the challenge. City Press readers deserve no less. In particular, they deserve a Sunday newspaper on which they can spend their money with the full confidence that they will find in its pages more than just "lucky number cards" and the conjecture of a rumour mill.

■ Under normal circumstances we would not have reacted to Maharaj's diatribe. But the honourable minister, instead of correcting what he perceives to be misinformation, has himself distorted the facts. Maharaj, for rea-

sons best known to himself, misread my column on President Mandela. My criticism was not of President Mandela but of the cricket board officials and the English white media who, I believed, wanted to upstage Bafana Bafana by offering Mandela a blazer, tie and cap on the day our soccer team made history by winning the Africa Cup. The front page picture in most white English newspapers of Mandela and the cricket board officials, instead of Bafana Bafana, attests to this.

If Maharaj is a democrat, he should know that journalists, like other people, are entitled to express their opinions. If Maharaj is not, all this is nothing. The Lucky Card game is popular among our people and no amount of vitriolic attacks from Maharaj will dampen this spirit.

— Editor.

UN project focuses on Africa

BD 18/3/96

Theo Rawana

EXPANDING basic education and health care in Africa would take the bulk of the \$25bn resources the UN System-wide Special Initiative on Africa had, a local UN representative said on Friday.

David Whaley, resident co-ordinator of the UN System for Development in SA, told the launch of the initiative in Pretoria on Friday that the 10-year programme's largest slice — between \$12,5bn and \$15,5bn — would go towards ensuring basic education for African children. The initiative also aimed to promote peace and better governance and improve water and food security on the continent.

The UN initiative arose as a follow-up to secretary-general Boutros Boutros-Ghali's discussions on the continent's development challenges in late 1994 with the heads of all UN organisations gathered in the administrative committee on co-ordination, Whaley said. It would be funded mostly by African governments re-ordering priorities in their budgets and reallocations of existing levels of multilateral and bilateral official development assistance.

Whaley said the programme contained practical actions which would make a major difference to the conti-

nent's future.

"The initiative also aims to help rationalise development assistance to Africa and maximise its impact. Indeed, an effective partnership with donor countries and institutions is critical to its success."

A major thrust of the 14-component initiative, and its largest resource commitment, was to greatly increase the provision of basic education and health care to ensure that African children had vastly improved opportunities for productive and rewarding lives.

Accomplishment of these goals would also help empower women, which would have a clear impact on development through more manageable population growth rates and enhanced human welfare.

"The World Bank will lead the financial mobilisation for this component which, at between \$12,5bn and \$15,5bn, is the initiative's largest."

He said, however, progress in this component would require a significant re-allocation of resources as well as a long-term commitment by African and donor governments to the principle of education for all on a continent where up to half of all adults were illiterate.

The initiative would aim also to boost the capacity of Africa's health systems to reduce the most common causes of morbidity and mortality.

Mbeki heads RDP summit team

Theo Rawana

(297)

SEVERAL cabinet ministers and Deputy President Thabo Mbeki are to take part in the reconstruction and development programme summit at Midrand next month, organisers say.

Minister without Portfolio Jay Naidoo, Housing Minister Sankie Mthembi-Nkondo, Public Works Minister Jeff Radebe, Education Minister Sibusiso Bengu, Health Minister Nkosazana Zuma, Public Enterprises Minister Stella Sigcau and Trade and Industry Minister Trevor Manuel would attend the RDP Showcase on April 19, Conference Corporation commercial director Karen Oosthuizen said.

The alliance of government, parastatals, non-governmental organisations, the communities and the private sector would assemble to plan and expand their future roles in the RDP — to

forge partnerships and alliances "based on a thorough understanding and knowledge of the RDP guidelines and benefits", the hosts said.

Private sector organisations involved are Iscor, Southern Life, Alpha, MTN, Corobrik, Absa and African Business, they said.

The conference would seek to address the critical success factors in RDP involvement and to identify the co-operation required to achieve economic success in any RDP venture.

Supporters and developers of the RDP would meet to forge mutually beneficial partnerships, investment potential within the industry and RDP sectors would be identified, and delegates would be able to lobby for visible and tangible results to maintain national and international commitment to development. They would share complementary business interests.

BD 18/3/96

Bank to release 'record' loan figures

Robyn Chalmers

THE Development Bank of Southern Africa had released more than R1,2bn for development by the end of last month, and expects to announce a record level of disbursements for the year ended this month.

The bank — whose portfolio ranges from finance for dams, roads, bridges and electrification projects to loans for black commercial farmers — said at the weekend that the figure followed projects approved over the past two to three years coming to fruition. Total disbursements for the previous financial year stood at R1,1bn.

The announcement on dis-

bursements was made at the bank's board meeting at the end of last week — the first board meeting to have been attended by newly appointed CEO Ian Goldin.

The meeting was held to outline the bank's business plan for the next financial year and focus on the output it was aiming to achieve against a background of the transformation taking place within the bank.

Operations GM Div Botha said the bank was "satisfied" with the level of disbursements, and aimed to disburse a minimum R1,3bn in the next financial year. This could be significantly higher if the RDP and housing programmes got off the ground.

But he said the bank was wor-

ried about the drop in applications from local authorities during the current financial year.

He believed this was largely due to the restructuring process many local authorities were undertaking, but said it was important for the bank to maintain its focus on local authorities.

Transformation of the bank, which will narrow its focus to financing infrastructure and remove its macroeconomic policy functions among others, was progressing well, he said.

The traditional reliance on government for fiscal transfers had also been phased out by mutual consent. The bank was expected to raise its shortfall of R500m in SA and foreign capital markets.

5/19/3/96
**RDP aims at
getting basic
services to all**

Mduduzi ka Harvey

(297)
THE RDP had set itself the goal of delivering basic services to all households in the next 10 years by trying to eliminate duplication of projects and subsidisation, RDP economic development adviser Slumko Sowazi said yesterday.

Addressing the township infrastructure development conference in Johannesburg, Sowazi said between R45bn and R89bn would be required for the delivery and there was a need to improve the mechanisms of service delivery.

So far, he said, the RDP had allocated about R422m for a bulk collector investment for infrastructure development in housing, R417m for construction development, R20m for corridor projects similar to the Maputo corridor development and R600m for a fund for infrastructural development.

He attributed lack of delivery to lack of commitment, red tape in allocation of funds, unclear business plans, uncertain criteria for implementation, non-transparency in the allocation of funds and the unclear relationship between central, provincial and local governments.

"The department will attempt to simplify delivery mechanisms, provide incentives for delivery to the poor and clarify the expenditure for projects," he said. Partnerships between local authorities and the private sector would be also encouraged, as well as exploring alternative means of delivery.

Public Works Minister Jeff Radebe said there was a need to develop the role and contribution of the small business sector in the rebuilding of the economy.

He said there were more than 800 000 small, medium and micro enterprises in the country, absorbing a quarter of the 15-million SA labour force.

There was a need for small enterprises, particularly in disadvantaged communities, to be given access to appropriate and relevant information. Radebe said established companies, which operated exceptional human resource development and social responsibility programmes, would be urged to redress imbalances.

Govt wants infrastructure investment

RDP support sought from private sector

BD 19/3/96

(297)

Greta Steyn

TOP-level delegations from government and business meet today to discuss government's plans to entice the private sector into a major infrastructure investment programme as part of the RDP.

It is understood that Deputy President Thabo Mbeki, Minister without Portfolio Jay Naidoo and Finance Minister Chris Liebenberg will meet a delegation including Independent Development Unit head Errol Benvie, National Business Initiative head Theuns Eloff, Old Mutual chief operating officer Gerhard van Niekerk and a representative from Sanlam. The business delegation mainly represents the contractual savings industry, which government hopes will invest in infrastructure-related investments.

Government studies have shown that investment in municipal infrastructure alone will require finance of more than R40bn over five years. Investment in economic, social and rural infrastructure will add massively to financial demands and government hopes to stave off a drain on its resources by drawing in private finance.

Details of the investment plans and costs, the macroeconomic effects and regulatory framework being developed will be divulged at a key conference scheduled for March 28 in Cape Town.

Discussions today will focus on expectations of both parties for the conference, expected to kickstart private-sector involvement, as it will be the first opportunity for an exchange of ideas between important business and government representatives.

It is understood that business is keen to invest in RDP projects that give a commercial rate of return. They want as much information as possible to identify business opportunities. However, they are worried that government will want them to make "soft" finance available at non-commercial rates. One source said "soft" participation would effectively amount to a tax, and with the pensions industry already in line for higher tax, that would be unpalatable. Another source said the new pensions industry tax had the potential to become a threat to private involvement in RDP projects, and that point had to be made to government. It was crucial that government outlined the extent to which it would want the pensions industry to forfeit returns in an environment of perceived high risk.

It is understood government hopes to change perceptions of risk, and to convince the private sector it is going about the infrastructure investment programme responsibly, presenting business opportunities.

See Page 3

Better infrastructure to cost R80-bn

Municipal funding needs to be integrated to allow for upgrading of underdeveloped urban areas, says local economic development adviser

By BONGIWE MLANGENI
Housing Reporter

About R80-billion will be needed over the next 10 years to upgrade infrastructure in underdeveloped urban areas to an acceptable level, says S'lumko Sowazi, local economic development adviser in the Reconstruction and Development Programme's Pretoria office.

Speaking at the Township Infrastructure Development Conference yesterday, Sowazi said it was important to integrate all current municipal infrastructure funding streams to facilitate the delivery of services.

The conference, held in Johannesburg, focused on the cost of infrastructure development and what was needed to develop an enabling environment for funding in local structures.

Sowazi pointed out there were about 4 million people who still used untreated water, 8 million with minimal sanitation, 17 million without electricity and 8 million without tarred roads.

The amount needed would cover internal services, the bulk provision of service, and rehabilitation of existing services.

Sowazi stressed the importance of creating and strengthening partnerships between the

Government, the private sector and communities

Barry Jackson, Development Bank of Southern Africa associate director for the Centre for Policy and Information, said a survey had shown that about half the money needed to upgrade infrastructure would have to be borrowed from the private sector. This was expected to have serious financial implications for local authorities

He said that when the money had been borrowed, local authorities would have to ensure their financial viability through taking care of recurrent costs.

"They cannot rely on contin-

ued intergovernmental grants for recurrent costs," he said.

Other sources of finance would be housing subsidies and infrastructure grants, which are supported by the RDP.

In a bid to create an enabling environment for private sector investment, the Department of Finance had commissioned systems for the review of municipal accounting and reporting systems to ensure that prospective financiers could assess a municipality's financial standing. It had also asked for a credit-rating system for local authorities and a review of regulations governing borrowing powers, Jackson said.

(297) Star 19/3/96

Govt will not insist on soft investments

(297) BD 20/3/96
Greta Steyn

GOVERNMENT yesterday assured a delegation of business people that private-sector involvement in infrastructure investments would be on a strictly commercial basis — it would not expect "soft" loans or investments.

This emerged after a meeting in Cape Town chaired by Minister without Portfolio Jay Naidoo and attended by representatives from government and business. It included Finance Minister Chris Liebenberg and his deputy, Alec Erwin, Old Mutual chief operating officer Gerhard van Niekerk, Investment Development Unit head Errol Benvie, National Business Initiative head Theuns Eloff, Development Bank acting head Div Botha and Sanlam GM Nick Christodoulou.

Benvie said business had been told that its investments in infrastructure would be on a commercial and voluntary basis. "We are reassured that government's role will be to create an environment for the private sector to find

Continued on Page 2

Investments

(297)
Continued from Page 1

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business opportunities. From our side, we have indicated a willingness to actively seek out opportunities."

He said it had been agreed that the emphasis of the infrastructure investment conference, scheduled for March 28 and 29 in Cape Town, would be on confidence building.

Eloff said government had for the first time come forward with a framework to involve the private sector. At the conference government would put the National Infrastructure Investment Framework on the table and the private sector would give a written re-

sponse on its feasibility.

He said the tax on pension fund investment income had been discussed at yesterday's meeting, but both sides felt it should be dealt with "in robust debate" at the conference if it arose. "We should not try to sidestep the issue. But it will not detract from the importance of the conference."

Some industry players had felt that the pensions tax could increase private sector scepticism about taking part in RDP investments, and that this view might come across at the conference.

A joint statement said President Nelson Mandela would deliver the keynote address to the conference, which would feature institutional investors, government officials, labour and community representatives.

Tardy RDP 'needs management'

Robyn Chalmers

THE government will have to introduce wide-ranging project management techniques if RDP projects are to come on stream more efficiently, says RDP national programme manager Roy Page-Shipp.

Page-Shipp said yesterday that several major RDP projects had been delivered unacceptably slowly because they

were placed under civil servants not qualified through experience to undertake them.

Civil servants were not provided with the support staff or other resources necessary to meet their commitments. For this reason, a number of private sector experts had been seconded to the RDP.

Page-Shipp said that change in management techniques was essential

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considering the amount of funding being negotiated for RDP projects. This could total more than R16bn over three years.

There were 22 presidential lead projects with a budget of R2,5bn announced in 1994/95 and a further R5,9bn from various departments, overseas development aid and the sale of state assets in 1995/96. The budget for 1996/97 was expected to be about R8bn, he said.

"If a project style is to be adopted for more government implementation projects — not just those related to RDP — a lot more work will be needed to embed project management techniques in government."

He said a number of lessons had been learned in pursuit of the rapid delivery of projects. The slowness of changing the operating methods of the civil service, and the matter of having to use established structures that were not tailored to RDP delivery, were found to be obstacles.

For example, the Primary School Nutrition Project had been launched in haste, leading to the use of predominantly major contractors to provide and distribute food and leaving

little room for small-scale suppliers. The project was now being reorganised to allow more participation by small businessmen.

However, in many of the more visible projects such as housing and municipal infrastructure, planning and negotiations had peaked far sooner than actual spending. "We did not succeed in convincing the critics, who claimed that lack of expenditure equated to lack of progress, that they were unrealistic," he said.

Although the need to involve communities in decision-making was imperative, the allowances made for community involvement were frequently taken over by power brokers who then delayed progress.

Payments to 19 000 'dead people'

Govt exposes R100m scam on pensions (297)

BD 20/3/96

(308)

Ingrid Salgado

GOVERNMENT had been forking out pension payments to 19 000 dead people and would save nearly R100m in the next year by cancelling them, Gauteng social security chief director Louis du Toit disclosed yesterday.

This was discovered last month when data from the home affairs department on dead people was passed on to the provincial government. Gauteng — which pays about 40% of the national pension bill — had been making the lion's share of the false payments (25,8%). It was followed by Eastern Cape (17,3%), Free State (13,3%), KwaZulu-Natal (11,9%), Mpumalanga (11,6%), North West (9%), Northern Cape (5,4%) and Western Cape (4,1%). Northern Province was lowest at 1,6%.

Du Toit said Gauteng had given case details to police and the other provinces and had cancelled its own erroneous payments. Those who had drawn pensions after the true recipient died were liable for prosecution.

He said the problem arose because the provincial welfare departments did not have on-line computer linkages with home affairs. Data to check that pensions were paid only to living recipients thus had to be fed into computers manually.

The high false payment rate in Gauteng could be due to the former

Transvaal Provincial Administration being "so massive". Some provinces like Western Cape had already started cleaning up their systems.

He said most pension recipients receive a maximum of R410 a month.

Gauteng would shortly undertake a similar cross-referencing exercise to check the finance department's civil pensions records against the social grants system. This would identify beneficiaries receiving both civil and social pensions. The identities of pensioners living outside Gauteng but still drawing provincial pensions would also be compared to elections registers in magisterial districts.

The province was, however, providing agency services to surrounding provinces where infrastructure for making payments was not yet in place.

Gauteng welfare MEC Sakkie Blanche said the department had identified 36 cases of fraud perpetrated by public servants. They were all directly involved in cash payments. Indications from police were that much of the fraud was the work of syndicates.

Many of those accused of fraud would receive salaries until their cases came before the courts, he said.

National estimates put monthly losses due to pension fraud at 10% of the total bill, or R13,5m in Gauteng. In provinces like the Free State the figure was closer to 20%.

Crackdown on pension payments to the 'dead' ⁽²⁹⁷⁾

Star 20/3/96

Phony beneficiaries are costing the department R72-million a year which can now be channelled to welfare organisations

BY PRISCILLA SINGH

The Department of Welfare national crackdown on fraud is expected to net up to R72-million a year by weeding out phony beneficiaries.

Pension payment data tapes show that 14 629 out of the estimated 900 000 beneficiaries on the Social Pension (Socpen) system are dead, but still receiving R410 a month.

If all these people are indeed dead - and the pay-outs are stopped - the department will save about R5,99-million a month, or R71,9-million a year.

Welfare spokesman Michael Fumarola said there might be individual cases where pensions had been stopped because the beneficiaries were listed as dead by Home Affairs, when in fact the people might still be alive.

"In these cases, strict procedures will be followed before a grant is reinstated," he said.

The massive savings will be good news for welfare organisations, as the department says it

will be channelling the extra money to them.

Startling fraud figures were released yesterday by the Gauteng MEC for Welfare, Sakkie Blanché, who said his department was reviewing files of all people born before 1910.

Strict procedures before a grant is reinstated

"Johannesburg is the pilot project and since last month we have cancelled 36 cases of deceased beneficiaries and an amount of R130 531 is to be returned by the banks concerned.

"Also, 4 500 cases in the province have been identified where pensioners have died, yet power of attorney holders continue to draw the pension. These have already been cancelled and we save

R1,8-million a month or R22-million a year," said Blanché.

The department recently announced the "life certificate" system to force beneficiaries to present themselves annually to officials to prove they were still alive. This will apply particularly to beneficiaries whose grants are paid into their bank accounts.

Task groups have been set up to work in different but inter-related spheres where action needs to be taken if social security systems are to be effectively restructured.

Although the extent of fraud has not been verified, it is estimated that inefficiency and fraud, involving beneficiaries, officials and organised crime, account for up to 10% of the national social security budget.

There are indications that fraud involves beneficiaries, officials and syndicates involved in organised crime.

Blanché said 36 Gauteng welfare officials had already been suspended for fraud and were facing criminal charges and disciplinary action.

Media barred from RDP indaba

(297) CT 20/3/96
BARRY STREEK
POLITICAL STAFF

A MAJOR government-sponsored RDP conference on infrastructure investment in Cape Town next week is to be held behind closed doors.

The decision to exclude the media from the conference is reminiscent of the first Carlton summit between former president Mr P W Botha and business leaders in the early 1980s, when the media were also excluded.

Mr Connie Molusi, spokesman for Minister without Portfolio Jay Naidoo, said it was feared that the discussions — aimed at luring private sector investment into infrastructure — would not be frank and successful if the media were present. The same reason was given for barring the media from the Carlton conference.

The conference is to be opened on Thursday — in a session open to the media — by President Nelson Mandela, with a welcome by Deputy President Thabo Mbeki and a speech by Sanlam chairman Mr Marinus Daling.

The rest of the conference on Friday would be a "closed session" with speeches by Deputy President F W de Klerk, Finance Minister Chris Liebenberg, Naidoo, Deputy Finance Minister Alec Erwin, various business people and Sanco president Mlungisi Hlongwane.

Community co-ops up and running

MTG 22-28/3/96 (297)

Richards Bay Minerals, in partnership with the Umbonambi community, has boosted the number of projects it supports, writes **Madeleine Wackernagel**

THE runner-up in last year's Investing in the Future Awards, Richards Bay Minerals (RBM), with its rural development programme in Umbonambi, is expanding its activities with a second community co-operative, training 15 community health workers, and upgrading classrooms and schools in the surrounding area.

The new co-op, located at the Umbonambi factory units, is an offshoot of a larger one operating the adult skills centre.

The main co-op began life in a small room next to the adult skills centre four years ago, with a R1 000 start-up grant from RBM. It now fills a spacious shop, complete with a large store-room and office for the Community Development Council, which runs both co-ops at a healthy profit.

The co-ops sell everything from gardening implements, seeds and school uniforms made by local sewing groups, to pesticides, building supplies, batteries and gumboots. Each one has a monthly turnover of R7 000 to R9 000, with R30 000 worth of stock.

Their market is Zululand and customers travel great distances to buy their products because they are much cheaper than the stores in Empangeni. In addition, they target their supplies specifically to customer needs.

RBM is also involved in health training and education in the area. The company's 19-year partnership with the Umbonambi community, through the Community Development Council, has seen a growing number of projects.

At the end of last year, 10 local women qualified as community health workers, thanks to a RBM-sponsored training course. The women are not allowed to dispense medicines, but offer education and advice on common diseases such as tuberculosis and measles.

There is a great need for rural communities to practise preventative healthcare," says Jabu Kubheka, community affairs manager for RBM. "While the clinics that RBM has built in the area offer health education as part

of their primary healthcare service, the community health workers will be able to reach many more people."

The health workers conduct home visits, identifying illnesses and referring patients to doctors and clinics, as well as counselling on malnutrition, alcoholism, family planning, immunisation, and Aids.

On the education front, RBM has helped to upgrade the Ontingweni Primary School in Sokhulu. A new classroom and administration block have been added, with the con-

struction work undertaken by members of the local community trained in bricklaying, carpentry and plastering.

Says Kubheka: "RBM's partnership approach to community upliftment through social upliftment has proved to be simple but effective. We encourage participation in both the planning and implementation of initiatives; we equip people with the skills to sustain projects and finally transfer ownership to the community."



Community health: Milna Jali and Deborah Nxumalo from Umbonambi are trained to become health workers by course leader Xoli Ntuli

Social responsibility is good business

(297) M+G 22-28/3/96

Simon Segal

SOcially responsible investment is not necessarily a poor or charitable option. The Community Growth Fund (CGF), South Africa's only investment fund that is union-controlled and specifically targets socially responsible companies, realised a 14,3% return in 1995. This is favourable when compared to South Africa's 24 general equity funds, which achieved an average weighted gain of 13% in 1995. The Johannesburg Stock Exchange's All-Share Index (ALSI) appreciated by 8,8% during 1995.

Longer term, over the three years 1993 to 1995, the CGF has risen by an annual average of 22,1%, the general equity funds by 21,7% and the ALSI by 27,3%.

The investment strategy of the CGF is to combine high growth with social responsibility. Investments can only be made with the approval of the board of Unity, which represents the seven trade unions that participate in the CGF (four are Cosatu affiliates and three Nactu affiliates) and is the joint owner of the CGF's management company.

All firms listed for investment by the investment manager Syfrets are investigated by Labour Research Services (LRS) to determine if they comply with the social responsibility criteria identified by Unity. Unity has the final decision whether to invest in a firm. Syfrets

decides on the timing of any purchase. The criteria are job creation (with a weighting of 14 out of 100), industrial relations (14), conditions of employment (13), training (7), equal opportunities for women (7), health and safety (6), product (5), privatisation (5), profit retention (5), affirmative action (5), location (4), environment (4) worker participation (4), disclosure (4), political profile (2) and social spending (1).

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These criteria are being revised. Privatisation in particular is a controversial issue, and location, which applied mainly to the former homelands. The emphasis will be much more on corporate governance and worker participation. The CGF intends to be far more active in attending shareholder meetings and voting its shares. So far, it has attended only one AGM (South Vaal).

The CGF passed the R300-million mark in September and had R361-million at the end of 1995, just over 1% of the total amount invested in South Africa's 24 gen-

eral equity funds. The CGF charge is 0,5%, lower than the 0,75% maximum charge of unit trusts (this increases to 1% in April). Of this, the LRS gets 0,1%, Syfrets 0,25% and the management company the rest.

Of the R9-million income in 1995, R5,1-million was from dividends and R3,1-million from interest.

So far, 53 firms have been approved for investment by Unity and 18 rejected. At the end of September, the CGF had invested in 44 firms. The CGF's largest investments are in De Beers (4% of the fund), Malbak (3,6%), First National Bank (3,4%) and Murray & Roberts (3,2%). The largest investment stakes the CGF has in any company are Delta (1,45% of the issued shares), Berzack (1,4%) and Lenco (1,3%).

The rejected firms include Kersaf, Rembrandt, Richemont, the mines in the Goldfields group, Absa, Sasol, JCI, and Clinic Holdings.

The sister Community Income Fund (CIF) was launched in February 1995 to invest in bonds that focus on reconstruction and development. At the end of September, the CIF had a market capitalisation of R5-million and yielded a return of 8,6%. The criteria for investment are social impact (70), commitment to development (15) and community participation and support (15).

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NTG 22-28/3/96 (297)

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Balancing corporate philanthropy and social responsibility

M+G(BM)22-28/3/96 (297) 24

Adam Klein

TOO often, a discussion on corporate social responsibility for public companies is confused with "gift-giving", or takes the position that all corporate profits should be returned to shareholders, who can best decide how to invest "their" money.

But this confuses a key difference between corporate social responsibility and philanthropy — fundamentally different concepts.

Corporate social responsibility is about the leadership role in setting and protecting certain values for a society that corporations need to play.

The motivation for this role is for both a self-serving and the "public good" reason. This balance is healthy and realistic: if a set of corporate actions serves only the public good, then it most likely falls back into the philanthropy mode; while government's priorities are typically about creating jobs, the balance of trade, and general advancement of the society's standards of living. These interests represent no inherent conflict.

Therefore, actions that fall into the corporate social responsibility mode must be about issues that advance the company's strategic interest, while also advancing the nation's agenda through the unique resources that corporations, as opposed to government departments or non-governmental organisations, can bring to bear on a situation.

These unique skills are a combination of managerial and technical skills and finances that can be

administered more rapidly than the bureaucratic systems of government.

In each society the focus of this leadership role will be different and reflect the ever-changing needs and expectations of that society. In South Africa today, the issues are so numerous that setting priorities sometimes seems overwhelming, yet will be essential for a corporation's objectives to be fulfilled.

In fact, setting such priorities is not really that complex: to achieve the corporation's goals of overall growth that is not dependent on government consumption, South Africa must attain higher levels of social stability and a more evenly spread distribution of wealth to encourage broader-based consumer spending.

'Corporations' interests are about economic growth that will translate into greater market and profit potential'

Therefore, what immediately springs to mind are corporate actions that focus on stabilising the violence on the one hand, and promote entrepreneurship on the other.

● The virtuous cycle is clear in its simple form: less violence means less fear, which means greater confidence, which means greater likelihood of investment, which means greater job creation, which means a greater pool of income-earning consumers, which means expanding the economy in a manner that is

not government-dependent.

● Promoting entrepreneurship is about creating greater stimulation for ingenuity and job creation — this reflects the reality that small to medium-sized companies are the largest creators of new jobs in all the recognised strong economies of the world.

In this context the balance of corporate self-interest and the national agenda are in harmony.

Corporate social responsibility acts should never be confused with philanthropy — by recognising that effective corporate involvement requires the use of its unique resources beyond the money: managerial, technical, project management and other such "skills".

Unless a project has clear goals that satisfy the dual objectives of corporate and nation-building interests and a clear commitment of unique corporate resources above and beyond money, it is at best philanthropy and at worst a likely waste of time.

An obvious admonition then is to take on projects that satisfy the dual goal and that build on your corporation's own area of unique expertise.

For example, BMW's involvement in providing effective and well-maintained vehicles for highway service in Gauteng is as powerful a statement of corporate social responsibility as that of those companies that are entering "genuine" joint ventures with emerging entrepreneurs and ensuring that sufficient management skill is poured into the venture together with the money.

If these acts in any way contribute to the social stability and thus economic growth, then corporate interests of profitability will inevitably follow.

Dr Adam Klein has an MBA and Doctorate in the Management of Change from Harvard Business School. He runs his own company, Klein Management Consultants cc

A strong foundation for upliftment

(297) M + G 22-28/3/96

The Palabora Foundation is involved in holistic local community development and advancement through partnerships, writes **Antoinette Leresche**

THE Palabora Foundation, are "the development, upliftment established in 1986 by the and advancement of people". Palabora Mining Company Financial support for the Palabora (PMC), a member of the Foundation is derived mainly from British-based RTZ group, PMC. The foundation is not a "hand-out" organisation; it believes that for real development to take place, long-term working relationships with communities need to be established. The Palabora Foundation works in

education, vocational skills training, small business development, environmental education and libraries. It plans to expand its focus to include rural development, small-scale agriculture and healthcare.

PROJECTS

PHALABORWA AREA

The following projects are operational on an ongoing basis in the area:

Early Learning Centres

Some eight centres have been estab-

lished to date, each catering for 100 children. The centres provide:

- pre-primary education;
- day care and
- health and nutritional services.

Future plans envisage using these centres as resource centres for satellite day care centres.

Early Childhood Education Advisory Service

This provides support services to the early learning centres by:

- training staff and steering committees;

- providing centralised food and equipment purchases and
- offering advice and counselling services

School Library Project

Serves 36 schools

Rixile and Leboneneg Education Centres

These centres are located in the townships of Lulekane and Namakgale near Phalaborwa. Each consists of six departments:

- The Maths, Science and English Resource Department, which provides "Inset" training and supplementary education.
- The Adult Vocational Skills Department.
- Career guidance for teachers and pupils.
- Community Library Department.
- Pre-primary Teacher Training Department.
- Small Business Development Department.

Rural Schools Upgrading Project

Ten tribal settlement schools were enlarged and upgraded and two new schools were built. In total, 100 classrooms plus administration blocks and toilet blocks were built. All schools were given electricity supplies and were fenced off.

A spin-off was bulk electricity supply to surrounding rural areas. Construction was completed by six teams of local builders, trained by the foundation. Partners included local communities and the Departments of Education and Works of Lebowa and Gazankulu — former self-governing states.

Seloane Clinic Project

Partners in the provision of a modest clinic for a remote village were the local community and the local Department of Health.

Rural Bulk Water Supplies Project

The foundation brought together a spectrum of role players to solve a water shortage in three tribal settlement areas; Makushane, Maseke and Mashishimale. These individuals included tribal chiefs, the local Water Board, the Development Bank of South Africa (DBSA), the former Lebowa Department of Works and the Palabora Foundation.

GAUTENG REGION

Projects in this area can be divided into two categories:

- Training in technical skills and small business management through the Reef Training Centre.
- Environmental education projects managed by the Ndabushe Wild Life Sanctuary.

As the initiator and main sponsor of the Palabora Foundation, the PMC is the foundation's primary partner. Since the PMC does not wish to become operationally involved in the work of the foundation, it has delegated this responsibility to a board of trustees.

In addition to this primary partnership, the foundation identifies other categories of partners:

- Community players;
- The corporate sector;
- Non-governmental organisations;
- Donors, including companies, trusts or foreign governments who fund the project directly and
- The state (in respect of the achievement of the goals of the Reconstruction and Development Programme).

Antoinette Leresche has a Masters degree in Social Science and is a partner in Brews, Leresche and Associates, an agency which supports development in Africa

RDP turns to parastatals to beef up management

BO 25/3/96

(297)

STEPHEN LAUFER

FENCED in by a public service commission hoarding new senior posts like Perigord truffles and frustrated by a public service short on implementation skills, the RDP has quietly turned to the private sector and parastatals to beef up its managerial muscle.

Eskom and Telkom, Murray and Roberts, Armscor, and the science and industrial research councils are among those to have seconded experienced staff.

Their job is to manage what in "Jayspeak" is known as the "performance cycle" of a range of "hard" and "soft" projects from infrastructure measures to redesigning the October household survey. One seconded Eskom employee manages RDP deputy director-general Bernie Fanaroff's office.

The cycle involves monitoring projects from inception via business plans to regular progress reports. There are roughly 3 000 projects under way, of which about 100 are

deemed major and therefore require some sort of national RDP office support.

The problem, says the RDP's (seconded) head of the private sector/parastatal programme, Roy Page-Shipp, is that few public servants in charge of development projects outside of the water affairs department have the necessary project management skills.

This is in part because the grading of government posts often puts middle level bureaucrats in charge of huge projects, and because government was traditionally oriented towards administration rather than service.

Page-Shipp cites the example of the RDP's primary school nutrition programme, which went wrong in its initial phase as contractors failed to deliver while millions disappeared into private pockets. "It is astonishing to me how one can give a R500m project to a manager below director level," he says, referring to

an official at a maximum pay grade of R109 000 per year.

The feeding scheme is now being put back on track, with RDP project managers keeping a watchful eye on local implementation. Yet, being spread across the country's neediest areas, school feeding cannot be micro-managed from Pretoria.

Instead, the project has become an example of the oversight role given to the seconded staff. "Their job," says Page-Shipp, "is not implementation on the ground but monitoring, control, and seeing to it that local managers — whether public servants or not — deliver on brief, on budget, and on time."

The attitude is exemplified by Brian Monteith, seconded by construction giant Murray and Roberts. Unlike public servants, for whom caution is next to godliness, he says his attitude can be com-

pared to that of the Jesuits.

"Act now and ask for forgiveness later," is an approach which gets things moving, Monteith says.

The seconded managers are paid by their home companies, and Page-Shipp says he doubts any would apply for jobs with similar responsibilities at government pay grades. There are few long term career prospects in managing RDP projects at present, Page-Shipp believes. If the RDP is to attract skills rather than pre-pensioners or young people looking for a stepping stone, it will continue to rely on outside support for as long as the transformation of the public service takes.

The RDP office in Pretoria has five private sector/parastatal managers, and it is expecting another three to join soon. Besides those from Murray and Roberts, most are from parastatals — the private sector has thus far been reticent in offering skills.

Responsibilities are divided ac-

cording to specific expertise, but the programme management group of ten works across disciplines, which could account for some of the RDP's apparent successes recently. Health, rural development, safety and security, and education are among the areas of particular focus for the group.

The Transkei task team launched by Deputy President Thabo Mbeki last month is a product of the group's attempts at finding innovative approaches to the transformation's most intractable problem: plans and money are available, but local blockages are preventing progress.

Page-Shipp, who returns to the CSIR next month after 18 months at the RDP office, says the job is getting more exciting now as things begin to work. The key to success, he says, is the ability to be flexible and resourceful — qualities not regarded highly in the as yet largely unreconstructed public service.

BOOKS

BD 28/3/96
Joint RDP deal

is announced

(297)

Robyn Chalmers and
Noimavenda Mathiane

THE first major private and public sector co-financing deal under the RDP was announced yesterday, with the Northern Transvaal water board securing R300m for a water provision project from private sources.

The Pietersburg-Polokwane district and surrounding area would receive running water by the end of August, water board chairman Jack Botes said at the launch of the first of five phases yesterday.

French bank Société Générale said it had used a complex financial structure to access the R300m from local and foreign capital markets for the provision of secure water resources for Northern Province.

McKenzie sworn in as Welfare Minister

(297)
THE new Minister of Welfare and Population Development Mr Patrick McKenzie was sworn in as a National Assembly MP yesterday.

McKenzie, former MEC of Police Services in the Western Cape, replaces Mr Abe Williams, who resigned after the Office for Serious Economic Offences raided his Cape Town and Pretoria homes in connection with alleged irregular payments.

McKenzie's seat in the National Assembly is alongside that of Williams, who shook his hand warmly after he had taken the oath. — Political Writer

CT 28/3/96

Infrastructural investment needs raised at conference

Samantha Sharpe

CAPE TOWN — Today's RDP infrastructure investment conference would help mobilise massive future spending on infrastructure, a key factor to SA's economic growth, the minister in the office of the president Jay Naidoo said yesterday.

The conference would bring together key government officials and prominent figures in the private sector, in a bid to enhance private infrastructure investment.

Naidoo said government was prepared to present at the conference its planning around development finance, specifically the National Infrastructure Investment Framework.

The framework showed two investment scenarios with a "best case" based on commercial assessments of core infrastructure needs, as well as the desire to wipe out backlogs within five years.

This would require R100bn for economic infrastructure alone,

dropping to R90bn with a slower pace of delivery.

Economic infrastructure was one of four integrated programmes in the framework which included provision for municipal, rural and social infrastructure investment, he said.

It showed social infrastructure requirements at about R31bn, with investment in municipal infrastructure needing between R41bn and R70bn, depending on the delivery rate and service.

Investment in rural infrastructure was likely to be smaller, ranging between R11bn and R18bn, because of limited absorption capacity, Naidoo said.

Both scenarios estimated public investment growing at 16,7% and 8,4% a year respectively and were based on a five year period, with a slower pace of delivery assumed for the second one.

Naidoo said that the East Asian economic miracle showed that investment in public infrastructure had helped create an en-

vironment in which private investment could flourish.

Longer-run economic performance was enhanced by the productivity gains from improved infrastructure, with positive spin-offs for job creation through labour intensive projects.

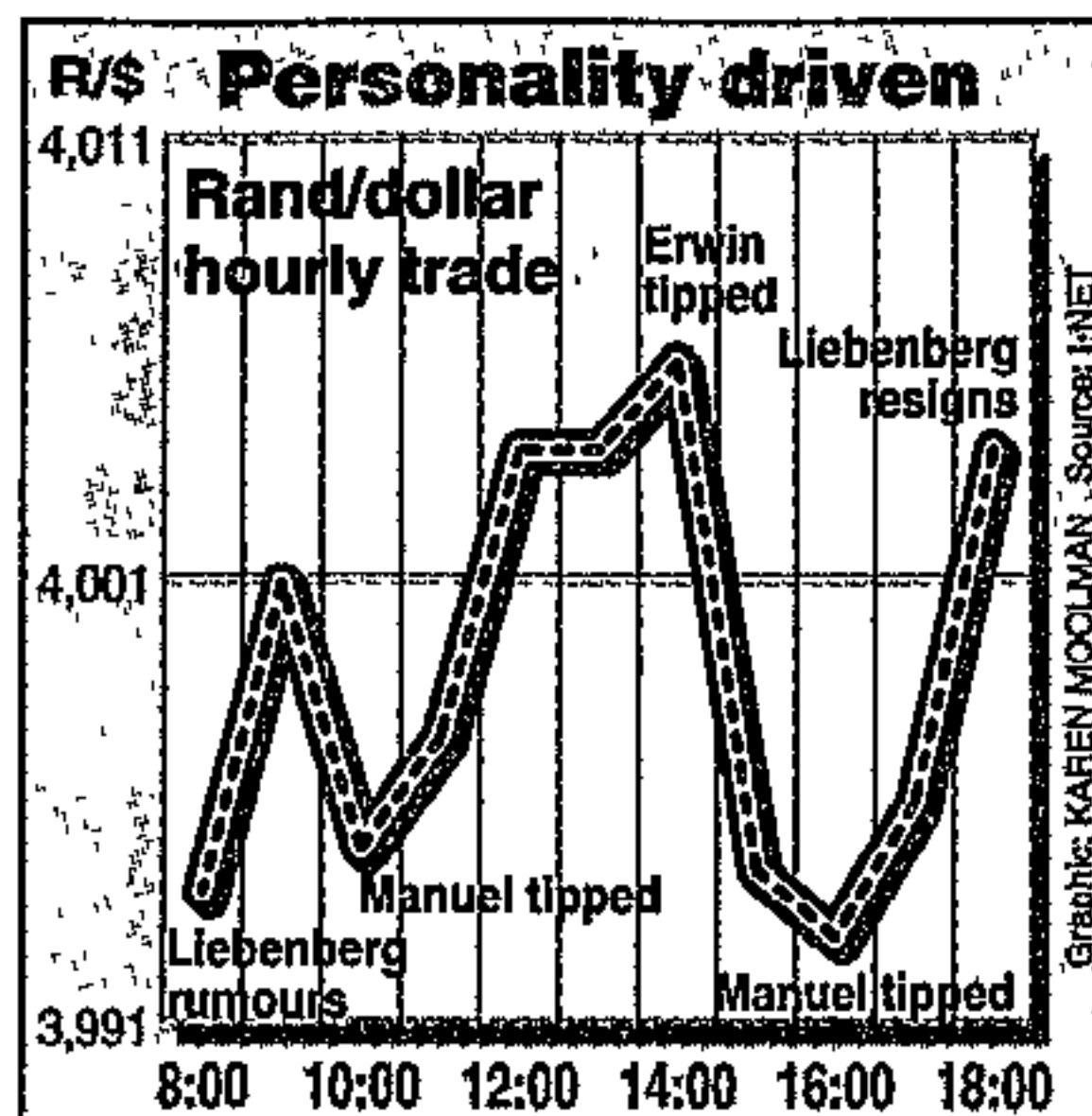
Deputy Finance Minister Alec Erwin said there was a major investment need for infrastructure investment, with budgetary reforms, debt management and a regulatory environment allowing maximised financial co-operation between government, the parastatals and private sector capital.

Government's proposed large infrastructural investment programme was the basis for meeting needs and enhancing growth and development, he said.

While the conference did not herald a "big bang" approach to infrastructural spending, SA could see infrastructure projects unfolding that would help bring its growth rate to 6% in the next few years, Erwin said.

29/3/96

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Roller-coaster ride for SA markets

Paul Richardson

SA's currency and bond markets had a roller-coaster ride on yesterday's Cabinet reshuffle rumours.

By the close the currency had reversed 1,5c to R3,9983 to the dollar after breaching the R4 level at regular

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Govt, labour and business to talk about infrastructure

BD 29/3/96.

(297)

Samantha Sharpe

GOVERNMENT, labour and the private sector will meet today to thrash out a framework for investment in economic and social infrastructure, a move which could see billions mobilised for infrastructure spending.

Speaking at the opening of the RDP Infrastructure Investment Conference last night, Deputy President Thabo Mbeki said it was clear the Budget alone was insufficient to meet SA's infrastructure investment needs.

What was called for was partnerships between government, labour, communities and the private sector in local projects to ensure economic growth and RDP delivery.

Mbeki said better co-operation between the private and public sectors would be helped by government's first detailed and comprehensive programme for infrastructure investment, the National Infrastructure Investment Framework.

"Investors are now able to have a clear picture of the scope and scale of the public investment programme, and the envisaged requirements for both private sector loans and equity."

The framework was based on two investment scenarios. The more affordable showed that R90bn was needed for economic infrastructure investment alone, with social infrastructure spending estimated at R31bn.

Mbeki said government was also finalising a medium-term fiscal framework, which would show financial figures for allocations to public sector programmes for a five-year period.

Sanlam chairman Marinus Daling said it was clear that infrastructure development should be part of SA's macro-economic policy. He said there was little doubt public- and private-sector partnerships were needed. However, these partnerships should include institutions from abroad.

See Page 3

R100bn investment in infrastructure put forward

CT (PR) 29/3/96 (297)
By FRANÇOISE BOTHA

Cape Town — The government yesterday released a discussion document for major investment in infrastructure worth a minimum of R100 billion that could result in stronger partnerships between the private and public sectors.

Alec Erwin, the deputy minister of finance, said at the release of the National Infrastructure Investment Framework document yesterday that the developments would be financed by public-sector budgets, the parastatals and the private sector in a bid to boost economic growth to 6 percent over the next five years.

Erwin said, however, that the government would not be looking for soft loans and that the involvement of the private sector would take place on a voluntary and market-related basis. Commenting on local government loans, Erwin said a single-channel approach would be

used and central-government guarantees would not be offered.

The document is the first detailed assessment of future infrastructure investment required in the country. Two possible scenarios have been put forward. The first proposes rapid delivery aimed at wiping out backlogs within five years. The second provides for longer-term delivery that takes resource and capacity constraints into account.

Labour, the government and business will discuss the details of the proposals at an RDP infrastructure investment conference in Cape Town today. However, the conference will not be open to the press, despite the government's commitment to transparency.

Jay Naidoo, the minister without portfolio in charge of the RDP, said: "It was a unanimous decision to keep the conference closed, (which) has absolutely no relation to the broader economic debate."

Education of disabled to be improved

MICHELLE LERNER
Staff Reporter

THE education department has revealed plans for a facelift for its policy on disabled children, aimed at bringing South Africa in line with international standards.

All new public schools, including several to be built in Khayelitsha, Crossroads and Philippi, will include facilities to accommodate physically disabled children. Until now, only "special" schools

accommodated these pupils and integration into mainstream education was not encouraged.

"Until recently, there has been a very negative attitude towards the disabled, and children's education has suffered," said Russell Vollmer, chairman of the Western Cape Association for the Physically Disabled. "It was very much a sense of us and them, and integration into normal schools was discouraged."

Using RDP funds and capital

allocations, education authorities will attempt to mainstream "special" education wherever it is "to the advantage of the child", said director of special education M J Theron. The programme will also include training facilitators and teachers to address disability issues.

Recent studies indicated as many as 50 percent of school-going children across the nation needed some sort of specialised education, said Mr Theron.

Departments to take responsibility

Future of the RDP to be put on the table (297)

Tim Cohen and
Greta Steyn

CAPE TOWN — Deputy President Thabo Mbeki meets outgoing RDP Minister Jay Naidoo tomorrow to discuss closure of the RDP department amid signs of a radical change in government's thinking on RDP delivery.

The meeting follows President Nelson Mandela's decision on Thursday to "close down" the department — a description which took many members of government by surprise and caused staff members to fear for their futures.

Mbeki described the process of developing business plans for individual projects as "valuable experience", but indicated departments would be responsible for any new projects through their own established decision-making and tendering procedures.

The need for detailed business plans was named as one of the reasons RDP projects became bogged down in red tape and took a long time to get off the ground, with huge amounts of money remaining unspent.

However, the plans were also regarded as a safeguard against fiscal recklessness.

The future of the RDP fund, long a thorn in the side of the finance department, also appears to be in jeopardy. Ministers have indicated that the next instalment of R2,5bn to the RDP fund

— which would have taken it to a total of R10bn — is unlikely to be paid.

In the 1996/97 Budget many allocations that technically went to the RDP fund were allocated directly to departments, reducing the need for the finance department to administer two distinct budgets.

The fund was conceived as a means to force reprioritisation of government expenditure as departments had to give up money that went into the fund, which they could get back only for approved RDP projects.

Mbeki moved to quell the fears of RDP employees at the weekend, saying staff members were employed to administer RDP presidential lead projects and since the existing projects would continue, their jobs were secure.

However, many are contract employees or are hired on a consultancy basis, and it is understood they may lose out after the department's closure.

Mbeki said the main issue to be discussed at tomorrow's meeting would be the future of three critical bodies under the management of the RDP ministry: the Centre for Statistical Services, the Economic Advisory Service and the committee which oversees the co-ordination of donor funds.

All three committees may be relocated within the finance department,

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BD 1/4/96

Continued from Page 1

significantly increasing the department's authority within government and its ability to develop a single, coherent economic policy.

One of the RDP department's main functions was the development of a five-year expenditure framework. This was now likely to be managed under the exclusive authority of the finance

department.

Mbeki said many projects cut across the responsibilities of different departments. However, he anticipated a process of deciding which department had the biggest interest in particular projects and assigning the projects to these departments.

Mbeki made it clear that the reassignment of the projects would be the order of the day.

However, it was possible that some projects would remain within the finance department or his office.

Cape tender board asked to justify R400m contract

Amanda Vermeulen

BD 2/4/96

(297)

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THE Eastern Cape health and welfare department has asked the province's state tender board to justify its award of a R400m contract, after two adjudication committees recommended another bid that was R165m lower.

A spokesman for the department said it wanted to know why the contract — to pay out R2,1bn a year in pensions — had been awarded jointly to Pensecure, a consortium involving the Post Office and Coin Securities, and Balraz Technologies.

Sources said the department was concerned that two adjudication committees had spent eight months between them analysing the bids. Both had recommended Standard Bank's consortium with Fidelity Guards.

But the board had given no justification for the contract's allocation last week, nor what it found in its assessment to overrule the findings.

It is understood the board was

asked to respond to the department's request by yesterday afternoon. Provincial tender board chairman Rev Bongani Finca declined to answer questions on the board's decision.

Several bidders said they had written to premier Raymond Mhlaba for an explanation. The Office for Serious Economic Offences said it would also look into the matter.

Balraz had accused the tender process of irregularities in February when Standard Bank-Fidelity Guards were recommended for the contract. The board said last month it rejected the allegations, but decided to appoint another committee — staffed with government officials mainly from outside the province — to reassess the bids. The Standard-Fidelity consortium was again recommended. Its bid is understood to be R164,8m less than the combined Pensecure and Balraz price.

Standard Bank-Fidelity Guards said it had not been notified of the decision and refused to comment.

North West keeps its focus on the disadvantaged

By JOVIAL RANTAO
Political Reporter

Zeerust - Rural communities continued to be the focus of the North West government's programmes when Premier Popo Molefe launched a multimillion-rand municipal infrastructure programme aimed at providing disadvantaged communities with basic needs such as water and sewerage reticulation.

Molefe has presented cheques for R1-million each to the Ikageng and Welbedacht local councils in Zeerust as well as to Klerksdorp's Jouberton local council. Today he will present money to the Kokosi Town Council in Fochville, on the border of Gauteng and North West, for the de-

velopment of infrastructure.

He said the strategic goal of the programme was to reverse apartheid-created backlogs by providing urban infrastructure services such as water, sanitation, electricity, solid waste disposal, drainage, roads and telecommunication to historically underserved townships.

"The aim of this strategy is to improve the overall quality of the urban environment and to remove the health and other hazards which are inherent in badly planned areas. The vision of the government is to develop towns into centres of economic and social opportunity where people can live and work in safety and peace. With a democratic, efficient and accountable local council in

place, the historically divided inhabitants of the town and township will be able to make residential and economic choices without the constraints of racial and gender discrimination and segregation," Molefe said.

He said it was important that the people in Zeerust and other townships supported their democratically elected councillors and co-operated with them. Unless there was maximum co-operation and understanding, the government would not succeed in developing Zeerust into an efficient and productive town free of poverty and joblessness.

Molefe warned against the illegal occupation of land set aside for other development, because such action would delay mea-

sures aimed at improving security of land tenure. "Uncontrolled land acquisition will not improve the quality of the environment in view of the health hazards brought about by squatting."

The premier warned that government funds aimed at the RDP would never be enough to reduce the infrastructure backlog and he called on residents to assist local authorities by paying for services, bonds and rental obligations.

"We need to demonstrate our commitment to the principles of the RDP by adhering to them. Unless we, the beneficiaries of the programme, ensure that we pay for what we receive, it is going to be difficult to convince the banks and housing developers to invest in this town."

(297) Star 2/4/96

US slams pressure to link trade to the RDP

Peter Fabricius
The Argus Foreign Service

(297)
WASHINGTON.— The US government has voiced concerns that the South African government is insisting that US companies which sell it goods should also contribute to the Reconstruction and Development Programme.

In its annual report on "significant foreign trade barriers" to US business, published yesterday, the US Trade Representative (USTR) said US companies had recently complained of a "lack of transparency" in the South African government's tender process.

ARG 3/4/96
This was caused by the South African government vetting large tenders through several ministries which provided contradictory valuations of the worth of a tender and the required an "offset" package, the report said.

Many government tenders now included such an offset requirement — "a compensatory package which 'offsets' the government purchase with the promise of a development package funded by the recipient company," the USTR said.

"Successful offset packages include worker training provisions and infrastructural development which are defined by and directly related to the GNU's Reconstruction and Development Programme.

"Most recently, Boeing Aircraft, awarded a contract worth over a billion dollars (R4bn) to supply 10 airframes, was left in a state of confusion when the tender and offset were suddenly re-examined by the South African Ministry of Public Enterprises and the Department of Trade and Industry (DTI).

"Perhaps more unsettling were DTI's attempts to gain further offset contributions from Boeing and the rumours of last-minute lobbying by Airbus Industries, Boeing's competitor for the contract, after the tender was reportedly closed.

"Although the entire contract was formally signed with Boeing nearly two weeks after the originally designated January 19 date, Boeing reportedly felt compelled to make modest revisions of its offset package in response to pressure from DTI."

The report said the US trade surplus with South Africa was \$541 million in 1995, \$398 million greater than in 1994. US exports rose \$579 million or 26 percent, to \$2.8 billion.

US imports from SA were \$2.2 billion in 1995, 8.8 percent greater than in 1994.

RDP ²⁹⁷ 'used as excuse for low wages' ARG 3/4/96

JOHANNESBURG. - A growing number of employers are flouting safety and health regulations as well as minimum wage agreements, using the reconstruction and development programme as an excuse, says human resources consultant Sirk van Wyk of the firm FSA-Contacs.

He described it as the "casualisation" of the labour force, whereby companies were increasingly hiring casual labour at lower wage rates than retrenched unionised workers.

"The use of casual labour is particularly prevalent in the construction and forestry industries, which two industries have the worst safety record and the highest incidence of injuries sustained on the job," he said in a statement here.

To cut costs, employers did not fit out casual employees with basic protective clothing, and safety work practices were ignored.

"It's trite to say that the unions should protect these employees, because by the time the relevant union gets on site and has recruited enough workers to initiate a recognition process, the job is over and the workers are dismissed."

Mr Van Wyk said trade unions were worried about the trend of employing casual workers, as union members were being retrenched and replaced by casual workers at lower rates of pay.

"In addition, RDP rates, which are substantially lower than the industry rates, have been introduced, for example, on public works projects - with insufficient consultation with the unions."

"A ludicrous result of what is known as the 'labour-intensive framework agreement' is that permanent employees lose their jobs so that companies can compete for RDP projects using casual labour."

These casual workers were paid at a substantially lower rate than the employees they displaced.

"This is a cynical manipulation of the RDP and undermines the unions' standing," said Mr Van Wyk.

He suggested that the Public Works Department should introduce a limited "closed shop" on future RDP construction projects.

He saw this as a way of preventing the exploitation of workers.
- Sapa.

Meet the new

He's out to promote a culture of dignified self-reliance: 'Perhaps one of the biggest problems has been that the welfare department focused a great deal on paying out pensions and other benefits. I think that emphasis should be changed to one of development, where people can do things for themselves.'

As Western Cape MEC in charge of police services, Patrick McKenzie used to be able to argue, and regularly did, that the creation of stable, safe communities depended not only on combative patrols and arrests, but also on compassionate socio-economic development. As new national Minister of Welfare and Population Development, Mr McKenzie now has the chance, contingent upon a budget of more than R1 billion, to put his money where his mouth is. He spoke to TYRONE SEALE of The Argus Political Staff.

PATRICK McKenzie's silver lining emerged even before anyone could determine exactly how dark the cloud over former Minister of Welfare and Population Development Abe Williams's head was.

Mr Williams has yet to have his day in court, if at all, following allegations, currently under investigation by the Office for Serious Economic Offences (OSEO), that he might have enriched himself through welfare fraud.

Within hours of the OSEO raiding his home and offices, Mr Williams abandoned his cabinet post on Wednesday, February 1, presenting the National Party with a somewhat awkward opportunity to promote one of its younger achievers - and affirm its stated commitment to changing its demographic complexion through government and party structures.

And so, in a classic embodiment of the meat-and-poison adage, Mr

McKenzie raised his right hand in solemn oath last week, formally accepting the onerous honour of serving in the government of national unity. His responsibilities: Civil pensions, social welfare assistance, population development, places of safety, adoption services, and related services and activities.

It's early, heady days yet, but the magnitude of the task is not one that escapes a man whose departure from the provincial policing scene was popular with his political party, while unpopular with a spectrum of communities and senior officers who had come to respect him for the highly individual, yet stringently consultative way he went about plotting against crime.

"In the Police Ministry (in the province), our job was to lock up criminals. In the welfare department, one of the aspects of the job is to prevent crime.

"If we can develop a good programme around our youth, that would actually help me in preventing a lot of our young people from turning to gangsterism and other, similar activities."

Then there is the job of seeing to the needs of the 2.7 million South Africans - part of the 40 percent of the population who are unemployed - who queue up monthly for social welfare assistance of various sorts, while striving to reduce their numbers and promote a culture of dignified self-reliance.

"Perhaps one of the biggest problems has been that the welfare department focused a great deal on paying out pensions and other benefits. I think that emphasis should be changed to one of development, where people can do things for themselves."

While he reads up on his department's unfolding challenges and policies as declared in its latest policy document, the White Paper on welfare and population development, Mr McKenzie's newness on the job is proving fertile ground for sprouting new ideas.

Within two weeks, he hopes to announce a committee to investi-

gate the technological and administrative restructuring of social security in South Africa, encompassing computer-based identification systems and the tracking down of those who illegally draw more than one grant, sometimes on behalf of relatives or friends long dead.

Also during the next fortnight, Mr McKenzie hopes to launch a committee charged with devising a means test that will replace the apartheid model and provide new yardsticks for determining who does or does not qualify for social welfare.

As part of this reform, Mr McKenzie would like to see the fixing of the same retirement age for men and women, greater public acceptance of the practice of employing people aged 60 and older, and removal of existing measures that put welfare out of the reach of tens of thousands of South Africans who are denied such assistance purely because they own property.

"In many of these cases, people living in townships were handed houses virtually free of charge by the government, because they did not pay market-related prices which they couldn't afford in any event. Now they cannot get welfare, only because they are listed as property owners. This has to change."

The politically explosive issue of population development is something Mr McKenzie hopes to tackle as part of his department's self-assigned promotion of the family as the basic unit of society.

Sixty percent of mothers in South Africa's African community are unwed, compared with 40 percent in the rest of the continent, Mr McKenzie points out.

What he would like to nurse is ongoing social education and lifeskills training for young women and men, the acceptance at schools of pregnant young women and young mothers, and new care programmes for children who are without homes.

Allowing teenage mums to complete their education as nor-

mally as possible would prevent them becoming economic losses to society at large, says Mr McKenzie, who advocates support for the needy without inducing an uncritical, blank-check welfare state.

As a newcomer to a newly reshuffled cabinet, Mr McKenzie can be forgiven for being a tad overwhelmed by the greatness of the moment and the warmth of the hugs from formerly unyielding political foes such as new Finance Minister Trevor Manuel, for example.

"Even (Safety and Security Minister) Sydney Mufamadi calls me comrade, so the spirit in the GNU is very good. We all have different labels, but we are all seeing to the total development of all our people."

In the course of achieving this in his own portfolio, Mr McKenzie will rely heavily on the proven efficiency of his deputy, Geraldine Fraser-Moleketi, with whom he is due to meet every Tuesday to discuss progress and nettles in matters welfare.

At 44, Patrick McKenzie isn't the only member of his clan to adjust to the new pressures that come with the new job. Others to make the adjustment are his credit controller wife, Carol, 39, son Clinton, 22, daughter Immanuel, 15, son Angus, 12, and three-year-old Liezl.

"When I'm not at work, we simply enjoy being together as a family."

This could take the form of relaxing at their Parow home, visiting friends and family in their former home township of Bonteheuwel, attending services at the Church of the Nazarene in this area, or trying out new electronic thrills at games arcades.

Promoting his own well-being, Mr McKenzie has cut out eating "heavy red meat such as steak" and politely declines sugar when tea is served in his office.

Like the millions for whom he is responsible, Patrick McKenzie himself would like to enjoy his pension in good health.

Mr Welfare

(297) ARG 3/4/96



PATRICK McKENZIE ... would like to see ongoing social education and lifeskills training for young women and men, the acceptance at schools of pregnant young women and young mothers, and new care programmes for children who are without homes.

Donors undeterred by RDP shutdown

John Dlodlu

THE planned closure of the RDP office has gone unmourned by SA's main international donors, who do not expect that it will have any major effect on their current relations with Pretoria.

Donor sources canvassed yesterday said that they had not been given prior warnings of last Thursday's announcement, including the imminent closure of the RDP office.

Some sources believed that the change, in moving the RDP into the finance department, could see more rigid financial control procedures being applied, limiting possibilities of donor funds abuse.

European Union ambassador to SA Erwan Fouéré said that the union, the country's major donor, would abide by government decisions. It did not, however, expect any changes.

Last year the EU committed almost R600m worth of grant funds to SA's RDP-related projects.

The aid package, which excluded bilateral aid from individual EU member-states, would go on until 1999.

The changes, which accompanied President Nelson Mandela's cabinet shake-up, would not affect the Japanese \$1,3bn aid package to SA, an embassy official said.

The official said that no decision had been taken on whether or not to extend the aid programme

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— which was comprised of technical grants and concessionary loan finance — after the commitment of the \$1,3bn.

Donors would continue their relations with the SA government through the inter-departmental donor co-ordinating unit.

This unit was chaired by Eltie Links, a finance department chief director for international financial relations.

The US's Agency for International Development, which co-ordinated the Clinton administration's \$600m aid pledge to SA, said US aid would continue despite the RDP office's closure.

The US three-year aid package was announced by US President Bill Clinton in 1994.

"When (Brian) Atwood (head of USAid) was in SA, he made it clear that aid to the country will be continued. In 1997, the largest part of US aid in Africa will be in SA," USAid director in SA Lesley Dean said.

Although the programme had been structured around the goals of the RDP, he said he believed that the core values of the RDP would be continued.

Observers close to government said that government would make use of the forthcoming conference with the donor community to unveil its development vision after the changes to the RDP.

See Page 13

PROPERTY

Relocation of RDP welcomed by industry

Lukanyo Mnyanda

THE transfer of responsibility for the RDP to the finance department would improve the management of its funds and enforce fiscal discipline which was crucial for delivery, industry sources said yesterday.

However, they stressed that they did not view the relocation as a vote of no confidence in the previous RDP ministry or former minister Jay Naidoo — appointed postmaster following last week's Cabinet reshuffle.

Association of SA Quantity Surveyors president Barry

Probert said the change was positive, although he felt there was a need to appoint a senior person within the department to manage the RDP portfolio.

He also welcomed the appointment of Trevor Manuel as the new finance minister, saying he had, as trade and industry minister, shown himself to be a person who "has the will and the ability to take meaningful decisions and follow them through".

The construction industry was viewing RDP projects as an avenue for growth after a period of relatively low activity over the past few years.

He said that the optimism

would be reinforced by the shift in responsibility to the finance ministry.

"We hope that Manuel will view the RDP as one of the priorities in his department, helping the entire programme gain momentum to the point where the expenditure of RDP funds makes a significant impact on the economy and job creation," Probert said.

National Association of Home Builders and Urban developers executive director Daan Roelvert said the relocation was a positive step which would improve the management of RDP funds.

"It is not a question of a lack

of confidence in the previous RDP office, but that the office did not have specific powers.

"It would be hard for any minister to instruct departments which fall under other ministries," he said.

The transition would be smooth and delivery should pick up as long as the staff who had done well under Naidoo's office were retained. The industry was looking for even more positive developments during the course of this year.

Roelvert said he was confident that the "delivery stage" would kick-off this year.

"Last year everybody was still talking. That was a cru-

cial stage because you cannot do things overnight without proper planning and consultation, but that phase has passed and the implementation is getting off the ground."

Murray and Roberts Construction MD Arthur Coy said although it was still too early to comment on the effectiveness of the move, it indicated that government was fully aware of the importance of delivery this year.

He hoped that there would soon be clarity on the future of funds allocated by the previous RDP office.

"They should be spent as originally planned," he said.

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'Discrimination will be removed'

R365m census to provide data for RDP plans

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(297) (225)

Ingrid Salgado

SA's first post-apartheid population count, to take place in October, is a R365m operation which seeks to provide data for planning the RDP.

Launched in Pretoria yesterday, the census is expected to provide information on more than 8-million households and 42-million people. It will employ more than 80 000 field workers and data processors.

An official population count will be announced in November 1997. In the past, censuses have taken as long as two years to complete.

Census co-ordinator and Central Statistical Service (CSS) demographic surveys chief director Pali Lehohla said the census would remove discrimination inherent in previous counts. These included "sweep enumeration" which failed to provide small area information; many settlements occupied by blacks being grouped under one entity; and the lack of links between census activities and ward demarcation in the electoral system.

Previous censuses had ignored spatial considerations for the majority of the population, which had constituted "a major methodological flaw and professional incompetence", Lehohla said.

In October place names would be canvassed and thus many places would appear on SA's map for the first time.

The census would also provide a base for the 1999 national elections.

A preliminary breakdown of the population by province and gender would be released next January. Census organisers are already demarcating 70 000 geographic entities, comprising clusters of 130 rural households and 230 urban households. Provincial governments would be given the information this July as crude estimates for planning needs.

The census questionnaire comprised 27 main and 20 minor questions, including those on both formal and informal employment, income and race. Household questions covered information on access to water, sanitation, telecommunications and fuel sources. Enumerators were expected to take between 15 and 45 minutes in each household, depending on household size and literacy.

Census costs per capita stood at R8, which is far cheaper than Australia's R18 and Canada's R22. Per capita costs were a mere 16% of those incurred during the 1994 national elections, he said.

Lehohla said the census was postponed by seven months on the recommendation of international experts. This had been opposed by the "CSS of yesteryear" which was "less than open

Continued on Page 2

Census

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Continued from Page 1

and honest on its adequacy to conduct a census" by March 1996.

Outgoing Minister without Portfolio in charge of the RDP Jay Naidoo said the census would "chart the future course" of realising the RDP's vision and addressing basic needs.

Lehohla said wealthy suburbs looked set to pose a greater logistical problem to the smooth running of the census than townships because of the high price that wealthy residents afforded to privacy and time.

Organisers would have to visit wealthy households after working hours or drop off questionnaires to be filled in at residents' leisure.

High levels of security and vicious dogs also posed problems in the sub-

urbs. Farming communities were another problem because many farms were privately owned and houses were great distances apart.

Enumerators there had to be selected carefully since residents tended to be afraid to give personal details to strangers or to people they knew well. Research showed enumerators preferred to work in close proximity to their own communities but not within the communities. Different sets of enumerators would be assigned to farmers and farm labourers.

Lehohla said census organisers anticipated problems in shack settlements and hostels because of potential violence. Local government structures and police would be asked to assist where security was considered to be an issue. War-torn KwaZulu-Natal and crime-ridden Gauteng — the only two "volatile provinces" — would receive special attention in this regard.

'Bosses using RDP to replace workers with cheaper casuals'

CT 3/4/96

(297)

JOHANNESBURG: A growing number of employers, using the Reconstruction and Development Programme as an excuse, were flouting safety and health regulations as well as minimum wage agreements, human resources consultant Mr Sirk van Wyk of the firm FSA-Contact said yesterday.

Van Wyk said companies increasingly were hiring casual labour at wage rates that were lower than those that had been paid to retrenched unionised workers.

"The use of casual labour is particularly prevalent in the construction and forestry industries, two industries with the worst safety records and the highest incidence of injuries on the job," Van Wyk said.

To cut costs, employers did not equip casual employees with basic protective clothing, and safe work

practices were ignored.

"It's trite to say that the unions should protect these employees, because by the time the relevant union gets on site and has recruited sufficient workers to initiate a recognition process, the job is over and the workers are dismissed."

Van Wyk said trade unions were concerned about the trend as union members were being retrenched and replaced by casual workers at lower rates of pay.

"In addition, RDP rates, which are substantially lower than the industry rates, have been introduced — for example, on the public works projects — with insufficient consultation with these unions," he said.

"A ludicrous result of what is known as the 'labour-intensive framework agreement' is that permanent employees lose their jobs so

that companies can compete for RDP projects using casual labourers who are paid substantially less than the employees they displaced.

"This is a cynical manipulation of the RDP and undermines the unions' standing."

Van Wyk suggested that the Public Works Department introduce a limited "closed shop" on future RDP construction projects as a way of preventing exploitation of workers.

Workers would be given a choice of unions to join and there would be an organised labour presence from the first day of the contract to ensure fair treatment.

Instead of creating jobs, the Public Works Department's policies had led to as many as 30% of long-serving permanent workers losing their jobs in the construction and related industries, Van Wyk said. — Sapa

Government seeks

tailor-made financing

(297) M+G(MM) 4-11/96

A partnership between government and private sector has been formed to tackle development backlogs, writes **Lynda Loxton**

GOVERNMENT and the private sector are investigating innovative financing packages to foot the estimated R170-billion to R230-billion bill to tackle infrastructure backlogs throughout the country. They met behind closed doors in Cape Town last week to examine various options and, although several technical details still have to be finalised, appear to be keen to co-operate. But as newly appointed Trade and Industry Minister Alec Erwin

warned, neither side should approach this with expectations of a "big bang" that would see overnight changes and results.

Erwin said it was clear the infrastructural needs identified could not be funded only by the national Budget, or by the national development finance institutions (NDFIs) such as the Development Bank of Southern Africa.

"Another position argued is to prioritise the whole thing and allow the private sector to get on with the job," Erwin said.

"Rather than adopting either of these extreme positions, government is developing various tailor-made institutional and regulatory measures ... in partnership with the private sector."

He said four basic sources of finance were available. These included fiscal transfers, which could be seen as

equity in projects, concessional finance from various multilateral institutions and international sources, development finance from the NDFIs and loans raised on commercial terms from the capital markets.

"The nature of the projects and their risk and revenue profiles will determine the funding mix," Erwin said.

To make this work, government had to ensure there was effective public-sector debt management, appropriate regulatory frameworks and stable multi-year budgeting.

"All these elements are being put in place," he said.

Key to this would be the restructuring of NDFIs, which Erwin said were fragmented, lacked policy co-ordination and tended to crowd out capital market operations rather than "crowding in additional resources for development".

In his presentation, Standard Corporate and Merchant Bank managing director Jacko Maree said clarity, consistency and certainty on the regulatory framework would be vital for private sector participation.

Both he and Erwin agreed that the NDFIs should, in particular, concentrate on strengthening the ability of local authorities to implement and raise funds for infrastructural projects.

Erwin said the government wanted to give the private sector the confidence that "someone is ensuring that the overall system is working. On the other hand, we do not want to create a situation in which central government will simply bail out local authorities when problems occur.

"This would create a range of implicit guarantees and contingent liabilities which are unacceptable to us and will lead to irresponsible lending and borrowing practices," he said.

Central to the viability of any investment programme would also be to ensure that ordinary citizens paid for the services provided in any infrastructure projects, while government continued to examine ways of covering the costs of those households that genuinely could not afford

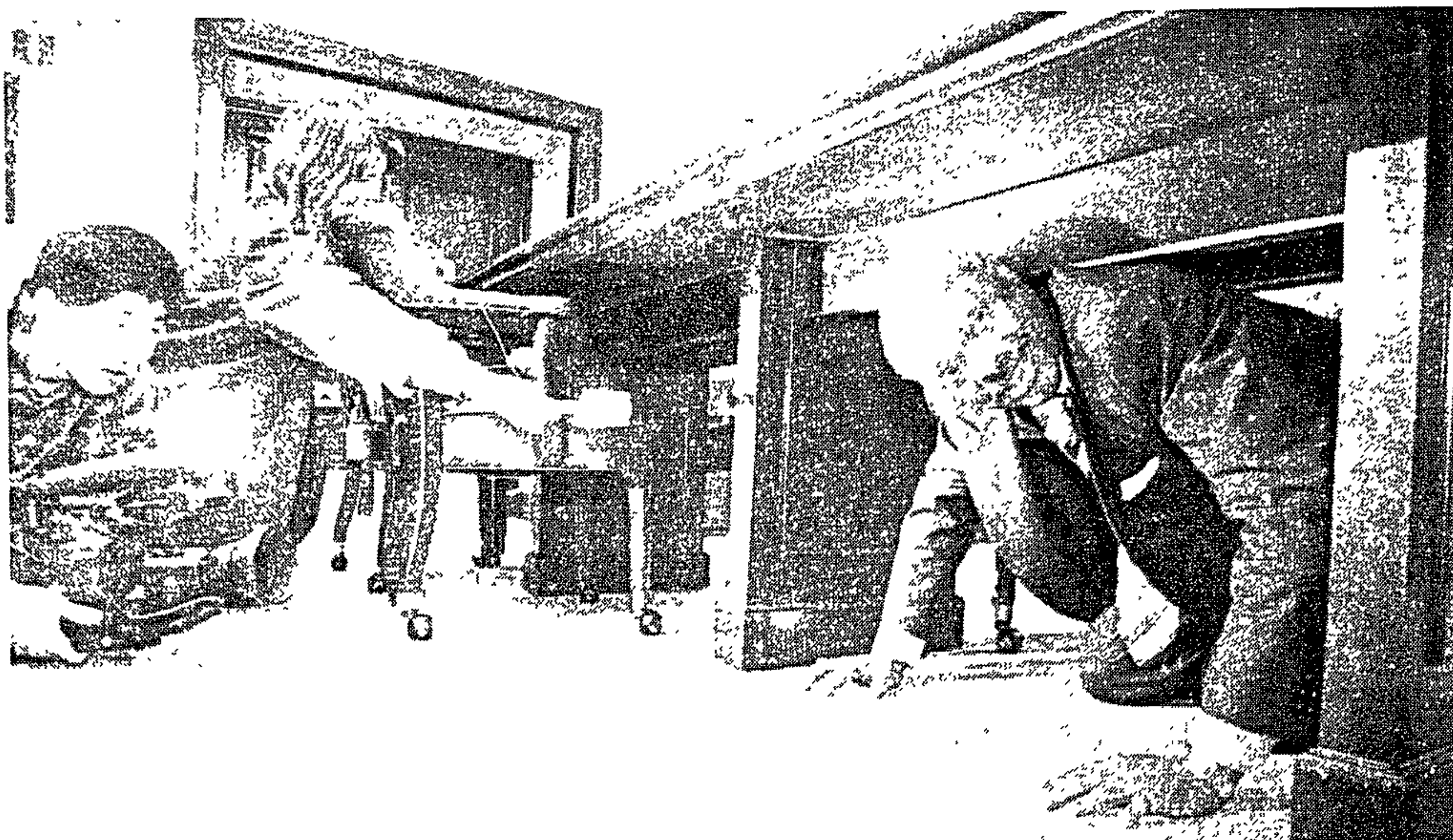


Alec Erwin: 'All the elements are being put in place' PHOTO NATASHA PINCUS

He said the infrastructure programme was a major structural change for South Africa and called for the creation of possibilities that the market itself would not have created. Government was not well-suited to play a leading role in project financing and the NDFIs should be restructured to be the leading public sector

instrument to facilitate development. He envisaged the NDFIs as acting as a bridge between the Budget and private capital and said the private sector also had to "develop new expertise in operating in regulatory environments, taking on longer-term investments and working in a close relationship with the public sector."

"The private sector cannot expect the state to assume all risk while they are only involved in cherry picking (picking only the low-risk, high-profit investment options)."



San Francisco Mayor Willie Brown ducks under a table at the start of California earthquake preparedness month. An estimated 2-million Californians took part in the drill. Picture

Rural issues lose out to urbanisation

(297) BD 4/4/96
Tebogo Makgobola

WE ARE becoming increasingly aware of the inclination by many, some government officials included, to pay lip service to the democratic principles of consultation and transparency that government has committed itself to. The process of drafting the rural development strategy document proved to be less than transparent.

The document was a creation of the RDP task team, together with a plethora of government ministries dominated by white conservative Afrikaner males, with limited participation (if any) by civil society.

When the urban development strategy document was developed, the same RDP office not only hosted high-profile consultative workshops, and dispatched overseas observer missions, but also invested financial and human resources in the project.

As a result of this inconsistent treatment of rural and urban issues, government is giving the unfortunate impression that issues affecting rural areas are not worth the same attention as those affecting their urban counterparts. This perhaps explains the estimation that by 2020, 75% of the population will live and work in cities and towns. This unfounded speculation, lacking in both definiteness and logic, is the authors' way of justifying a job badly done.

The publication can best be summed up as an incoherent string of ideas lacking in originality and thought. It does not outline methods of how it envisages to proceed from an undesirable state of affairs to a desirable one. The issues are not laid out in any order of priority, time frames are not allocated and no distinction is drawn between primary, secondary and ancillary tasks.

In other words, the authors of the so-called strategy document are of the view that all tasks and challenges are equal in value and immediacy. The rural development strategy document's disjunctures and disjointed statements lead one to believe that it is indeed an afterthought and effectively writes off rural areas.

With the RDP's Key Indicators of Poverty in SA (1995) attributing to poverty "a strong rural dimension with an estimated 75% of the poor resident in areas designated as rural", this marginal treatment of rural areas is beyond comprehension.

The common sense notion of an integrated approach needs to be reiterated. Urban and rural development strategies are two sides of the same coin. The future of towns and cities is intricately linked to that of rural towns and villages.

Government must therefore treat urban and rural development as an integrated package rather than insist on an artificial and nonsensical separation.

The document deals naively with the controversial and emotive issue of traditional leaders by effectively justifying their role. Traditional leaders have a predetermined role to play only insofar as local customs and traditions are concerned.

Matters pertaining to local governance, delivery of goods and services, redistribution of local wealth and resources belong in the realm of democratically elected institutions and structures. Traditional leaders can enter this realm only if they are democratically elected. The document perpetuates the idea that traditional leaders are answerable to the institution and themselves alone. In this regard, it poses a real danger to democracy and the principles of

transparency and accountability.

There is a lack of a sound environmental ethic in the document. It places monetary value on natural resources, and the notion of natural resources without a cash value is a valueless cause for concern, especially rural communities rely on natural resources for subsistence.

The document states only that the department of land affairs' land reform programme will widen access to land, but it is not clear exactly how environmental issues will be incorporated into the programme.

Critical issues omitted include the exact nature of agriculture resources, from high to low input technologies and practices, and the restructuring of agricultural markets. The vital issues of pollution and natural disaster are not dealt with, although it is often the poor who have to face the burden of pollution from herbicides and the tragedy of flooding.

There is no clear indication in the document of what constitutes sound development and what is simply exploitation with respect to tourism. It is patently clear from experience on the ground that tourism and ecotourism do not constitute real and sustainable development for rural communities in particular.

In conclusion, the document does not elaborate on and integrate gender with environmental issues. Most cultivators are women, who still have no land rights under customary law tenure arrangements. This strengthens the call to democratise land tenure arrangements.

□ Makgobola is director of the national land committee's land rights and advocacy department.

Confusion in RDP offices after Cabinet reshuffle

(297)

mtg 4-11/4/96

Gaye Davis

GOVERNMENT plans to radically revise the Reconstruction and Development Programme could face a backlash — not so much against what has been decided, but because of the lack of consultation which preceded it.

Deputy President Thabo Mbeki is to appoint a task force to oversee the re-allocation of the RDP's projects, programmes and staff to various line-ministries. His representative, Thami Ntenti, said this emerged from a meeting between Mbeki and outgoing RDP Minister Jay Naidoo on Tuesday. The task force would have to work fast: "We expect to see some movement after the Easter weekend," he said.

Ntenti said that as the decision to close the RDP office, hand the fund over to the finance ministry and shift its responsibilities to departments was a presidential one, complaints about a lack of consultation were not relevant.

But there are rumblings within the African National Congress, its alliance partners, the South African Communist Party and Congress of South African Trade Unions, and non-governmental organisations (NGOs) about the way the decision was arrived at. RDP staffers were thrown into confusion and uncertainty about their futures with last Thursday's "bombshell" announcement that the RDP office was to be closed: this week they were questioning the suddenness of the move and asking whether a phased approach would not have been wiser.

"The decision may be the right one, but how was it arrived at? There needs to have been discussion — and there wasn't," an ANC national executive

committee member said.

It had been crucial to find a better way of co-ordinating the RDP so that it amounted to more than a fistful of presidential lead projects. However, there were concerns that the new move could see the development and social aspects of the RDP getting lost and fiscal policy and economic growth concerns, while important, becoming overly dominant.

"These things needed to be part of a debate and were not," the source said. "The lack of consultation will be taken up from many quarters, by NGOs and the alliance. There are real pressures on government, but there is also ongoing frustration about consultation, transparency, and where we are going."

There was a lack of clarity this week whether Mbeki would assume political responsibility for the RDP. Naidoo's director of communications, Mandy Jean Woods, referred queries about the RDP's future to Mbeki's office, as he was the "new chief". But Mbeki's spokesperson, Ricky Naidoo, denied Mbeki's responsibility extended beyond overseeing the re-allocation of programmes.

Gavin Lewis, editor of the independent newsletter *RDP Monitor*, said it was critical the RDP had a political head. "Not all line departments have been transformed into vigorous development bodies," he said.

He believed the decision was a case of "office politics gone mad", negotiated between Mbeki and Mandela behind closed doors at the last moment. "If they had thought it through, a transitional plan would be

Thabo Mbeki: Will he take over the RDP?

in place," he said.

"What will happen to NGOs supposed to access funds through the RDP office? Who must they approach?"

Naidoo instructed staffers to say he would not be giving interviews until he assumed his new portfolio — he replaces Pallo Jordan as minister of posts, telecommunications and broadcasting — on Thursday. His communications staff were this week fielding calls from provincial RDP offices seeking clarity on their future.

In one of his last acts as RDP chief this week, Naidoo launched South

Africa's first post-apartheid census, scheduled for October, on which R365-million will be spent to provide the data necessary for detailed RDP planning.

The Central Statistical Service is one of the parastatals which falls under the RDP office: its relocation, as well as that of the Central Economic Advisory Service and myriad other functions of the RDP office will be thrashed out by the task group.

These include the core functions of

project management, development planning and facilitation, and the co-ordination of international aid grants.

Mbeki reassured employees by saying at the weekend that as they had been employed to administer the presidential lead projects, and that these would continue, their jobs were secure. But staffers this week were uncertain whether they would be able to remain in the same locations or faced transfers.

Naidoo's problem was that his job was to tread on the toes of every minister. For a junior minister with a trade union, rather than ANC, background, this proved problematic. Line ministries continued spending on their core functions and it rapidly became clear there was a need for aligned, integrated strategies for development that involved all of government, rather than just a section of it.

Naidoo took lots of undeserved flak: departments, rather than the RDP ministry, were often responsible for lack of delivery.

Foreign observers have read Naidoo's transfer as a demotion and a sign that the RDP has failed. They questioned whether Mbeki, if he took over as political head of the RDP,

would be able to deliver. "It's a big test for him," said one source. "He seems to have problems dealing with what he has had to do in the past."

"It's not about the failure of the programme or the office," said RDP spokesman Connie Malusi. "Programmes are on track. There have been time lags in terms of negotiating our way around treasury rules and developing capacity at provincial level, but concrete projects have been implemented."

While line departments are already in the process of taking on responsibility for various RDP functions, there is a general view that for a development plan as ambitious and unprecedented as the RDP to succeed, it will need to be overseen by someone with political clout.

This could be ideal for Mbeki, who has yet to be seen to make his mark. As deputy president, he is overshadowed by Mandela: his achievements are seen as the president's.

Highly regarded as an astute politician, he has been criticised for surrounding himself with poor advisers. But his recent appointment of people such as Frank Chikane and Luci Nyembe — definitely not pushovers — has been welcomed.



Slowly, surely, RDP flexes its muscles

(297) Star 6/4/96



The recent cabinet reshuffle means the RDP is being streamlined to become more effective
writes **JACQUI REEVES**

Just before the 1994 election, 32-year-old Sophie Ngcobo took her two children and fled Tokoza, the place that had been her home for five years. Sleepless nights staring at the seemingly endless gunfire round her home frightened her youngsters. "The children were nervous as soon as it got dark. It felt like we were living in a war zone. Eventually, we just had to get out," Ngcobo says. A wild gunbattle between IFP and ANC hostel dwellers late one night came dangerously close to the Ngcobos' home, an event that precipitated the move.

"I realised that leaving the house empty meant it would be damaged in the fighting, but there was nothing else to do - so we left," Ngcobo says. She never thought they would be able to come back.

But the Ngcobo family have returned, their badly damaged home has been repaired, and a fresh start awaits them.

The family's situation highlights just one of the many success stories of the Reconstruction and Development Programme in Gauteng, but more specifically the Katorus special presidential project.

Initiated in 1994, the project aimed at creating a safe, secure life for the residents of



BUILDING A NATION: Once the RDP fully kicks into gear, brick houses will replace tin shanties

PHOTOGRAPH ANTON HAMMERL

rent and service payments."

Bearing this in mind, the renovators of Hostel 3 in Tokoza have suspended their upgrading project and are working on these essential issues first. Future Doctor Khumalos can now develop their skills on the newly grassed football fields, while the more academically inclined can settle down in Kallahong's Goba Section library.

The national RDP can learn a lot from the Katorus project, Maluleke believes. He says it's all about foresight.

"You can't just supply the money and make the changes - you have to be sure about the long-term sustainability of the projects," he says. "We must invest in the infrastructures of communities and make sure that when we leave, the community has the ability to maintain what the RDP started."

Representatives from all the different RDP offices in Gauteng seem to agree on one major problem in community upliftment programmes.

Communities seem divided between new local authorities and local interest groups, heightening tension in the towns.

"Power struggles are often the result, putting the RDP developers in a difficult position," Maluleke says.

Sophie Ngcobo, however, knows nothing about these struggles and is just happy to be back in the neighbourhood she knows.

"When I go to work in the morning I know my children are safe. We don't feel scared at night any more," she says.

The Health Department was presented with a massive task in the form of the "free health care" policy of the GNU, making its main RDP priority the supply of clinics.

Popo Maja, the health MEC's liaison officer, says local involvement in the allocation of clinic sites and the identifying of important renovation areas has greatly assisted their task. "So far we have built 10 new clinics and have renovated a further 16, but we still have far to go," he says.

The privately funded Centre for Development and Enterprise has voiced its opinion on another vital RDP issue - urbanisation.

Centre director Ann Bernstein has presented the organisation's response to the

provide them with the basic services necessary for urban living

But it was the magnitude and expense of the project that captured the attention of other provinces and the media. An amount of R645-million was committed to the area from the RDP Fund for projects spanning five years. However, it was estimated that other state spending through the departments of health, education and welfare, local authorities, the police service and the housing board would add another R2,4-billion to that figure over the same period.

The project is seen by some as the gem of Gauteng's RDP projects.

Katorus project manager Themba Maluleke regards the project as part of an important learning curve.

"Obviously there have been problems, but we are using these to work out new strategies to avoid the same stumbling blocks in future," Maluleke says.

The recent cabinet shuffle and subsequent closure of Jay Naidoo's RDP office has also hinted at some reassessment of the RDP's position and functioning in the future. Peter Cranko, chief director of corporate strategy in the Gauteng government, believes the changes will serve to oil the wheels of progress

"The RDP is, in all aspects, being streamlined to become more efficient," Cranko says. "The changes are, in fact, re-emphasising its fundamental role, to address basic needs and improve the quality of life for all South Africans."

Describing the RDP as the cornerstone of the Government of National Unity, Cranko says the RDP should not be seen as a funding agency, but rather as a tool to reprioritise government spending. "The RDP is helping the Government to achieve its objectives, such as building the economy and developing human resources," he says.

The ideas are admirable, but suffer from an overdose of buzzwords like "development", "management co-ordination" and "community upliftment". This reporter battled to see the "grassroots" from the fertiliser. Three days of listening to computer-generated telephone music, counting the rings before the Department of Education switchboard answered my call (current record 46), and being told "You'll have to speak to another department for that information", confirmed that bureaucracy still rules.

A much-debated issue in the RDP story is the apparent inability of some areas to deliver their promises and spend their allocated

money effectively. Mounting concern that the RDP is top heavy, unable to act on top-level decisions, has been challenged by authorities

Cranko believes the reason for the slow delivery of certain RDP projects can be explained by identifying the different types of expenditure required.

"Expenditure of an operating nature, like free health care and primary school nutrition, is easily implemented," he says. "The problems come in with capital expense projects, such as the supply of houses."

As an example, Cranko cites the long period between the decision to build a house, planning and cost accounting, and then finally the digging of the foundations.

"All expenses have to be accounted for and the proper channels must be followed."

In spite of the explanation, Cranko admits there is no real way to get around the slow delivery associated with RDP projects. "What it boils down to is the fact that the Government, as with all governments, does things slowly - all carefully structured and controlled."

"Buying goods and services is a lengthy process and we are trying to get the Government to do new things in new ways - and it's

not easy," he says.

All is not lost, however, believes Lóráto Phalaise, director of programme co-ordination. She says departments are improving their communication methods and increasing efficiency.

"Two years on, we feel we have made major progress and are doing fairly well."

While the RDP office has the capacity to churn out copious amounts of political rhetoric and developmental jargon, the facts and figures speak for the successes themselves. The Katorus security management project has succeeded in reducing the number of murders in the area from 140 a month in 1993 to 23 a month in 1995, while attempted robberies dropped from 65 to 34 a month in the same period.

Project leader Maluleke believes community co-operation has been a decisive factor in this victory.

"This is still a violent community, but because the residents have adopted a better attitude towards the police, we have been able to work together against crime," he says.

The project has included the installation of a 24-hour SOS service, satellite police stations, traffic and council security, and the

establishment of Katorus' own flying squad. "The Katorus community has banded together and the majority just want to live peacefully," Maluleke says.

Katorus residents are literally no longer in the dark since this RDP project got under way - more than 2 500 street lights have been repaired.

The pools of raw sewage that used to lie on the streets have been cleared away through improved sanitation systems, while water rehabilitation and stormwater drainage have been upgraded.

One of the more impressive programmes so far remains the massive renovation of the Vosloorus hostel. At least R70-million has been spent on this facility, which is now about 85% complete.

The change is remarkable, but unexpected troubles have put the project on hold temporarily.

"A brilliant job has been done on the upgrading, but the Boksburg authorities have now run into problems with residents, rental fees and service charges," says Mike Morkel, a project consultant.

"Registers of residents have to first be set up to determine exactly who lives where, and some agreement must be reached on

Government's urban strategy, proposing the establishment of a special implementation task team for urbanisation

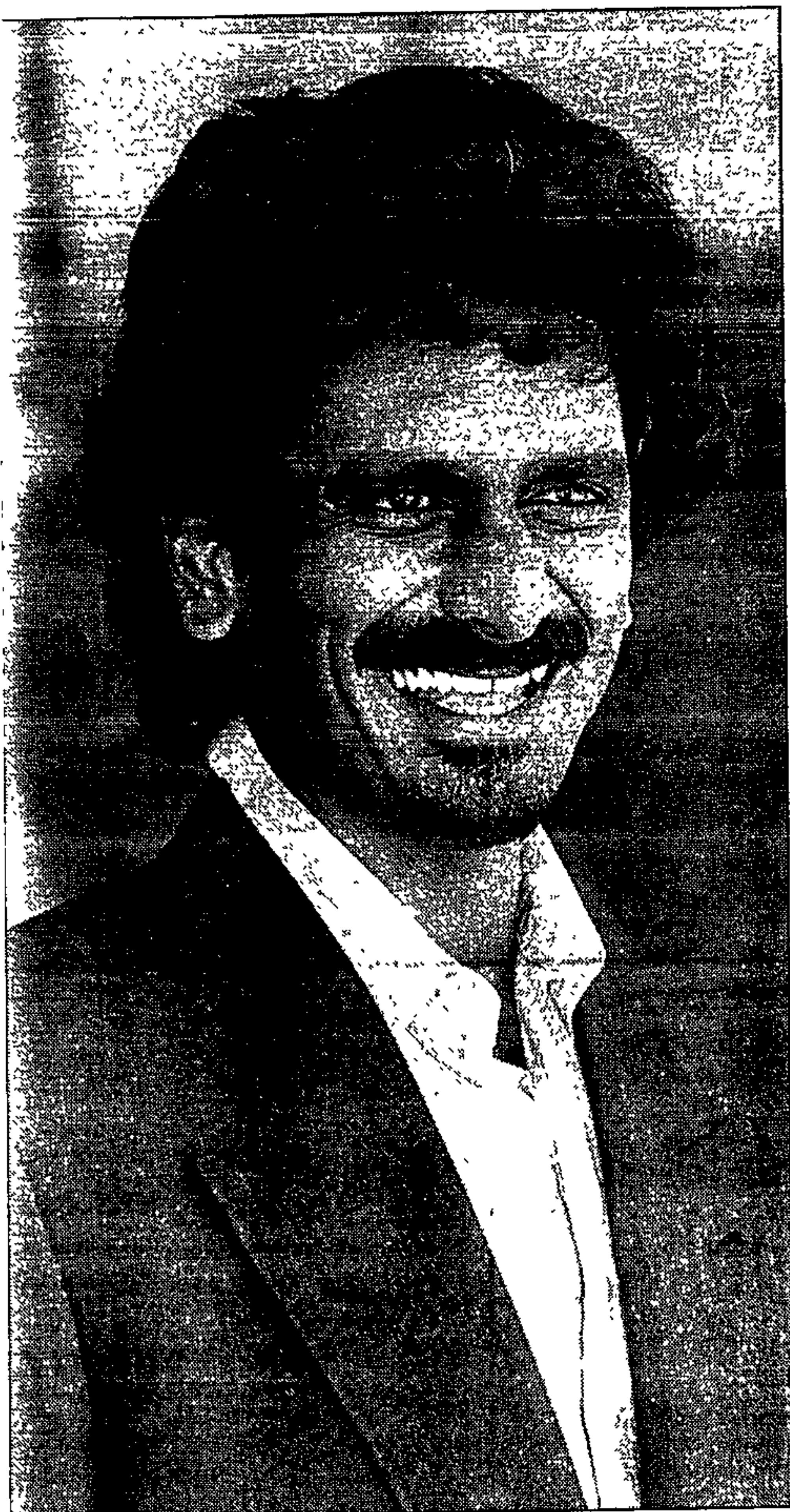
Under the leadership of the RDP, the team will develop priorities for both local and national urbanisation policies

Bernstein emphasises the need for national and provincial urban strategies, and for attention to be paid to the huge influx of people to Gauteng and the strain this is putting on the province's resources.

"The Government, through the RDP, needs to get the figures of migration, to get a clear idea of the size of our towns and cities and the rate at which they are growing," she says.

Bernstein suggests that RDP urbanisation projects should be assessed according to their scale and how many lives the project will affect. The centre has proposed that the task team should take on board at least two senior local government officials, senior representatives of the trade and industry, finance, land affairs and housing ministries, as well as a number of private sector representatives.

But the overall image of Gauteng's RDP could be likened to that of an assembly line slowly ironing out the creases in the production of a revolutionary new product.



MOVING ON: Jay Naidoo leaves the defunct RDP portfolio but the programme is on track

RDP finally set to deliver jobs, says government

ST(BT) 7/4/96

(297)

By JEREMY WOODS

AFTER two years of talking, the RDP is finally set to deliver hundreds of thousands of jobs.

It will do this through R6-billion worth of construction projects that have already been "contractually committed" to rebuilding the country's infrastructure.

And big business, once fearful that it would be forced to put up funds for RDP projects, will now hitch its financial horses to the RDP bandwagon on a "market related basis", which will allow normal profits to be made for work done.

Although the RDP office has been closed officially and its projects moved to the office of Deputy President Thabo Mbeki, a two-day conference on RDP infrastructure investment in Cape Town last week heard from leading Government ministers that the RDP investment programme will now start to lay the golden eggs for the South African economy.

Former "RDP Minister" Jay Naidoo, who has been in charge of implementing the RDP programme, told the conference of business delegates, politicians and union representatives that "by the end of this month, we estimate that on top of the money spent last year, we will have spent or committed over R8-billion from the 1995/6 RDP fund."

"Contractually committed" means that contracts have been signed and projects are already underway," Mr Naidoo said.

The goals of the RDP, he said, were to ensure that "everyone has access to basic services, to eliminate poverty, and to improve the

quality of life for all.

"Significant progress has been made towards providing basic services. To eliminate poverty, we must create hundreds of thousands of jobs every year."

Mr Naidoo said creating jobs was a challenge to the whole nation, not just to Government.

"But Government has to take the lead by stimulating the growth of jobs and the economy. Our most important tool is the Public Investment Programme, focusing on infrastructure investment."

Not only does infrastructure investment create jobs, it increases demand on the supply industries.

"And modern infrastructure plays a very important role in giving our industries a potential competitive advantage in the global economy," he said.

In his speech to the conference, outgoing Finance Minister Chris Liebenberg urged big business to back RDP projects.

"Our view is that public sector investment is essentially complementary to private investment."

Mr Liebenberg said the Finance Ministry was "very excited" about the future of the infrastructure investment programme and said he believed that while business was initially sceptical, "the message is now getting across".

"I believe we are looking at a wonderful opportunity for Government, business and labour to lock arms in a joint effort to facilitate growth in a practical manner," said Mr Liebenberg.

Water scheme coming on stream on anniversary of Hani's assassination

(297)

POLITICAL STAFF AND SABA

Star 8/4/96

The third anniversary of SA Communist Party leader Chris Hani's death will be commemorated in his childhood village in the Transkei tomorrow when President Nelson Mandela opens a water scheme there that will bring drinkable water to the residents of the area.

The scheme, which is part of a larger Cofimvaba rural water supply scheme, will be funded by the Department of Water Affairs and Forestry and is part of the Reconstruction and Development Programme. Presidential lead projects in the former homeland have already supplied potable water to 56 villages.

Hani was murdered on April 10 1993. His death severely threatened negotiations

between the ANC and the National Party, which was in government at the time.

His killer, Janusz Walus, and former Conservative Party MP Clive Derby-Lewis are serving life sentences for the murder, which took place outside Hani's Boksburg home during the 1993 Easter weekend.

When Hani returned to his home village in Lower Sabalele after 30 years in exile, he was quoted as saying: "Women are still walking 5km to fetch water, carrying it on their heads back to their meagre homes."

Mandela noted at Hani's funeral that some of his relatives still did not have access to clean water.

A spokesman said the water project would act as a living memorial to Hani.

SOCIAL SECURITY - GENERAL

1996

MAY — JULY

SA economy gets vote of confidence and loans from Japan

By JAMES LAMONT

Johannesburg — South Africa's beleaguered economic authorities were given a timely vote of confidence yesterday by Yukihiko Ikeda, Japan's foreign minister.

He said the South African economy was in good shape and the correct economic fundamentals were in place.

At a signing ceremony for the first concessionary loan by a member of the international community to the government, Ikeda said: "The world is looking at your

country with wonder because you have developed socially and economically in such a short time."

Yoshizo Komishi, the Japanese ambassador to Pretoria, said if the government offered increased investment incentives, he was quite sure there will be more investment from Japan.

Ikeda signed an exchange of notes with Trevor Manuel, the finance minister, for about R330 000 worth of loans to two development projects.

The projects are the first parts of about R1,3 billion in official devel-

opment assistance to South Africa over two years.

The finance department will receive a loan of about R130 000 for the water affairs department to implement the KwaNdebele Region Water Augmentation Project. The loan, over a 25 years and with a seven-year grace period, carried a concessional interest rate.

The second loan, with the same conditions, of about R200 000 to the Development Bank of Southern Africa was for the implementation of a rural social infrastructure programme to finance water supply

and sanitation projects for disadvantaged communities.

Ikeda said he would like to see foreign direct investment from Japan following his government's commitment to development in southern Africa. However, Ikeda said "the question of whether investment will follow depends on how the Japanese businessman sees the investment climate". He said a tax treaty between Japan and South Africa and more attractive investment incentives would help.

Komishi said eight Japanese companies, including Nissan and

Sony, had invested in South Africa since 1993. He said initial investments had been in the processing of rare metals, but that this was shifting towards the manufacturing industry.

The assistance is part of a larger package of about R5,75 billion, which makes Japan South Africa's biggest donor.

The package consists of loans from the Japan Export-Import Bank of R2,2 billion; trade credits of R2,2 billion; concessional loans of R1,1 billion; and grants and technical assistance of R128 million.

US to reduce aid to SA by 15% (297)

World's richest economy is slipping into third place in the race to help emerging nations and win trade opportunities at the same time

Star 2/5/96

By PETER FABRICUS
Washington

The Clinton administration is to ask the US Congress for \$103,6 million (about R445-million) to fund its official development assistance programme in South Africa during fiscal year 1997 – a 15% reduction on the 1996 budget.

Administration sources confirmed this in Washington and said it was consistent with the US's announced plan to scale down aid to SA from the exceptional levels of the transition.

The SA funding is part of a \$6,88-billion budget request that the Agency for International Development (AID), which administers US foreign aid, is submitting to Congress. It represents an increase of about 5% on last year's approved budget.

AID administrator Brian Atwood said that after a very bad 1995 – when a new Republican Party-dominated Congress slashed his 1996 budget by 23% – he was optimistic that Congress

would approve the slight increase for 1997, in both the overall budget and the Africa programme.

Congress cut foreign aid to Africa in fiscal year 1996, from \$803-million in 1995 to \$675-million, and abolished the Development Fund for Africa.

For fiscal 1997, AID is asking Congress to reinstate the DFA and fund it with \$704-million, Atwood said.

"We tried to protect Africa as much as possible because this is a region with the greatest need and the greatest opportunity – at least a dozen countries are ready to take off economically,"

Atwood's pitch to Congress in hearings last week was that if the US did not spend more on development assistance – in its own aid programme and in contributions to the US and other development agencies – it would fail to prevent disasters which required much greater spending on humanitarian assistance for refugees, disaster relief, and even military intervention such as in Somalia and

Liberia.

The US had spent \$42-million and the world \$4-billion on refugees in Africa last year.

"We have to come to grips with the reality that it costs a lot less for development than for handling a crisis. We're trying to get that message to Congress. After a year, some of the freshmen (the mainly conservative new Republican representatives) are beginning to understand."

"I hope we won't have as big a debate this year as last over foreign assistance requests."

He said he was pleased that the US was contributing a lot more to the United Nations than expected, including the UN's peacekeeping account.

Atwood said his pitch for congressional support of the overall foreign aid budget was that the marketplace was becoming much more global – 26% of the US economy was now tied into exports and imports – and that foreign aid helped win business.

There was a danger this year that

the US, now the world's second-biggest foreign aid donor after Japan, would slip into third place behind France. And that was for a country of 280 million, compared with France's 60 million and an economy 5,5 times that of France.

Relative to the size of its population and economy, the US was already at the bottom of the list of foreign aid donors in the industrialised world, contributing just 0,115% of its gross domestic product per capita.

"In the international competition for world markets, it is helpful to be engaged in helping the (developing) country develop its economy, as every country knows," Atwood said.

"To the extent that the French development agency is involved in a country and not us, it is helpful to French business."

"If we want to abandon emerging markets to the French in Africa or the Japanese in Asia, the best way would be to continue to cut our foreign aid programme."

Government plan to rebuild social security system (297)

Staff Reporter

ARL 3/5/96

THE government has launched a new incentive to help rebuild South Africa's social security system.

A committee led by Frank Chikane, special adviser to Deputy-President Thabo Mbeki, met this week to start work on restructuring social security into what they claimed would be a more efficient, effective and fraud-free system.

Part of their work would be to propose "immediate" action that needed to be taken.

The Committee for the Restructuring of Social Security was first launched by the Minister for Welfare and Population Development, Patrick McKenzie, on April 17.

"The committee will investigate all aspects relating to the substantial losses incurred in the social security system through fraud and inefficiencies in the management system," a spokesman said.

"Because of the seriousness of the issues involved, regular reports will be submitted for immediate action that needs to be taken. The committee will also submit to the minister a report on its findings and recommendations within six months.

"More than R12 billion, or about seven percent of total government spending, is paid out by different provinces in social grants to more than 2.8 million old age pensioners, disabled people, unsupported single mothers and children, among others."

Said Leila Patel, director-general of welfare: "The committee has taken on the tough challenge in spite of the enormity and complexity of the problems."

"A very fragmented system of 14 different administrative systems has been inherited by the new govern-

ment. No centralised and co-ordinated registry exists to verify the identity of beneficiaries. In some cases manual systems are still in use and they are in a shocking state.

"It is common for files to disappear. The problems are often exacerbated by poor management, understaffed departments and under-trained personnel," said Dr Patel.

"It is inevitable that a system fraught with so many inefficiencies and loopholes would be abused and exploited," she said.

According to Dr Chikane, the committee enjoyed the support of the ministry, the cabinet and the provincial government.

"The committee's work will, in the end, result in savings of millions of rands," he said.

Already some improvements had been made. On May 1, the 14 different departments were linked by a single computer system. Computerised information systems had been introduced in some provinces and work had started to develop a national social grants register.

Automated fingerprinting and biometric systems were also being investigated.

Dr Chikane heads the central committee with Rashid Seria, a former newspaper editor and businessman, as his deputy. Professor Pieter le Roux of the University of the Western Cape chairs the task group on social security systems, and Wim Trengrove, an advocate with the Legal Resources Centre, heads the task group on fraud and corruption.

The chairperson of the third task group, on effective management, must still be filled. The national programme manager of the committee is Danie du Plessis, seconded as a consultant to the Department of Welfare by Eskom.

Abe Williams probe still has a way to go

star 4/5/96 (297)
By GLYNNIS UNDERHILL

The Office for Serious Economic Offences' (OSEO) investigation into allegations surrounding former minister of welfare and population development Abe Williams would not be completed this year, according to its director, Jan Swanepoel.

The OSEO was "following the flow of funds" in the West Coast Development Fund controlled by Williams, he said.

Williams' shock resignation came soon after the OSEO raided his homes in Pretoria and Cape Town in February this year. The OSEO had named him as a suspect in its inquiry regarding possible irregularities in the award of a tender to pension company Nisec for the payment of pensions on behalf of the Cape Provincial Administration. He retained his seat as a Member of Parliament and continued to serve his parliamentary constituency on the west coast.

A second OSEO raid and search on offices in Port Elizabeth last week had not assisted the investigation, Swanepoel said. Two advocates and two police officers were working on the investigation and a firm of auditors had been called in to assist.

Engineers rally to the RDP

By MICHAEL MORRIS

Cape Town - Fed-up civil engineers - battling with the myriad problems that have beset the floundering RDP - warn that unless a fast-tracking plan of action is put in place soon, the much-vaunted development initiative will collapse.

They say it is time for politicians to stop their meaningless rhetoric and do something constructive about the practical problems.

The South African Institute of Civil Engineers (SAICE) has made the case for a streamlined approach to putting RDP goals into practice; getting projects funded better and faster; ensuring that ongoing maintenance costs are built into budgets; and that communities themselves help sustain development, not least by paying their fair share.

The civil engineering profession is the one discipline most deeply involved in the planning and building of most RDP-related developments, and it warns that its experience so far points to the need for comprehensive improvements in virtually every aspect of the programme.

However, civil engineers believe the time for "warnings and utterances of despair" is over.

In a hard-hitting, but constructive, paper at an SAICE conference in Cape Town, Kendall Kaveney, chairman of the Western Cape branch of

the institute, spelt out nine major problems undermining the RDP, and offered solutions for each one.

"Civil engineers," he said, "must get increasingly involved as a matter of urgency. The writing is on the wall. We, collectively, must deliver, or else."

Among major problems are that:

■ Funding is "sluggish at best, non-existent at worst", subject to "convoluted red tape and unbelievable bureaucracy".

■ "Constant 'talk shops' and community involvement are healthy, but invariably result in inaction, and millions of rands of public money is either being wasted or rolled over while we talk".

It's time for politicians to stop their rhetoric and do something constructive about the practical problems

■ There is a "glut of mixed messages" and a total misunderstanding of what the RDP is and what it can deliver.

■ Empowerment is a buzzword that is little understood... there is little empowerment "in that communities do have some say but do not actively participate in the RDP process".

■ Joint partnerships with labour unions are in place to only a limited extent and issues such as productivity "are not being worked through and agreed on satisfactorily".

■ "Life-cycle costing" - the need to provide funds to maintain facilities

once they are built - is "virtually unheard of at the political level".

■ Non-payment for services, and affordability, are "not being addressed sufficiently".

■ Perceptions are that promises will be met, but "frustration is evident and growing in both disadvantaged communities, and industry".

■ While promised funds are being delayed or deadlocked, civil engineering firms are reducing staff or losing skills.

Kaveney says that if each of these problems is regarded as a challenge, solutions are possible.

New ways should be found to "shorten the funding pipeline and clear away funding blockages".

Multidisciplinary project teams, not vast administrations, should drive projects, he says.

Time limits should be imposed for public participation and decision-making. "This is frankly the only way to shorten the process." Practical examples of successful projects - rather than "political utterances and vague philosophical statements" - will sharpen the focus on how the RDP works.

On-the-job training should be accelerated, and franchise agreements should be investigated, as a means of empowering communities.

Unions should be made more aware of the practical consequences of their actions.

The principles of life-cycle costing must be "simply communicated to communities, politicians and unions", and the consequences of inadequate provision for upkeep of roads, sewerage and other services must be made clear.

A community's performance in paying for services should determine whether funds are allocated to it. Collection of rates and service fees could be administered by a community-appointed task team.

All these things, Kaveney says, will enhance perceptions of what the RDP is and what it is capable of delivering. "Politicians should be strongly encouraged to back all public utterances with facts, and communities should be educated in accepting only fact-based statements."

An efficient flow of funds "will almost certainly reverse the current downsizing" in the construction industry.

Kaveney's overarching proposal is that all civil engineering-related organisations should join hands in forming a joint RDP task force at national and local level to keep track of the key problems and lobby for matching solutions.

He says it would be in the interests of politicians and administrators to sit up and listen.

Star 4/5/96

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Abe Williams probe is making slow progress

GLYNIS UNDERHILL

Staff Reporter

ARC 4/5/96

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The Office for Serious Economic Offences (Oseo) was "following the flow of funds" in the West Coast Development Fund controlled by Mr Williams, he said.

Mr Williams' shock resignation as minister came soon after the Oseo raided the homes of Mr Williams in Pretoria and Cape Town in February this year.

The Office had named Mr Williams as a suspect in its inquiry regarding possible irregularities in the awarding of a tender to pension company Nisec for the payment of pensions on behalf of the Cape provincial administration.

Mr Williams retained his seat as an MP and has continued to serve his parliamentary con-



□ Abe Williams

stituency on the West Coast.

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Two advocates and two police officers were working on the investigation and a firm of auditors had been called in to assist, the director said.

Abe Williams sent clothes meant for charity groups to Nat offices

ARG 4/5/96

(297)

PRETORIA. - Former welfare and population development minister Abe Williams sent about 2 000 items of clothing donated by a Taiwanese charity to the National Party offices in Mamre instead of to organisations catering for the needy.

The Department of Welfare and Population Development said the clothing had been part of a 140 000-piece consignment from the Buddhist Tzu Chi Charity association in Taiwan.

The clothing was a gift from the people of Taiwan and was sent to the department for distribution to the needy, it said.

When Mr Williams resigned as minister on February 21 he ordered that the remaining 2 000 items of clothing be taken to the NP's offices in Mamre, the department said.

All the clothing had been recovered and handed over to the Red Cross for distribution. - Sapa.

Delays have cost W Cape R200m

MICHAEL MORRIS

297

ARG 4/5/96

UP to R200-million in RDP funds has been lost to the Western Cape simply because it was not spent in time.

As a result of unnecessary delays and red-tape, the money has been rolled-over and returned to central government coffers and has effectively been lost to development projects in the province.

This comes at a time when some civil engineering firms are on the brink of bankruptcy and others are losing expertise to related industries and companies overseas.

Kendall Kaveney, chairperson of the Western Cape branch of the South African Institute of Civil Engineers, said that of all people, civil engineers most wanted the RDP to succeed.

They were heartened by the overall intent of the initiative, looked forward to the challenges it would entail and welcomed the opportunities to create employment and contribute to the local economy.

"But it is more than two years since the election and virtually nothing has happened.

"The situation appears to be better in Gauteng, which leads us to believe that the delay in getting democratic local government in place is a factor.

"But there is no doubt there have been unnecessary and costly delays, too much talk and too little action.

"The time for that is over. The whole thing will collapse otherwise," he said. "The most sobering thing is that between R100 and R200 million has been lost because of the dithering and the delays. These funds have been poured back into the national coffers and we won't see that money again."

MICHAEL MORRIS
Staff Reporter

FED-UP civil engineers - battling with the myriad problems that have beset a floundering RDP programme - warn that unless a fast-tracking plan of action is put in place soon, the much-vaunted development initiative will collapse.

The South African Institute of Civil Engineers (SAICE) has made the case for a streamlined approach to putting RDP goals into practice, getting projects funded better and quicker, ensuring on-going maintenance costs are built into budgets, and that communities themselves help sustain development, not least by paying their fair share.

The civil engineering profession is the one discipline most deeply involved in the planning and building of most RDP-related developments, and it warns that its experience so far points to the need for comprehensive improvements in virtually every aspect of the programme.

However, civil engineers believe the time for "warnings and utterances of despair" is over.

In a hard-hitting, yet constructive, paper at a SAICE conference in Cape Town, Kendall Kaveney, chairperson of the Western Cape branch of the institute, spelled out nine major problems that were effectively undermining the RDP,

RDP - 'less talk, more action' plea

(297) AR 4/5/96

■ Civil engineers say it is time the politicians stopped indulging in meaningless rhetoric and turned their attention to doing something constructive about the practical problems of the RDP.

and offered solutions for each one.

"Civil engineers," he said, "must get increasingly involved as a matter of urgency. The writing is on the wall. We, collectively, must deliver, or else."

Among the major problems are that:

● Funding is "sluggish at best, non-existent at worst", subject to

"convoluted red tape and unbelievable bureaucracy";

● "Constant 'talk shops' and community involvement are healthy, but invariably result in inaction, and millions of rands of public money is either being wasted or rolled over while we talk";

● There is a "glut of mixed messages" and a complete misunderstanding of what the RDP is and what it can deliver.

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to provide funds to maintain facilities once they are built - is "virtually unheard of at political level";

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● Perceptions are that promises will be met, but "frustration is evident, and growing, in both disadvantaged communities, and the industry" and;

● While promised funds are being delayed or deadlocked, civil engineering firms are reducing staff, or losing skills.

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should be imposed for public participation and decision-making. "This is frankly the only way to shorten the process."

Practical examples of successful projects - rather than "political utterances and vague philosophical statements" - will sharpen the focus on how the RDP works.

On-the-job training should be accelerated, and franchise agreements should be investigated, as a means of empowering communities.

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An efficient flow of funds "will almost certainly reverse the current downsizing" in the construction industry.

Mr Kaveney's overarching proposal is that all civil engineering-related organisations join hands in forming a joint RDP task force at national and local level to keep track of the key problems and lobby for matching solutions.

"Civil engineers are notoriously reticent and conservative, but a well-directed task force will make a difference so long as it is focused along the lines of promoting solutions and communicating these effectively to everyone."

It would be in the interests of politicians and administrators to sit up and listen.

The RDP would get going if "politicians show the necessary political will to accept the direction in which we point them."



Williams sent NP clothes for needy

Former welfare and population development minister Abe Williams sent about 2 000 items of clothing donated by a Chinese charity organisation to the National Party offices in Mamre in the Western Cape instead of passing them on to organisations catering for the needy.

The Department of Welfare and Population Development said in a statement the clothing had been part of a 140 000-piece consignment from the Buddhist Tzu Chi Charity association in Taiwan.

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(297)

Star 4/5/96

By CAROL PATON

THE world's international conference jet set touched down in South Africa this week for one of their biggest talk shops — the United Nations Conference on Trade and Development at Midrand, north of Johannesburg.

The paths of Gallagher Estate have been walked in the past week by more than 4 000 United Nations and conference staff, and government officials from most countries in the world.

But while the conference seems peopled by the usual smartly turned-out set, its subject matter is a lot more austere.

Made up of 188 member countries from the developing world, Unctad IX is focused on assisting the world's poorest countries in getting access to the global economic system.

In the chair for the next four years is Alec Erwin, South Africa's new Minister of Trade and Industry and the newly elected president of the conference. Known as a problem solver and an analytical thinker, Mr Erwin has been confronted with the world's biggest problem: How to bring development to two billion of the world's poorest people in an international context that is becoming harshly more competitive.

SA's Mr fix-it leads drive to get better deal for world's poor

At the same point, he says, "There is a danger that countries that can't manage this change, due to lack of resources or excessive debt, are blocked from getting involved at all. There is a danger of increasing polarisation."

The phenomenon called globalisation, spurred by recent leaps in telecommunications technology, is at the heart of the change.

Mr Erwin explains: "Globalisation is the process whereby knowledge is far more widely and easily dispersed. You can talk to anyone in the world easily now. And as a result of technological changes, products are changing form and the cost of production is changing rapidly."

"That has meant that trade flows are changing rapidly and financial flows are moving more freely. These movements now take place on a global scale."

Because transnational production now gives firms the competitive edge, pressure is being put on governments to liberalise trade and provide freedom of entry.

"As a result of globalisation, says Mr Erwin, 'trade flows need to be governed in some way and rules had to allow for the opening up of trade.'"

The Uruguay Round negotiations held in December 1993 tried to establish rules that would apply to everybody and open up economies. They led to the formation in January 1995 of the World Trade Organisation which replaced the General Agreement on Tariffs and Trade.

As a result of the Uruguay Round, trade flows have started to move more freely, but the sentiment expressed in the conference is that the new rules have put the least developed countries at a greater disadvantage.

Many countries are looking to the conference to redress this at the World Trade Organisation's next meeting in Singapore later this year.

Mr Erwin says: "Unctad is an extremely important forum for analysing the implications of these issues. For example, the issues on the Singapore agenda (investment rules among others) are

very complicated. They have an impact on societies, on economies. Unctad's role is to analyse these things and see how they can or cannot be integrated into a rules-based agreement."

THE conference can give countries the opportunity to "pre-analyse" issues before going to negotiations in the trade organisation. It can also provide the big picture for countries grappling with strategies proposed by the World Bank and International Monetary Fund.

"This is a forum outside of the negotiating process that could bring some reason and analysis to these issues," says Mr Erwin.

Under the broad theme of formulating viable economic policies to take advantage of trade liberalisation, the conference this week covered four main agenda items in general debate. These were:

- Policies and strategies for development in the 90s;
- Measures to promote private enterprise and entrepreneurship;
- Methods to promote trade as

an instrument for economic development; and

- The conference's future work.

Countries have been given 10 minutes to speak in the plenary session. Simultaneously, a smaller forum is negotiating, word by word, a detailed text outlining policies. This will provide a detailed plan of action for the conference's secretariat.

A second document, the ministerial declaration, which extracts key issues from the many plenary speeches and places these in a "clearer and more businesslike statement", will also be drafted, says Mr Erwin.

He identifies three priorities that are emerging clearly.

The first is the idea of partnerships between governments and, in particular, the private sector to drive development. Partnerships with other global institutions, governments and non-governmental organisations are also important. The second is technical support through, for instance, the United Nations' electronic global trade point network which gives access

to international information and services via computer.

The third is for the creation of new forums by the conference to meet countries' different needs

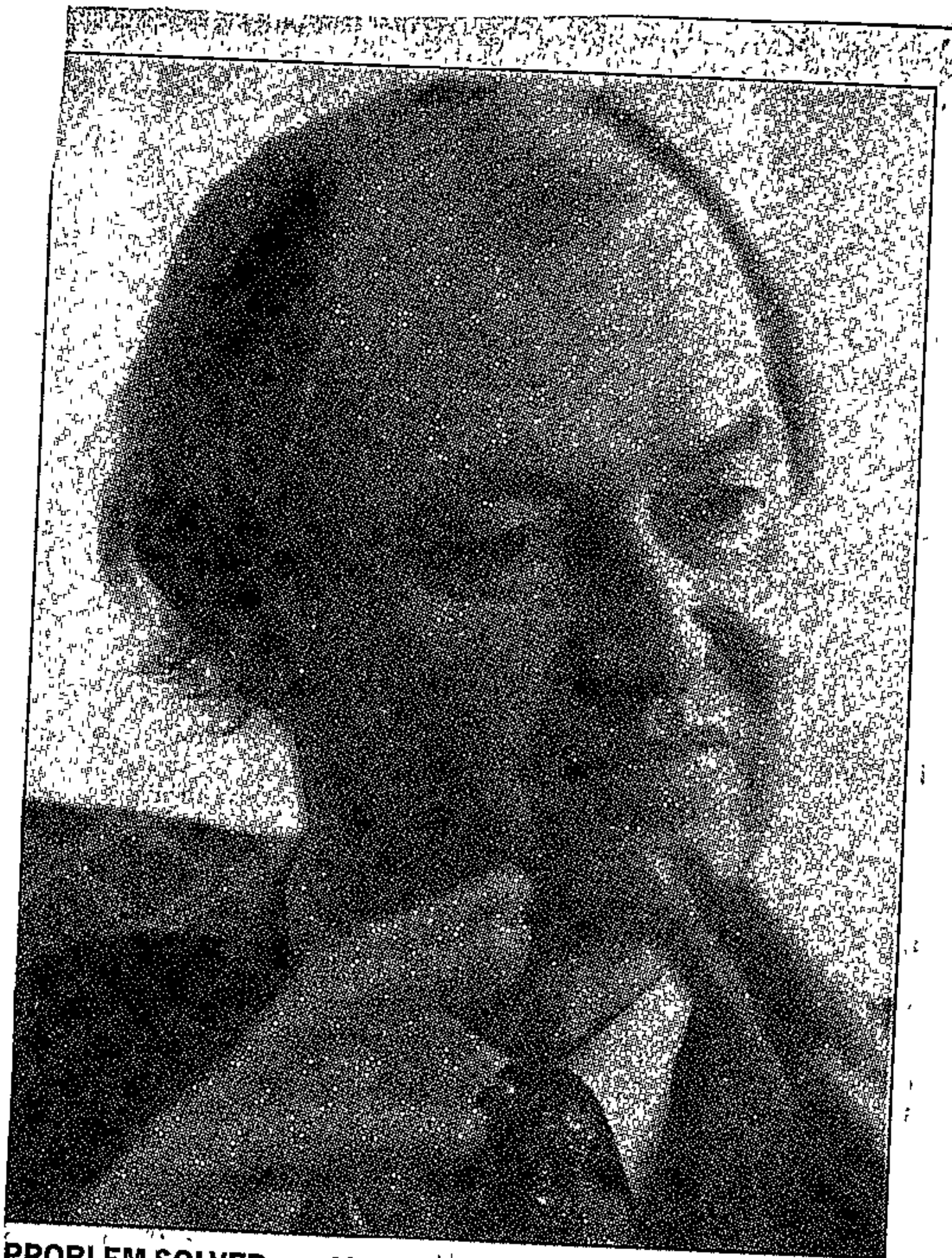
"Unctad's role will be to create forums where countries with similar problems can work out how to strengthen their own programmes. These would provide technical and intellectual resources that allow us to think through policy packages for developing countries," says Mr Erwin.

THIS is closely related to the relationship that the conference hopes to forge with the other global agencies in the United Nations family.

"One of the concrete roles of Unctad will be to help countries develop an overall trade, investment, growth and development agenda that will allow countries to identify in a more coherent way the kind of support they want from the World Bank and the IMF."

But he cautions: "This is not an us versus them situation. It must be a genuine dialogue that is seeking solutions."

These ideas gained momentum as the conference continued. "As chairman, I'm starting to detect a growing confidence that now we know what should be done. There is a growing sense being expressed by many of the developing countries that we will take on this responsibility."



PROBLEM SOLVER . . . Alec Erwin is president of Unctad for the next four years
Picture: CATHY PINNOCK

Map drawn for public, private sector deals

Robyn Chalmers

(297) 6/5/96
THE Water Research Commission has identified four main delivery and financing mechanisms as options for local authorities to enter into partnerships with the private sector on infrastructure.

The proposed delivery mechanisms, outlined in guidelines set out by the commission, were among the first to be published by government following the groundbreaking infrastructure investment conference held in April.

Commission executive director Piet Odendaal plans to issue the preliminary guidelines for private sector participation in water supply and sanitary services to every local authority in SA.

The guidelines are an attempt to facilitate the municipal infrastructure investment programme and boost private sector investment in infrastructure generally.

The commission said it was estimated that about 11-million people around SA lacked adequate water supplies, while 19-million did not have proper sanitation facilities. The capital cost of remedying this varied between R4,4bn and R13bn over 10 years.

The guidelines indicated that local authorities could use a variety of options to engage the private sector in the delivery of services, but four main delivery options were pinpointed:

☐ Service contracts — whereby the private

sector provided staff or skills for a short-term project — which were seen as generally low-risk and simple to administer;

☐ Management contracts — with a private contractor taking on certain managerial responsibilities — could see the local authority retaining ownership of the assets, but the private sector possibly sharing responsibility for obtaining financing;

☐ A rental contract enabling local authorities to transfer the operation of a water system to the private sector could boost efficiency, but the burden of new investment would remain with the local authority; and

☐ An investment-linked contract provided a mechanism through which local authorities could obtain investment in infrastructure without providing the funds from their own budgets or through loans secured on the capital market.

The guidelines have been published as debate continues over the need for a strong regulatory framework for public and private sector partnerships.

Water affairs department official Mike Muller has said local authorities would be unwise to invite the private sector into partnerships before the end of the year, as they should wait until a regulatory framework is in place.

There were, however, some who believed it would take time before contracts were concluded, by which time a framework should be in place, and local authorities should develop as they went along.

THE US Agency for International Development's SA mission has submitted a "strategy concept paper" to headquarters outlining what it proposes to do between now and when it finally declares SA to have "graduated". That happy day is set for either 2003 or 2005, depending on which of two funding options the agency selects, and assuming that congress approves either one.

USAID's SA account is to be topped up by \$120m this year. That is the last chunk of the three-year \$600m package pledged by President Bill Clinton in 1993.

From then on the requested annual allotment declines progressively, from \$80m next year to \$15m in 2003 if the Pretoria mission's "full funding" plan is accepted. Under the "low funding" option, next year's figure would be \$70m, falling to a final \$15m in 2001. In both cases, the overall programme would continue to operate without replenishment for two more years, using up previously unexpended balances.

All told, SA has at best \$435m coming to it in bilateral US assistance between now and graduation. The amount falls to \$321m under the low scenario.

Each figure includes capital to be made available to the Southern African Enterprise Development Fund to back "disadvantaged" ventures, but excludes about \$13m in housing and small business loan guarantees, and perhaps more, whose fate remains undecided.

USAID hopes to leave having contributed to what the authors of the strategy paper call "sustainable transformation". Said contribution lies somewhere between "short-term transition support" and "long-term sustainable development support" and "does not guarantee long-term development outcomes, but rather lays the foundation for their achievement by South Africans".

A cynic might wonder whether USAID had ever guaranteed any kind of "development outcome", at least of the positive variety, and whether South Africans were not entirely capable of laying foundations for themselves. At all events, in its efforts to ensure SA is sustainably transformed by 2003/06, US-

Development aid, or free tickets for the gravy train?

SIMON BARBER in Washington

BD 7/5/96

Aid's SA mission, "critically understaffed" but "energised by re-engineering" (huh?), has identified six "strategic objectives" in whose pursuit all of the remaining money will be dished out.

These objectives (if you will forgive direct quotation, which in the case of USAID documents, means inflicting unnecessary hardship on the reader) are as follows:

- Democracy, governance and capacity for participatory development strengthened;
 - Transformed education system based on equity, access and quality;
 - More equitable, unified and sustained system delivering integrated primary health care services to all South Africans;
 - Improved capacity of key government and non-government entities to formulate and implement economic policies to promote economic growth and equity;
 - Increased access to financial markets for the historically disadvantaged population; and
 - Increased economic integration of low-income households through improved access to sustainable shelter and urban services.
- Whatever that means (and hours spent attempting to translate the four-volume concept paper into simple, declarative English did not yield complete certainty), it seems a tall order for a mission with only \$435m to throw around over the next decade.

But maybe appearances deceive. To use some of USAID's favourite words, the mission has come up with a highly "innovative", "synergistic" way of "leveraging" its limited resources for maximum effect.

Everyone knows the old adage that if you give a hungry man a fish you feed him once, but if you teach him how to fish you feed him forever. Well, USAID has come up with a new take on the cliché. Teaching the man how to fish is old hat. What he really needs is help in creating a "policy environment" that will promote the production and distribution of fish.

That is what USAID proposes to make its final bequest to SA.

Education assistance has always been and will remain the largest single component of USAID's SA programme. Hitherto the focus has been on scholarships, teacher training and the like — producing more people with skills and more teachers. Now, the last \$131m budgeted under this category will primarily be spent with a view to ensuring "policies for transformation of the education system are enacted and approved" and that "responsive and functional organisational systems are in place".

Still under the education heading, USAID hopes to leave an "adequate qualified human resource

base", which sounds a lot like teacher training. But is not. That, it is stated specifically, is "to be accomplished by other partners". The agency's own goals include: "improved management and strategic planning skills", "government employees trained in selected competencies" and the establishment and staffing of "centres of excellence" (whatever they are).

What is USAID trying to do here? Replicate in SA the horror that is the US's obscenely over-bureaucratised public school system? It is the same story with all USAID's other "strategic objectives". The "historically disadvantaged population" — HDP in Aidspeak — could use a little capital to start a business or two. USAID proposes to spend \$26.8m (a relative pittance) not investing directly in Mrs Ngcobo's dressmaking business or helping her buy a couple of rebuilt sewing machines, but rather on "improving the policy environment for facilitating (her) access to capital" and "improving the capacity of the financial sector to service" her. She will be grateful.

Homeless HDPs, take heart. USAID wants to spend \$33.1m before it goes home to achieve "an improved environment for the development and implementation of a policy agenda for increasing access to shelter and urban services" by people like yourselves.

After education, the second largest item on USAID's agenda is

"democracy and governance", under which heading \$131.2m is to be spent if the full funding option is approved. The most striking aspect of the strategy in this area — it was drawn up with the help of and will remain largely controlled by a "reference group" of mostly ANC-aligned "civil society organisations" — is its emphasis on funding these organisations to become more influential as "policy advocates".

USAID/SA proposes to support political participation by strengthening the capacity of civil society to generate public policy inputs and the capacity of legislatures (national and provincial) to receive them.

Now this takes the teach-the-man-to-fish paradigm yet another step forward. The trick here is to teach him to lobby, and to create, in development parlance, an enabling environment in which his lobbying will be heeded, so that his government will give him all the fish he desires, especially when foreign fish-providers have taken their generosity elsewhere.

A strong civil society is undoubtedly a good thing. But it is not a good thing when its best-funded and most powerful organs are encouraged to turn from delivering actual services to becoming articulate and well organised parasites standing between elected representatives and those they putatively represent.

There are too many examples in the US of fat civil society organisations lobbying for resources from the state which they use, not to help anyone at life's many coal faces, but to lobby for yet more resources.

In SA, many in USAID's reference group are gray train wannabes, and it seems an inappropriate use of US taxpayers' money to buy them tickets.

Why not just give the elected representatives of the SA people the money and let them decide what to do with it? Well, we all know the reason, don't we? Let South Africans decide how to use the money, and the moo-lah would not be recycled back to the folks who live on the tit of USAID, and that is the polite explanation. Less politely, it may be said that the folks at Sankarita House, USAID's lair in Pretoria, are a gaggle of little Lord Milners.

Handicapped left stranded

Seinetan 8/5/96 (297)

By Muzi Mkhwarzi

HUNDREDS of mentally handicapped people in Gauteng were left stranded after the Department of Welfare failed to pay them their monthly grants for April.

Director of clinical services for mental health Mr Glenn Swardt said yesterday that since the transfer of the payments from the health

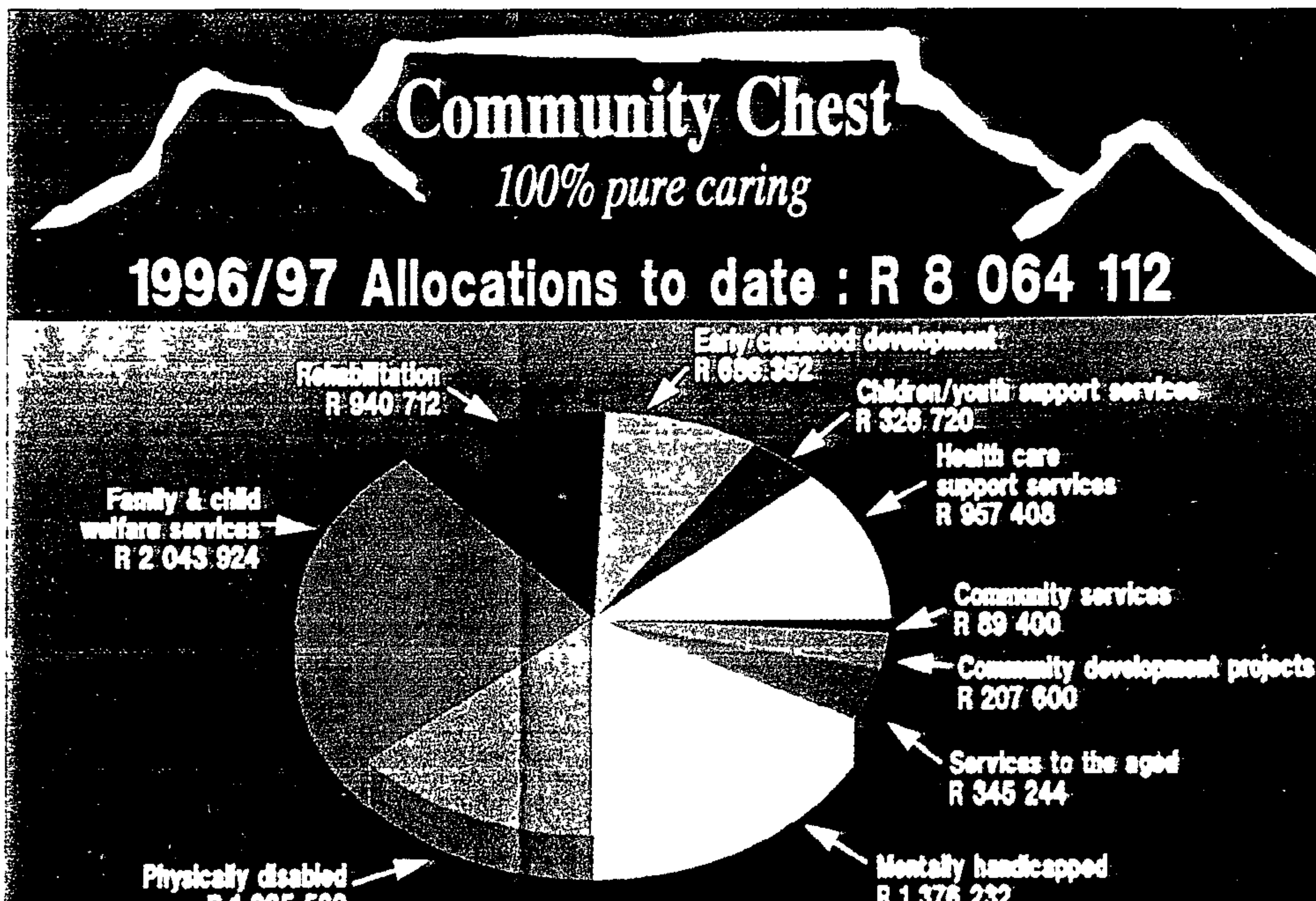
department to the welfare department, mentally handicapped people have experienced problems with their monthly payments.

Swardt said most of the people who are affected are from the disadvantaged communities. "Most of them depend on the grants for their livelihood."

Gauteng department of sports, recreation and welfare spokes-

woman Mrs Nannette de Wet confirmed that April payments had not been made.

Reasons for the delay, among others, are the refusal of about 300 beneficiaries to complete new application forms, failure by beneficiaries to supply identity numbers, computer failures and the training of new personnel to administer the transferral process.



SHARING IT OUT: The graphic shows allocations made by Community Chest to charities in the Western Cape.

Community Chest sets R10m target

297 AUG 8/5/96

Staff Reporter

THE Community Chest of the Western Cape has allocated more than R8 million in funds to various welfare and social organisations in the province this year.

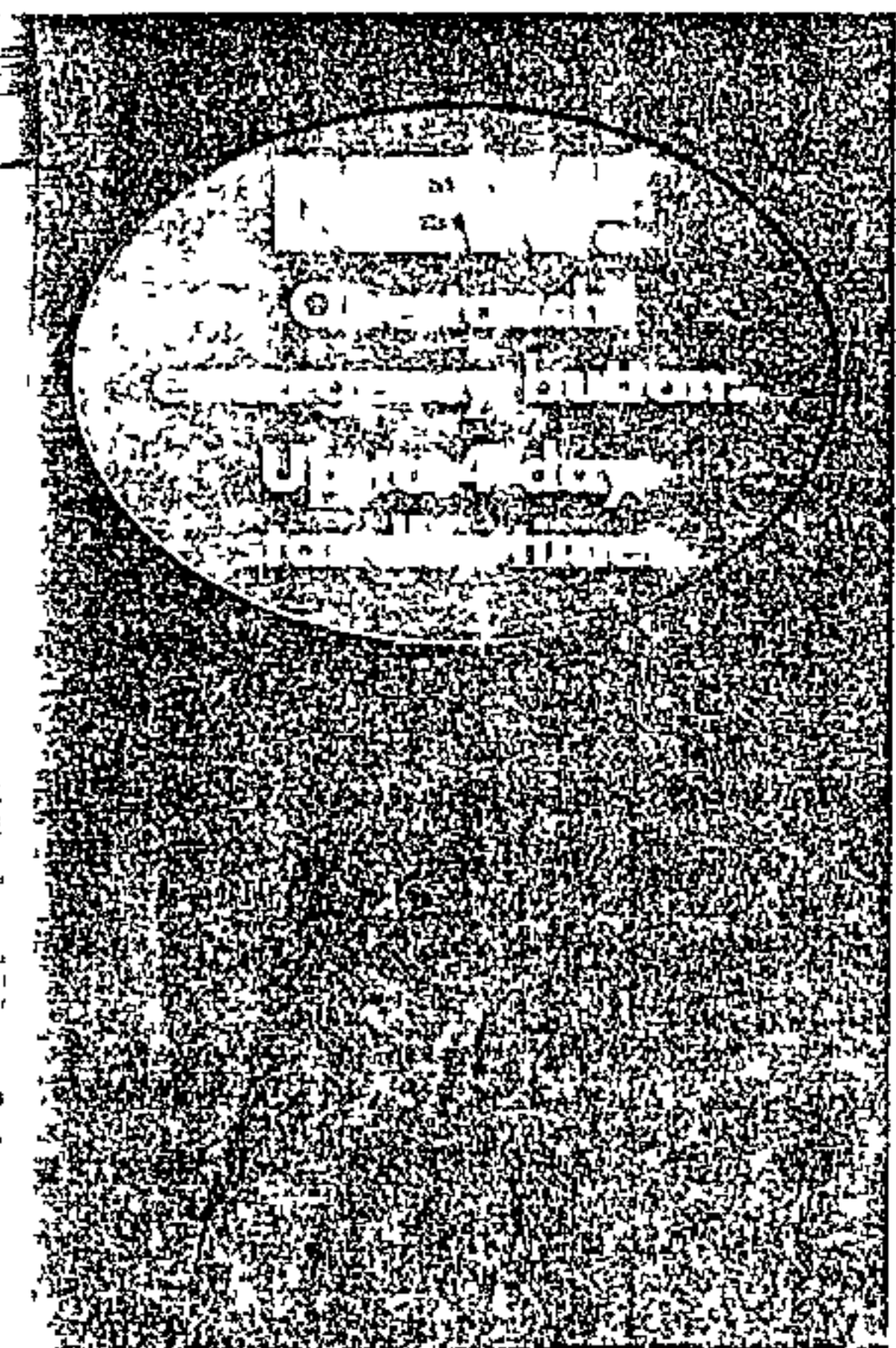
By December, R10 million will have been granted by the Chest to more than 300 organisations.

This year the Chest has focused on helping rural and urban development in areas where services were either inadequate or non-existent. Said Amelia Jones, allocations and development manager: "In the past the Community Chest focused mainly on welfare organisations and now we are looking at helping community initia-

tives. Previously, people who were rendering their services did not have access to State funding, but circumstances have changed.

"We have a few small community-based organisations from areas such as Khayelitsha, Guguletu and Langa. The challenge for us is enabling existing organisations to branch out into rural areas.

Allocations, she said, were guided by new models for social service as set out in the White Paper for Social Welfare which stressed providing assistance to society's most vulnerable people. Mrs Jones said the Chest still supported its long-established members so they could maintain the services they rendered.



1 Member approximately 7 years
7 Members approximately 8 years
1 Member approximately 9 years
1 Member approximately 10 years

(c) No member was discharged in terms of section 17B of the Police Act, 1958 (Act 7 of 1958) for failure to perform his or her duties.

Thirty-eight (38) members were discharged for desertion in terms of section 17(1) of the Police Act, 1958 (Act 7 of 1958) as they failed to report for duty and being absent for more than one calendar month without any reasons.

Comments:

A further 294 assistant constables who were still undergoing training and who were not yet appointed as permanent members of the Service were dismissed for taking part in an illegal strike.

Awaiting-trial prisoners in custody

118. Sen M G E WILEY asked the Minister of Correctional Services:

What was the number of awaiting-trial prisoners in custody on the last day of each month in 1995 in each of the provinces?

S192E

The MINISTER OF CORRECTIONAL SERVICES:

Province	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Free State	1 467	1 448	1 351	1 341	1 293	1 300	1 352	1 537	1 610	1 604	1 686	1 823
Mpumalanga	1 333	1 147	1 184	1 250	1 194	1 215	1 235	1 302	1 295	1 486	1 400	1 702
KwaZulu-Natal	4 945	4 875	4 802	4 834	4 246	4 065	4 251	4 259	4 724	4 813	4 754	5 067
Eastern Cape	2 961	2 878	2 765	2 413	2 613	2 536	2 484	2 430	2 521	2 732	2 905	2 985
Western Cape	2 700	2 735	2 845	2 874	2 630	2 489	2 529	2 617	2 665	2 732	2 782	2 796
North West	1 882	1 803	1 669	1 785	1 549	1 509	1 426	1 598	1 714	1 247	1 662	1 928
Northern Cape	414	400	394	376	378	367	386	393	510	497	546	605
Northern Province	937	894	933	1 085	891	828	801	855	939	1 039	1 063	1 277
Gauteng	7 449	7 412	7 372	7 346	7 419	7 081	7 663	7 219	7 981	8 199	8 762	9 035
Total	24 088	23 592	23 315	23 304	22 213	21 390	22 127	22 210	23 959	24 349	25 560	27 218

The number of awaiting-trial prisoners in custody on the last day of each month during 1995 in each of the provinces

Prison visits by judges/magistrates

119. Sen M G E WILEY asked the Minister of Correctional Services:

- (1) (a) On how many occasions in 1995 was each prison in each of the provinces visited by a (i) judge of the Supreme Court and (ii) magistrate and (b) on what dates did each of these visits take place at each such prison.
- (2) whether any action was taken as a direct result of reports submitted to his Department pursuant to such visits; if so, what action on each occasion?

S193E

The MINISTER OF CORRECTIONAL SERVICES:

(Reply bound in Annexures of House—See Annexure No M189.)

Assault/battery charges by women against husbands

121. Sen Dr G W KOORNHOF asked the Minister for Safety and Security:

- (1) (a) How many women laid complaints against their husbands for assault and battery during the latest specified 12-month period for which information is available, (b) how many of these complaints have been investigated, (c) how many of the men involved have been (i)

charged, (ii) brought to court, (iii) sentenced and (iv) imprisoned for assault and battery and (d) in respect of what date is this information furnished;

- (2) whether any of these charges have been withdrawn; if so, how many? S195E

The MINISTER FOR SAFETY AND SECURITY:

The information required is not readily available.

To obtain the required information, faxes will have to be sent to all police stations country-wide, thereby placing an extra burden on limited manpower and financial resources. Members will have to be withdrawn from other duties and specially allocated to peruse dockets and registers.

Financial assistance by State for disabled persons

122. Sen C R REDCLIFFE asked the Minister for Health:

- (a) How many persons were (i) physically disabled and (ii) suffering from serious disabilities in each of the provinces as at 31 December 1995 or the latest specified date for which information is available and (b) what financial assistance is rendered by the State in respect of persons who (i) are physically disabled and (ii) suffer serious disabilities? S196E

The MINISTER FOR HEALTH:

- (a)(i) and (ii)

Statistics concerning persons with physical disabilities and other serious disabilities in South Africa are unreliable as the latest figures available are extracted from the 1985 census.

The Department of Health is presently compiling valid statistics on the health status of the population which will include information concerning persons with disabilities.

The WHO estimates that 10% of the world's population is disabled. This includes physically, sensory mental and other disabilities. In South Africa it is estimated that 12,8% of the population is disabled.

It must be noted, that persons with disabilities are not in favour of including questions concerning disabilities in general census as it is regarded as a discriminatory practice.

- (b)(i) and (ii)

The functional responsibility to provide financial assistance to persons with physical disabilities and persons with serious disabilities rests with the Department of Welfare and therefore the question should be referred to the Minister of Welfare

The role of the Department of Health is to deal with the prevention of disabilities and the medical management and rehabilitation of conditions that lead to disabilities.

However, the effective coordination of the various State Departments' addressing the needs of persons with disabilities, is critical.

Legally licensed firearms/applications for firearms licences

125. Sen J SELFE asked the Minister for Safety and Security:

- How many (a) legally licensed firearms are currently owned by private citizens in the Republic and (b) applications for firearm licences were received in (i) 1990, (ii) 1993 and (iii) 1995? S199E

The MINISTER FOR SAFETY AND SECURITY:

- (a) 3 190 626

- (b) (i) No statistics are available due to the fact that all firearm applications up to 31 March 1993 were dealt with at the Department of Internal Affairs.

- (ii) 275 514

- (iii) 183 877

Police: recruits/resignations/retirements

127. Sen J SELFE asked the Minister for Safety and Security:

- How many (a) recruits joined the Police, and (b) Police members of each specified rank (i) resigned and (ii) retired on pension, in (aa) 1993, (bb) 1994 and (cc) 1995? S201E

The MINISTER FOR SAFETY AND SECURITY:

- (a) 1993 — 8 937
1994 — 17 266
1995 — 5 266

NEWS

The Star ... Thursday May 9 1996

Anti-poverty projects are slated

ANC man attacks underspending on what he says should be a war on poverty to shift attitudes and give something back to the community

By **KARIN SCHIMKE**
Gauteng Reporter

The Gauteng social welfare department spent just over R500 000 helping the poor help themselves during the 1995/96 financial year but this was not enough, an ANC member of the provincial legislature has said.

Questions directed to the former social welfare MEC Sakkie Blanche by Ignatius Jacobs of the ANC revealed that 36 projects "aimed not only at poverty alleviation but also skills training and capacity building" were running in Gauteng. The amounts ranged from as little as R513 for a food garden project in Thokoza to

R100 000 for the Pretoria Job Creation Co-operative which busies itself with sewing, baking, catering and motor repairs.

Jacobs said that although it was clear a framework for supporting such projects was in place, social welfare had not declared war on poverty.

"It's a good thing that the department is linking job creation with human capacity training, but the money spent so far is not enough."

Jacobs said that once debate on the new budget had been completed by the end of June he, as chairman of the social welfare committee, would lobby for the cabinet to set up a committee to look at new approaches to tack-

ling poverty. This committee would straddle the social welfare, education and economics ministries.

"They should bring about shifts so that people who are in projects do not stay there forever, but move on and join the ranks of the employed."

"We need a clear re-orientation towards development approaches," Jacobs said.

People who had been through such projects needed to give something back to the community and in this connection it was necessary to establish community co-operatives.

"If someone has come from a project which has taught him or her to make furniture, the desir-

able thing is that the community then buys furniture from that person, thus investing in themselves."

He said it was necessary to find ways in which government could help welfare organisations establish some sort of business outlet to generate money for themselves.

"These organisations must be helped to overcome budget cuts and be shown ways to avoid the ripples of such cuts in future. We cannot let them die because of a lack of money. If independent welfare organisations go under, the role of looking after the community will simply fall more heavily on the provincial government."

Star 9/5/96

(297)

Foreign aid hope for SA

Sowetan
8/5/96

(297)

SOUTH Africa had approached at least 18 foreign countries for funds for severance packages for teachers and to help upgrade their qualifications. President Nelson Mandela said last night

Speaking in Cape Town after talks with representatives of the largest teachers' unions in the country, Mandela said he had been "completely devastated" when Education Minister Sibusiso Bengu informed him of the amount the Government would have to pay to those teachers opting for retrenchment. He did not disclose the

amount involved

At one meeting of teachers in Port Elizabeth at least half had indicated they would opt for severance packages, he said "It will be necessary for the Government to have sufficient funds to accommodate these severance packages"

Foreign countries had been approached for funds so that "there should not be any problems", Mandela said

The meeting was attended by representatives of the SA Democratic Teachers' Union and the National Professional Teachers' Organisation of SA

Mandela said the foreign countries involved had been "very enthusiastic" about assisting. Declining to name the countries, he said many were prepared to retrain teachers abroad

He had set up discussions tomorrow with several representatives of the countries about the issue.

The new initiative is part of the Government's drive to ensure that rationalising South Africa's education system would involve as few job losses for teachers as possible through redeployment and skills upgrading. — *Sapa*

Working for the 'excluded 2-billion'

Unctad chief, with SA Trade and Industry Minister Alec Erwin at his side, hopes to make a difference to the poor and marginalised worldwide with three-point plan

Star 10/5/96

(297)

By WINNIE GRAHAM

Rubens Ricupero accepted an almost impossible challenge when last September he was appointed fifth secretary-general of the United Nations Conference on Trade and Development (Unctad).

He automatically committed himself to working for the "excluded two billion" - people in the least developed countries of the world who have been marginalised by an expanding and liberalised global market.

But daunting as the task may appear, Ricupero has one major advantage. During the next four years, he will work with the Minister of Trade and Industry, Alec Erwin, during South Africa's presidency. Together they make a formidable team, well equipped to turn Unctad's action plan into reality.

The action plan is the work of three drafting committees who have burned the midnight oil this week deciding on priorities. They have looked at the three issues which most affect member countries: trade and globalisation, investments and services and technical co-operation and institutions. When the plan is finally approved by delegates today, it becomes Unctad's "Conference Text", or business plan.

But the document is not the only one which will be published at the close of Unctad.

While the drafting committees have been negotiating, labouring and compromising on priorities, Erwin has been involved in an equally laborious task - writing a declaration which will epitomise the spirit of the Midrand conference.

His is a non-negotiable docu-

ment in which he is expected to look at the opportunities, challenges and risks of globalisation, and discuss initiatives which will result in closer ties with civil societies. Sources say he will announce a South African initiative involving a triangular partnership with both developing and least developed countries.

The talk is over. Unctad is now expected to implement the demands of the nations, and this is where Ricupero and Erwin roll up their sleeves.

Erwin, a former academic turned trade unionist who was once in the thick of the workers' struggle, is very much a no-nonsense man. In his opening address to Unctad, he told delegates to "speak your minds, address issues and seek solutions". He asked them to be economical with words, adding: "We are all excellencies..."

Ricupero, on the other hand, is a seasoned politician and diplomat. During a long Brazilian government career, he has been a special adviser to the president of his country. He was Brazil's Minister of Environment and Amazonian Affairs, Minister of Finance (when he supervised the launching of the current Brazilian economic stabilisation programme) and, among other things, was chairman of the Gatt committee on trade and development.

Ricupero has already said that the sole reason for Unctad's continued existence is its ability to make a relevant contribution to

the tasks of fostering growth, reducing inequality and building its capacity to make a difference to people's lives.

"This is especially true in the case of those who need Unctad the most - the least developed countries," he said.

South Africa has much to gain from Unctad's success. Unskilled illegal migrants continue to pour across the borders in search of a better life. Until such time as their own countries are in a position to create job opportunities, they will continue to arrive. It is a worldwide phenomena few countries have been able to stop or effectively control.

The solution is development, an imperative for stability and growth in any country.

It is accepted that globalisation has opened up the market to the world but in the process has marginalised the poorest countries who

have been unable to compete. Ricupero is well aware of the problems which have resulted.

"Globalisation is, paradoxically, a powerful force for both integration and marginalisation," he said. "It promises, for the first time in history, to bring fully into active participation in the world economy two billion women and women in the fast-developing countries. But in contrast hundreds of millions of others fear these forces will shut them out - perhaps forever - from the promise of prosperity."

"They are the unemployed or low-wage earners in sectors of industrial economies that have been

lagging behind in the process of change. They, too, are the poor and jobless in many developing countries that depend on a few commodities barely touched, if at all, by globalisation and liberalisation."

One thing was certain: Unctad under Erwin's presidency will be heavily involved in poverty alleviation. Various mechanisms for improving trade efficiency and encouraging the formation of small and medium sized enterprises are on the agenda. The document - almost inevitably a compromise to suit the needs of countries world wide - will detail priorities.

Even more interesting will be Unctad's "gender-sensitive" work. If the poor countries are to make headway, women have to be included in the economy. It has been said at the conference that just 6% of Africa's women hold high level jobs in management and government. By the turn of the century this figure should be 25%.

Ricupero calls the organisation "the guardian of the world's development conscience, striving for equity and a narrowing of disparities between nations".

"Without the capacity for a global vision, analysing the underpinnings of complex economic phenomena, Unctad would be unable to offer sound technical assistance and policy advice to those who most need it," he said.

The establishment of trade points to improve efficiency is one Unctad initiative which promises to accelerate the establishment of small and medium enterprises.

He has made a passionate call for the development of Africa. With Erwin at hand, Unctad is certain to do its damndest.

“Guardian of the world's development conscience”

Care-dependency grants back pay

By PRISCILLA SINGH

(297)

Numbers.

Star 10/5/96

The Gauteng Department of Welfare has assured recipients of care-dependency grants who did not receive their money last month that they will be reimbursed.

MEC Peter Skosana said those who did not receive payment last month would receive two payments, that is for April and this month, on the next payment date.

The Gauteng ministry had been given the responsibility to handle the payment of the care-dependency grants issued to mentally disabled children in the province from the beginning of last month. The function was previously in the hands of the Department of Welfare.

"In an effort to safeguard the payments, beneficiaries of this grant were requested to furnish their full details to the department with their identification

"In the past, there have been instances where payment of grants were made without ID numbers and getting the full details helps curb any attempt to defraud the system," said Skosana.

The Department has to date processed more than 900 forms and beneficiaries are assured they will be paid.

The Wits Mental Health Society, headed by Glenn Swardt, took up the plight of the care-dependency beneficiaries who said no emergency relief measures were made available during this lapse of payment.

To improve its services and curb situations where the recipients of pensions and state grants are exposed to adverse weather conditions, as well as long queues, the department has announced invitations for tenders aimed at automating the pay points.

Missing clothes: Williams suspect

(297)

By Waghied Misbach
Political Reporter

THE African National Congress will launch its own investigation into the disappearance of 80 boxes of clothing meant for charity but which were allegedly used by former Cabinet Minister Mr Abe Williams to gain votes for the NP in the Western Cape local government elections.

Western Cape MEC for health Mr Ebrahim Rasool also called for the resignation from Parliament of Williams for his part in giving the clothes to the NP office in Mamre, instead of passing them on to the National Welfare Department.

Rasool said that the ANC was

Clothing for charity allegedly used to get votes for the National Party

Sowetan 13/5/96
now in the process of collecting affidavits from people who received the clothes.

Williams resigned from his post of Welfare and Population Development Minister earlier this year after allegations that he had taken clothing meant for charity to the NP office in Mamre, so that it could be used to gain votes in the upcoming May 29 local government elections.

The clothes were from the Chinese community, which has a long-standing arrangement to ship clothes to South Africa from the Tzu Chi

Buddhist Foundation for distribution among the poor of this country.

"This constitutes a flagrant abuse of trust and good will by Abe Williams and the NP. It is a slap in the face of those nations across the world who rally to help support the South African miracle," Rasool said.

"It is nothing but stealing from the poor and vulnerable for whom this assistance is intended. It tends to confirm suspicions which led to the swift resignation of Mr Abe Williams from Cabinet," Rasool said.

Major overhaul for tender policies

297

State will pay premium for RDP goals

Robyn Chalmers
and Patrick Wadula

GOVERNMENT will pay a premium of up to 18% on prime contracts to boost RDP goals while paving the way for emerging contractors to enter the construction industry via a price preference system and government sureties, a strategy document proposes.

The State Tender Board's interim procurement strategies, currently being implemented by government departments, are the first step towards a huge overhaul of the current tender board policies and procedures.

The strategy document, based on a 10-point plan prepared by a special task force, introduced a points system for tenders based on the use of local resources and equity shareholding. Affirmative action principles, labour-based construction and the use of selected contractors engaged in development programmes were also outlined in the document.

The state would theoretically be prepared to pay a premium of 17,65% over and above the lowest tenderer to contractors that met the criteria. The cost premium was, however, unlikely to rise above 12% in practice, as tenderers were seldom likely to score the maximum number of RDP points, said the document.

The existing database of suppliers

will be reviewed immediately with the specific objective of incorporating the emerging small, medium and micro enterprises (SMME) sector. "Due to their low overhead structure, it is likely that the SMME sector will be extremely competitive in this market," the document said.

The state was also prepared to waive the need for security on all contracts of less than R100 000 to facilitate the entry of emerging contractors into the construction industry. "The net effect is that government will underwrite the risk of such contracts in order to provide opportunities that will target a specific sector," it said.

A price preference system on contracts of less than R2m was also being instituted, whereby preference would be given to tenders from businesses which focused on black economic empowerment, equity shareholding and joint ventures. The state would be liable for a maximum cost premium of 13,64% on these contracts.

The document proposed that the procurement of goods and services for any project be done in the smallest possible quantities to allow small businesses to participate. A review of all term contracts would be undertaken to assess the viability of packaging these into smaller contracts.

Continued on Page 2

Premium

Continued from Page 1

Early payment cycles have been introduced to assist emerging contractors with cashflow problems, with 30 days being enforced as the maximum payment period. Interest was payable on late payments where the supplier was not responsible.

A procurement ombudsman would be appointed to intervene on complaints from businesses about the state tendering system, tender submission requirements would be simplified and contracts would be classified into in-

ternational, major, minor and macro.

A State Tender Board source said the board planned to make tendering information accessible to SMMEs through a simplified tender bulletin and advice centres.

"The plan would include restructuring all state and provincial tenders to be categorised into specific types of goods and services enabling businesses to identify their sectors more easily through the bulletin," the source said.

There would be a separate section for contracts up to the value of R7 500. The bulletins would include tender results and awards. The trade and industry department will set up tender advice centres to assist tenderers.

Welfare audit shows massive duplication, fraud

By **MONDLI MAKHANYA**
Political reporter

The Department of Welfare and Population Development has unearthed the names of more than 14 000 dead people who were receiving pensions and other welfare benefits.

Welfare and Population Development Deputy Minister Geraldine Fraser-Moleketi said yesterday that an audit of the department's register conducted over the past year had shown up massive fraud and duplication.

The department would now save

R72-million a year as a result of the removal of these names and the duplicated ones being struck off the register.

Fraser-Moleketi said the national social security register which had been set up on May 1 would enable provincial welfare departments to reduce the incidence of double collection by welfare recipients. Linked to a national computer network, the system will make it easier to detect fraud.

"Perpetrators of fraud will be arrested and prosecuted," she said.

She said the department was working on a population policy which would be unveiled during the

second half of this year and was also conducting a study of how population trends affect the environment.

There were also talks between the welfare, correctional services, and safety and security ministries aimed at improving the rehabilitation of juvenile offenders in places of safety.

Commenting on her promotion to full minister, Fraser-Moleketi said there would be no policy changes when she takes over from Peter McKenzie in July.

"All you'll see is a speeding up of policy and a focus on poverty alleviation," she said.

(297) Mar 15/5/96

EU pledges R307m to projects

Stephen Laufer

(297) BD 15/5/96
CAPE TOWN — Financial agreements providing European Union support for five major SA development projects were signed in Cape Town yesterday by Deputy Finance Minister Gill Marcus and EU ambassador Erwan Fouere.

Valued at more than R307m, the grants will support government and community land reform efforts, water and sanitation upgrading programmes in the Eastern Cape, university library improvements in historically disadvantaged institutions; a small and microenterprise development scheme, and RDP project assistance.

EU president Jacques Santer said the European group remained committed to supporting the upliftment of SA's people through targeted RDP efforts.

The MINISTER OF DEFENCE:

- (1) (a) The National Defence Force has reported to me that in November 1989 former State President, Mr F W de Klerk, initiated an investigation into covert projects run by the former SADF. This was done with a view to limiting covert projects in the light of the new political era South Africa was about to enter. The Kahn Committee formed part of this investigation and reported directly to the then State President. As such the National Defence Force is not in a position to report on the full scope of the investigations.

Regarding the use of State funds, by the SADF to pay for services rendered by the International Freedom Foundation I have once again been informed that after a covert project was terminated, a full internal audit was conducted and after acceptance of this audit by the Auditor General's office, documents were disposed of as per Government regulations permitting such disposal.

- (b) It has further been reported to me that the Secret Services Evaluation Committee did not investigate Military covert projects because such projects were funded from the Special Defence Account and not the Secret Services Account. The Special Defence Account is used for the funding of covert projects as well as armament acquisition projects and related expenditures. Spending from the Special Defence Account was, and still is, approved by both the Ministers of Finance and Defence. This is done in terms of Section 2(2)(a) of the Special Defence Account Act, 1974.

I would like to be of assistance to hon members and this is not the first time that hon members have raised questions in this House regarding the International Freedom Foundation amongst others. It is impossible for me to provide information where documents pertaining to the Apartheid era have been disposed of. I humbly suggest that such questions be directed to those in authority at the time or those such

as the Khan Committee tasked to carry out the relevant investigation. Like the hon member Mr Landers, I would be extremely interested to learn about the activities and supporters of the International Freedom Foundation, an organisation which was clearly a front and tool of the apartheid regime and possibly of international backers in the USA and elsewhere.

Concerning the role of Military Intelligence I previously reported that the International Freedom Foundation was used to disseminate information in support of the previous Government's initiatives. The use of the Foundation was approved by the former State Security Council. Once again I stress that I am unable to provide information where records are said to no longer exist and where officers who managed the project are no longer in the service or can no longer recall the details.

Audit into funding of IFF

*16. Mr L T LANDERS asked the Minister of Finance:

Whether, since 1986, the Auditor-General has ever conducted an audit of and/or inquired into the (a) funding by Military Intelligence of the International Freedom Foundation (IFF) and/or (b) activities of the IFF; if not, why not; if so, what are the relevant details?

N515E

The MINISTER OF FINANCE:

- (1) The audit of the expenditure of the SANDF is the responsibility of the Auditor-General. This includes expenditure by Military Intelligence, which is financed out of the Defence Special Account.

- (2) The aforementioned account is open to the Auditor-General for audit purposes. However, the reporting of any findings is done in terms of section 4(6) of the Auditor-General Act, 1995 (Act No 12 of 1995). The extent of such reporting is determined by the Auditor-General after consultation with the President, the Minister of Finance and the Minister of Defence. The Auditor-General cannot add to what has already been reported without following the aforementioned process.

- (3) The Minister of Defence is, however, free to give any further information he deems fit. It is therefore recommended that this particular question be referred to the Minister of Defence.

*17. Ms M SMUTS—Public Works. [Question standing over.]

Exchange Control Department: remission of funds

*18. Mr A J LEON asked the Minister of Finance:

- (1) Whether any requests were received from any political parties and/or political organisations during the period 1 January 1991 up to the latest specified date for which information is available, for the Exchange Control Department of the South African Reserve Bank to allow funds to be remitted from organisations and/or individuals abroad; if so, (a) when, (b) which political parties and/or organisations made such requests and (c) from which organisations and/or individuals were the funds to have been received;

- (2) whether each such request was granted; if not, why not, if so, what are the relevant details;

- (3) whether any funds were received from abroad; if so, what was the total amount so received?

N518E

The MINISTER OF FINANCE:

- (1) Some requests were received by the Reserve Bank (particularly for the use of Debt Standstill funds) but many transfers took place through South African authorised dealers in foreign exchange. Such transfers do not need specific approval from the South African Reserve Bank.

- (a) at regular intervals, from 1 January 1991 to date;

- (b) total identified amounts as indicated under (3);

- (c) information of individual transactions cannot be disclosed because of the restrictions of section 33 of the South African Reserve Bank Act.

- (2) From the analysis drawn up no requests, by any party, were declined.

- (3) According to the records of the Exchange Control Department of the South African Reserve Bank the total amount received for the period 1 January 1991 to date is:

Inward transfers (through Authorised Dealers in foreign exchange)
R181 646 680
R512 343 551
Debt standstill funds
R693 990 231

Investigation into affairs of Allan Boesak: report (297)

*19. Mr A J LEON asked the Minister of Justice:

- (1) Whether the Office for Serious Economic Offences has completed the report on its investigation into the affairs of Rev Allan Boesak; if not, why not; if so, (a) when was it completed and (b) what was the conclusion arrived at in the report;

- (2) whether a decision has been made as to whether or not to prosecute; if not, what is the position in this regard, if so, what was the decision?

N519E

The MINISTER OF JUSTICE:

- (1) Yes. So I have been informed

- (a) I have been informed that the report and supporting documentation was received by the Office of the Attorney-General, Cape Town on 17 January 1996.

- (b) The Attorney-General, Cape Town, who is studying the evidence, states that the report and conclusions cannot be disclosed as the matter is *sub judice*.

- (2) No. According to the said Attorney-General, members of his office are presently studying the evidence and further investigation is being conducted. He also states that on completion of his investigation, he will decide whether to prosecute or not.

Stock/clearing up of landmines

*20. Mr D H M GIBSON asked the Minister of Defence:

- (1) Whether he will disclose how many landmines (a) the South African National Defence Force has in stock and/or (b) any

False names taken off social grant list

BD 15/5/96 (297)

Kathryn Strachan

WELFARE minister-designate Geraldine Fraser-Moloketi said yesterday that more than 14 600 false names had been removed from the list of social security grants over the past year, resulting in a R72m saving.

Speaking at an ANC briefing in Midrand, Fraser-Moloketi said it was anticipated that the tighter new system being devised would produce a saving of R1bn a year.

Fighting abuse and corruption in the grant system was one of the main challenges facing Fraser-Moloketi in her new position. "I feel honoured and challenged — challenged because there is a lot of work that needs to be done in transforming this neglected area," she said.

The single national social security register which has been in place since May 1 was designed to eliminate abuse of the system. It is expected that once this list is completed, it will have about 3-million beneficiaries.

Speaking at the briefing, health and welfare minister for the Eastern Cape Dr Trudi Thomas said the six pension databases in her province had made it easy for duplication and fraud. A single system would make abuse more difficult, she said. The province was still trapping people for fraud, she said.

The problem of pensions in the Eastern Cape had also been com-

pounded by the fact that the justice department had been doing the job for the provincial welfare department while it was being set up. The justice department had done the job very badly, said Thomas, and it had pulled out when it stopped receiving agency payments.

She said her department had referred the matter to the public service commission, but the dispute had been going on for a long time.

Earlier this week the justice department said it had asked the state expenditure department to cut off funds to the Eastern Cape government until it paid what it owed to pensioners.

The Eastern Cape, with its high level of poverty and unemployment, stands to gain from the new approach to welfare outlined by Fraser-Moloketi.

She said that over the next five years a new plan would evolve which would target the poorest section of the population. The new plan was a shift to a comprehensive approach which looked at developing self-reliance in poorer communities. It focused on poverty particularly in rural areas, and on women and children. It would end the present racial disparity — at present half of the welfare services are still for whites, Fraser-Moloketi said.

Programmes would aim to rebuild families, empower women economically and prevent abuse of women, alleviate poverty and provide for people with HIV and disabilities.

QUESTIONS

*Indicates translated version.

For oral reply:

*Questions standing over from Thursday, 9 May 1996.**Executive Deputy President (Mr T M Mbeki).***National "Watchdog": report on RDP projects**

*1 Sen S D FISHER asked the Executive Deputy President (Mr T M Mbeki).

(297)

Whether, in view of the closure of the national office of the RDP, there will be a national "watchdog" reporting regularly on RDP development projects undertaken by line departments; if not, why not, if so, (a) who will perform this function and (b) how regularly will the public be made aware of the progress of RDP projects which are being undertaken?

S229E

The MINISTER OF FINANCE (for the Executive Deputy President (Mr T M Mbeki)):

Firstly, let me point out that the closure of the RDP office in no way means the abandonment or an end to the process of reconstruction and development. The RDP remains the central policy framework guiding all government policy and activity.

In the past two years the RDP national office has used the RDP Fund to leverage and guide government departments towards priority areas. The RDP office has also introduced a system of business planning, evaluation and monitoring which will assist departments in the delivery process.

The existence of the RDP Fund has also generated a wrong practice within government. Instead of using their main budgets to achieve the objective of the reconstruction and development of society, of the whole country, departments have tended to use the fund to concentrate on a few isolated projects. It is our view that the closure of the office will induce departments to reprioritise and direct their main budgets to the process of reconstruction and development.

This means that the Cabinet and the Parliamentary Committees will from now on become the central "watchdog" in ensuring that not only the RDP Fund, but the government's entire expenditure programme is geared towards achieving the RDP goals. Of course the President and the Deputy President will also ensure that Cabinet Ministers take responsibility for the implementation of the RDP.

†Senator S D FISHER: Mr President, the Minister may not be in a position to reply to my question, but I shall accept a written reply. I just want to know whether some of the money allocated to the provinces in terms of the RDP, was returned because it was not spent, for it came to our notice that in the Western Cape....

†The PRESIDENT OF THE SENATE. Order! The hon member was allowed to put a question.

The MINISTER OF FINANCE: Mr President, I do not think that is a follow-up question as such in respect of a "watchdog". Certainly, if Senator Fisher will let us have the question, we shall respond to it in writing.

Reduction of salaries of political office-bearers in Executive

*2. Sen L J SWANEPOEL asked the Executive Deputy President (Mr T M Mbeki):†

(1) Whether the Cabinet's decision, a copy of which has been furnished to his Office for the purpose of his reply in terms of which the salaries of political office-bearers in the Executive were reduced, is also applicable to the executive councils of the respective provincial legislatures; if not, what is the position in this regard; if so,

(2) whether the Government intends taking any steps in cases in which the said decision is not being implemented; if not, why not; if so, what steps?

S230E

The MINISTER OF FINANCE (for the Executive Deputy President (Mr T M Mbeki)):

(1) The salaries applicable to political office-bearers were set in May 1994 in line with the recommendations of the Melamet Commission of Inquiry. After review, the Cabinet, however, decided to reduce the salaries applicable to political office-bear-

ers and on 8 February 1995 Minister Trevor Manuel, then Chairperson of the Ministers' Committee on the Service Conditions of Political Office-bearers addressed a letter to the Premiers requesting a reduction of their salaries and the salaries of Members of the Executive Councils and office-bearers in Provincial legislatures in line with the "belt tightening" measures decided upon by the Cabinet and approved by the Cabinet with effect from 1 February 1995.

At the time of the Cabinet decision the salaries of the Premiers and Members of Executive Councils were determined in accordance with section 149(10) of the Constitution which specified that such matters were to be prescribed by or determined by the *Provincial Legislature* not the Cabinet.

Currently, however, and by virtue of amendments in terms of section 5 of the Constitution of the Republic of South Africa Second Amendment Act, 1995 (No 44 of 1995), which came into effect on 20 September 1995, the remuneration and allowances of Premiers and Members of the Executive Councils of Provinces are to be determined by the President.

The constitutionality of this amendment was challenged in the case of the *Premier of Kwa-Zulu-Natal and Others vs President of the Republic of South Africa and Others* 1995 (12) BCLR 1561 (CC). The Constitutional Court issued its ruling on the constitutionality of the constitutional amendment on 29 November 1995. The Constitutional Court ruled that the duly affected constitutional amendment had been enacted in the proper way and was substantively valid.

The terms of the first Cabinet decision were not strictly enforceable on Premiers and Members of the Executive Council but had been duly adopted by the majority of them in line with the Cabinet decision. Since the enactment of the constitutional amendment the President has not, as such, varied any determination. On receipt of the recommendations of the commission on Remuneration of Representatives (Sleyn Commission), the President will review the remuneration and allowances of politi-

cal office-bearers in terms of the relevant acts.

The Ministers Councils of six of the nine Provinces had accepted the belt tightening request and it is in force in five of the nine provinces.

In respect of Kwa-Zulu-Natal the Ministers' Council accepted the request, but the implementation of the actual cuts with retrospective effect were deferred pending clarity on the method of recovery of the over-payment. The Office of the Premier has indicated that the request will be implemented soon.

The Northern Province, Mpumalanga and the North West Province have not implemented the request.

(2) The relevant Premiers have now been requested again by the Chairperson of the Ministers' Committee on the Service Conditions of Political Office-bearers, Minister S V Tshwete, to inform the Office of the President when the relevant cuts in respect of themselves and their Executives will be implemented. On receipt of their reactions the President will consider how to take the matter further.

†Senator CACKERMANN: Mr President, arising from the hon the Minister's reply—I do not know whether he is able to reply, but I hope he will be able to—I want to ask whether he could tell us, in respect of those provinces that did not heed the call by the President, whether the money over-spent on their salaries, will be paid back to the Treasury.

The MINISTER OF FINANCE: Mr President, with regard to KwaZulu-Natal, as I said—and it should be abundantly clear what the approach of the executive is to this matter—the question to be resolved there is not the implementation of the cut, but with effect from when the cut is to be implemented, and the question of overpayment, that is recognised in terms of the decision of the Constitutional Court, is to be dealt with. Exactly the same methodology has to be applied in respect of the three provinces that have not complied with the President's request or the follow-up by Minister Tshwete as yet.

The MINISTER OF HOUSING: Mr President, I rise on behalf of the hon the Minister. She is not

Support for social workers

(297)

By PRISCILLA SINGH

Star 16/5/96
A newly elected interim council for social work has received the backing of provincial welfare departments across the country.

Seven representatives of the child welfare movement in South Africa are on the council, which comprises 14 members and 14 alternate members.

For the first time, council members were elected by social workers and not by a minister.

The council is the statutory professional body which controls the social work profession and is involved in the training and tuition of social workers.

It will also supervise the qualifications for registration of social workers and exercises control over their professional conduct.

The national director of the South African Council for Child and Family Welfare, Helen Stark, said the child welfare movement was proud to be associated with the council.

SA too often against US, foundation complains

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By PETER FABRICIUS
Washington Bureau

Star 17/5/96
South Africa is the sixth-biggest recipient of American foreign aid worldwide - but sided against the US on 53% of votes in the United Nations last year, the conservative US Heritage Foundation think-tank said.

The foundation, influential among the conservative Republican Party majority in the US Congress, has urged congress not to vote aid this year for countries that oppose the US.

In a report published on Tuesday the Heritage Foundation said that seven of the 10 largest recipients of US aid, including SA, had voted against the US at the UN on a majority of votes in 1995.

It said that SA, which received \$132.378-million (R569.225-million) in US aid last year, had voted against the US on 53% of votes. It also singled out SA as a country which was actually undermining US interests abroad "by quickly extending relations to some of America's biggest enemies - Cuba, Iran and Libya."

The foundation said the UN voting patterns contradicted the Clinton administration's argument that foreign aid helped the US gain influence with countries around the world and that these countries generally supported American foreign policy goals.

"If a direct connection exists between foreign aid and winning friends overseas ... recipients should be voting with the US in the UN most of the time. In fact they do not."

The foundation's research showed that 64% of US foreign aid recipients voted against the US most of the time. India, the fifth-largest recipient with some \$157-million (R675-million) in aid in 1995, voted against the US 83% of the time - as often as Cuba and more often than Iran.

It noted that Egypt, the second-largest recipient of US aid voted against the US on 67% of votes; and Haiti, whose leader Jean-Bertrand Aristide was restored to power by US troops, still voted against the US on 60% of votes in 1995.

"Congress would do well to cut the programme further."

Film-friendly Cape gets an RDP boost

R2-m allocated for new projects

JOSEPH ARANES
Municipal Staff

THE Western Cape economy is to get a boost and the province will be promoted internationally as a film-friendly environment with the approval of a number of reconstruction and development programme (RDP) projects.

Provincial Economic Affairs Minister Chris Nissen said that following the approval in January of RDP projects for Ikapa Trust, Future World pre-school in Eerste River and the Gansbaai housing project, totalling R412 000, new projects amounting to almost R2 million had been approved.

The projects include R1.7 million for rural development and agriculture, and an allocation of R180 000 to the Cape Film and Video Foundation to promote the Cape nationally and internationally as a film-friendly destination.

Mr Nissen said the approval of the projects represented a significant step in the process of delivery of RDP projects in the province, as all the projects met the key criteria of job creation, economic viability and sustainability.

"The total allocation from the RDP funds for projects for 1996 now stands at more than R2.3 million and will definitely boost the province's economy and help rural development."

He said R300 000 had been allocated

ed to the Suurbraak irrigation scheme to enable the community to improve its production cycle from one planting season a year to two or more.

The Kranshoek rural community got R45 000 for the construction of an irrigation scheme and R37 500 for production inputs of seeds and herbicides to assist small scale farmers in kickstarting their first production cycle.

Slangriver was allocated R100 000 for sowing of winter cereals and for soil preparation.

An allocation of R300 000 was made to the Haarlem community for an irrigation system and fencing. In addition to job creation opportunities, it is aimed at uplifting the community.

The historic town of Wupperthal, known for its manufacturing of hand-made leather shoes since 1830, has been boosted by the allocation of R300 000 for the shoe factory. The funds will be used to provide opportunities for self-development and much-needed jobs to the community.

A training centre in Montagu, used for the training of rural business and farmers' associations, will be given R150 000. This will directly service 34 rural towns and will increase their capacity to initiate and manage their entrepreneurial projects. This initiative holds tremendous potential for the economic development of these areas.

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ARG 17/5/96

'SA gets aid but votes against US'

By Peter Fabricius
Washington Bureau

WASHINGTON — South Africa is the sixth-biggest recipient of American foreign aid worldwide — but sided against the US on 53 percent of votes in the United Nations last year, the conservative US Heritage Foundation think-tank has said.

The foundation, influential among the conservative Republican Party majority in the US Congress, has urged Congress not to vote aid this year for countries that oppose the US. In a report this week the foundation said that seven of the 10 largest recipients of US aid, including SA, had voted against the US at the UN on a majority of votes in 1995.

It said that SA, which received \$132,378 million in US aid last year, had voted against the US on 53 percent of votes. It also singled out SA as a country which was actually undermining US interests abroad "by quickly extending relations to some of America's biggest enemies — Cuba, Iran and Libya."

The foundation said the UN voting patterns contradicted the Clinton Administration's argument that foreign aid helped the US gain influence with countries around the world and that these countries generally supported American foreign policy goals. "If a direct connection exists between foreign aid and winning friends overseas recipients should be voting with the US in the UN

most of the time. They do not.

The foundation's research showed that 64 percent of US foreign aid recipients voted against the US most of the time. India, the fifth-largest recipient with about \$157 million in aid in 1995, voted against the US 83 percent of the time — as often as Cuba and more often than Iran, the 10 countries that voted against the US most often were to receive over \$212 million in foreign aid in 1996.

It noted that Egypt, the second-largest recipient of US aid — with a \$2,116 billion package — voted against the US on 67 percent of votes; and Haiti, the eighth-largest aid recipient with \$123,385 million, and whose leader Jean-Bertrand Aristide was restored to power

by US troops, still voted against the US on 60 percent of votes in 1995; while Mexico — which President Clinton helped save from a currency catastrophe with a \$40 billion financial bailout last year — voted against the US 58 percent of the time.

"Clearly the US foreign aid programme has done little to justify public confidence that tax dollars are being used wisely by America's foreign aid bureaucracy.

"Congress should evaluate the extent to which US recipients of foreign aid support America's interests. Congress would do well to cut the programme further and seek to abolish the Agency for International Development" (which administers foreign aid.)

Western Cape acts on welfare fraud suspects

Linda Ensor

297
20/17/15/196

CAPE TOWN — Action would be taken against 25 Western Cape welfare department officials who had been identified as fraud suspects, health and social services MEC Ebrahim Rasool said yesterday.

Addressing the aged at Lentegour Hospital, Rasool said former welfare minister Abe Williams's case was still being investigated by the Office for Serious Economic Offences.

One official had been dismissed in January and 12 had been suspended. Also, 11 mental probes and disciplinary procedures.

"Most of these 25 will be handed over to police and will probably end up in court and hopefully in jail if found guilty," he said.

Rasool said that investigations were also under way at a few state facilities, including old age homes — where problems had been picked up in receipting, the cost of

goods, the identity of suppliers, and how much the aged received of their pensions.

Stephen Lauffer reports subsidies to old age homes will be cut by R50m or about 15,8%, welfare minister designate Geraldine Fraser-Moleketi told Parliament at her departmental budget debate yesterday.

The move was part of a larger strategy to realign welfare spending to better serve the poorest of the poor. It would shift funding away from institutions whose residents were 88% white, in line with policy designed to ensure a better spread of the social services budget. Cutbacks would not affect frail care or children's homes. Only old age home residents with a gross monthly income of less than R1 300 a month would be subsidised in future.

Welfare department officials said the plan had met with some resistance, particularly from Afrikaans churches, but discussions with them had brought agreement on the need for belt-tightening. The provincial

welfare MECs would make provision for special cases, to avoid undue hardship.

Reorganisation of the subsidy system for formal old age care was part of a broader plan aimed at combining the strengths of the formal welfare sector rooted in the poor white question of the 1930s, with more recent social development initiatives contained in the RDP.

There was an urgent need for amalgamation of voluntary welfare services, Fraser-Moleketi said. Government was still subsidising too many programmes serving mainly white beneficiaries reliant on expensive institutional care. Cuts would free resources for those most in need of aid.

She had chaired an interministerial committee examining secure care arrangements for children as an alternative to prison, Fraser-Moleketi said. The system needed to be fundamentally overhauled, and a comprehensive policy document would be finalised by August.

New focus for Unctad

The Midrand Declaration has infused the United Nations Conference on Trade and Development with new life and put Africa back on the map, writes **Madeleine Wackernagel**

IN the world of international conferences, talk does not come cheap. It cost R18-million to host 3 000 delegates from 188 countries for the ninth United Nations Conference on Trade and Development (Unctad). But aside from re-affirming South Africa's renaissance on the international stage, what did the fortnight of talks achieve?

Four years ago, at the Cartagena conference, Unctad was searching for a role. Economic power had shifted during the 1980s towards the Bretton Woods institutions — the World Bank, International Monetary Fund and the General Agreement on Tariffs and Trade (GATT) — and Unctad's place among the international forums was under threat.

With the transformation of GATT into the

World Trade Organisation (WTO), there was talk of abandoning Unctad altogether. It was felt the overlap between the two organisations was too great; there was only room for one trade body. But GATT rounds leaned heavily towards member countries of the Organisation for Economic Co-operation and Development (OECD); least developed countries (LDCs) and developing countries in general lacked the facilities of industrialised countries to lobby their cause.

As Xavier Carim, deputy director of foreign trade relations at the Department of Trade and Industry, explains, Unctad is the only organisation with a mandate to operate on behalf of the developing world. And, indeed, it has played an important role in enabling a convergence between North and South on issues of trade and economic policy.

The Cartagena conference heralded the need for a new approach to development issues. "We have to guard against complacency, we must be pro-active and innovative and in doing so point to concrete roles Unctad will play," said Unctad IX president and Trade and Industry Minister Alec Erwin at the opening.

Judging by the Midrand Declaration, the conference went a long way to achieving a new focus. "Key advances were made in attaining greater understanding of development strategy, including the implications for development of liberalisation and globalisation," says Carim. "From the extreme polarisation of views seen in the past there has been real progress towards consensus."

And the conference served to put Africa, as the poorest continent, back on the map. "It was an important victory for the South, reinforcing the place of LDCs in the global economy," says Rob Davies, an African National Congress MP.

And as the next WTO meeting in Singapore nears, the importance of Unctad's role as facilitator for the LDCs, helping to put their case to the WTO, was underlined. Multilateral investment agreements are high on the agenda for the December meeting; foreign direct investment, as South Africa is well aware, is critical for economic growth. So LDCs will be looking to Unctad to emphasise



Alec Erwin: 'We must be pro-active and innovative'
PHOTOGRAPH RUTH MOTAU

the developmental objectives as well, says Carim. "It is imperative that any deal reflects the interests of all developing countries and Unctad will provide that support."

South Africa will also benefit from its reintegration into the Unctad framework — not only from the R30-million cash injection into our economy thanks to the delegates' spending, but more importantly from the gold mine of policy research and analytical information that forms the backbone of Unctad's work.

In addition, contacts made between private and public sector at the conference should bear fruit in terms of investment and trade deals.

And as president for the next four years, South Africa has ample opportunity to wield its influence and strengthen Unctad's focus. Any initial anxiety when Trevor Manuel withdrew due to the Cabinet reshuffle was dispelled as Erwin very quickly made his mark.

Indeed, the Midrand Declaration is a significant departure from the usual UN language. While this is only the beginning, the document offers some hope that consensus will translate into action.

AUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 1996

Plate Glass & Shatterprufe Industries Limited

Registration No 05/24266/06

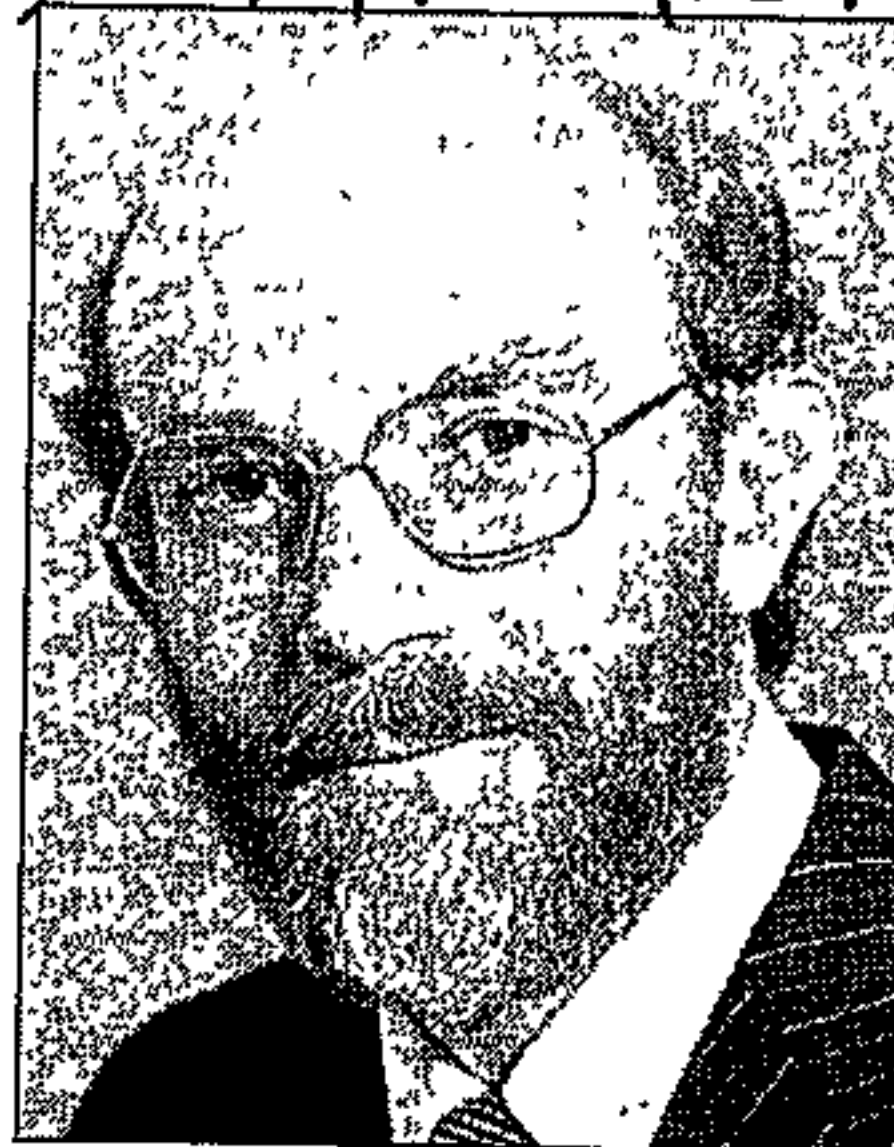
TURNOVER REACHES R4.5 BILLION
16% INCREASE IN EARNINGS PER SHARE
US MERGER A MAJOR MILESTONE
INTERNATIONAL PENETRATION CONTINUES

Government 'should encourage business to focus on the RDP'

By Thabo Leshilo

Johannesburg — David Jacobson, the Altron group executive director responsible for science and technology, urged the government this week to introduce a package of incentives to encourage business to focus on the niche areas of the RDP.

Jacobson was speaking at an international seminar on manufacturing systems held at Rand Afrikaans University.



RDP BOOST Altron Executive Director David Jacobson

He said the incentives could include accelerated depreciation, tax incentives, export incentives and grants to accelerate local product development in manufacturing and exports.

"To identify, develop and manufacture products having niche markets requires a high degree of focus. Perhaps, for the first time in South Africa's history, there is a national programme (the RDP) which can focus the nation's attention on niche requirements," Jacobson said.

He said the RDP remained vitally important in electrification and telecommunications, healthcare, crime prevention, housing and water supply.

By achieving a sound market base in South Africa, in specific niche fields, products could be exported successfully to other countries with similar requirements and in similar stages of development.

He also called on workers and management in South Africa to stop fighting over political issues and to work together for the country's survival and growth in the global economy.

"The need for dedication to work, commitment to the firm, positive outlook and lively team effort has not been addressed sufficiently. South Africa is part of the global economy, except for the remnants of exchange control, it is particularly important that management and labour develop these attributes jointly — neither party is without guilt in its neglect of these attributes of business, which are so essential for survival and growth in the 1990s and beyond," he said.

Management and workers should identify more closely with one another to achieve greater production efficiencies, quality and export success. But business and government should co-operate to help the economy to grow and export manufactured goods and services into Africa and further afield. Jacobson challenged the country's universities and technikons to increase their output of well qualified industrial and manufacturing-orientated engineers and technicians.

At present South African tertiary education institutions produce only 20 percent of the technically qualified people needed to ensure that the economy grows by 7 percent a year. This is below the rate required to solve the unemployment problem. He said exchange controls should be dropped "sooner rather than later" or South Africa would be seen as lacking the confidence to compete in the international business and finance arena. The 28th International Institution of Production and Engineering Research seminar ends today.

Mandela asks Germany to 'take lead' in investment

SAPA

Bonn

The Government was concerned about political strikes in South Africa, President Nelson Mandela told top German bankers yesterday in a passionate plea to them to take the lead on foreign investment in the country.

He said such strikes were being discussed with trade unions, adding it was not correct to see unions as being in conflict with the Government.

Mandela also gave his audience strong assurances on privatisation, crime, violence, fiscal discipline and the Government's commitment to a multiparty democracy.

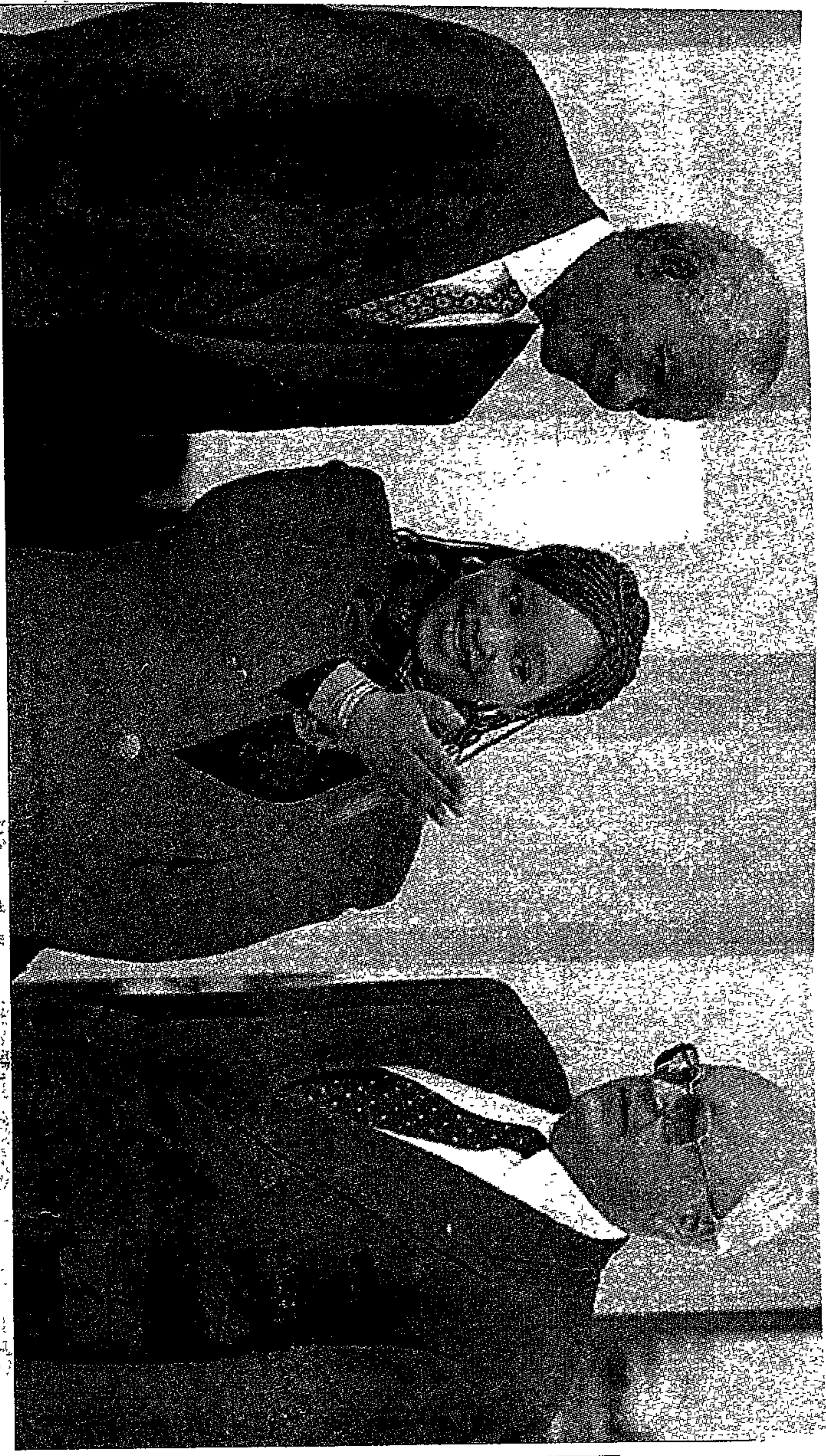
Addressing about 40 high-powered bankers at the Petersberg state guest house in Bonn, he said a country which ignored its markets would not survive.

Mandela is on a state visit to Germany from Tuesday to Thursday. He earlier met German Finance Minister Dr Theodor Waigel.

He said the Congress of South African Trade Unions was in alliance with the African National Congress, adding that he did not believe the country's workers wanted to damage the economy.

Mandela said strong relations between Germany and South Africa were vital to the country's future.

"It is important that German investors take the lead and go to South Africa in large numbers," he said. — Sapa.



Hi there! ... President Nelson Mandela and his German counterpart Roman Herzog frame Mandela's daughter Zinzi Mandela-Hlongwane after Mandela's arrival at the presidential residence in Bonn yesterday.

Cape Town Castle's symbolism changing ^(29.2)

BARRY STREEK
POLITICAL WRITER

CAPE TOWN'S historic Castle was being transformed from a symbol of past oppression to an accessible public place, the Director-General of Arts, Culture, Science and Technology, Mr Roger Jardine, said at the weekend.

This was symbolic of the transformation taking place all over the country, he said at the opening of the "Peace-ing South African Art Together" exhibition, organised by Peace Visions and the Artists for Peace Association.

"Choosing the Castle as a venue fulfils two objectives," he said. "It ensures that this exhibi-

tion is publicly accessible, and it contributes to the process of transforming the Castle into a building that reflects a democratic and inclusive culture.

"It is our heritage and cultural creativity that will provide us with the basis for a shared interpretation of our history, and with a common culture which is able to celebrate the difference."

Jardine said the exhibition showed that arts had an important role to play in the struggle to attain peace in South Africa and the rest of the world.

The arts were a form of action and communication which could contribute to the building of tolerance, peace and mutual respect.

Manuel got their attention



MAN IN THE MIDDLE: Finance Minister Mr Trevor Manuel (centre) addressed the Cape Times/Seeff Breakfast Club on Friday, his first speech to the Cape business community since taking over this portfolio. With him are Cape Times editor Mr Moegsien Williams (left) and Seeff Holdings chief executive Mr Errol Finkelstein. ● See Page 15

PICTURE: BENNY GOOL

Prostitutes given R5m lifeline

By CHARL DE VILLIERS AND
YVETTE VAN BREDA

STALKED by a serial killer, Cape Town's terrified prostitutes are to be thrown a R5-million lifeline to help women who want to escape their twilight world of self-loathing, drugs and violence.

In a dramatic offer of hope to the city's streetwalkers, provincial Social Services Minister Ebrahim Rasool this week said the money was being set aside to reintegrate women who live beyond the edges of mainstream society.

The programme, to be set up within two months, is a sequel to the 1994 Beijing Conference on Women.

"In order to improve the status of women, their human dignity should be restored," provincial social services chief Virginia Petersen said.

Mr Rasool's undertaking followed frank admissions by a part-time prostitute, "Salome", of her life as a Sea Point hooker while shielding her son, 7, from the truth.

Her moving public revelations came just one day after the killer's 19th victim was found in dense bush near Macassar on Wednesday.

The killer, who has a R500 000 bounty on his head, is being hunted by a crack Murder and Robbery task team. Some of the victims have been buried alive.

"It must take some kind of desperation if a woman such as this knows that she can be the next victim of a serial killer. That has confronted my prejudices and changed my way of thinking about how to deal with this problem," Mr Rasool added.

The killer's latest victim was Kleinvlei resident, 20-year-old Theresa van der Vin.

Speaking tearfully at an ANC election meeting on Thursday night, "Salome" moved a rapt suburban audience with her story of jail, sexual abuse and feelings of utter degradation at plying a trade which she believes society forced on her.

"You don't just sell your body, you also sell your soul," she said.

In a night of drama when about 100 local residents had gathered to confront the ANC politicians over prostitution, vagrancy and drug-peddling, Justice Minister Dullah Omar cited his own moral conservatism and defence of family life when dismissing legalising prostitution.

"A mother must feel terrible that her child, a child to whom she gave birth, finds herself in that situation.

"I hope we can change the situation so that she does not have to humiliate herself in this way, and so she can live with dignity," said Mr Omar.

But in a moving moment met with thunderous applause, Mr Omar said Salome was a victim whom he could not blame. He then leaned over and shook her hand.

Mr Rasool said his own moral code could not stand in the way of his and the government's response to issues such as prostitution, HIV and Aids, backstreet abortions and sexually-transmitted diseases.

"The core problem is that the family structure and the fabric of society is rotting away.

"Every time I now see people like Salome I will look at them with a new perspective. And my mind will be racing for better solutions."

And as Salome dropped her head, her body wracked by silent sobs, Mr Rasool announced his pledge that will attempt to help marginalised women to return to the social mainstream.

(297)

STC(M) 19/5/96

THE editorial "SA's Unctad role" (Business Day, May 13) missed the main point of the Unctad conference. This was not a basket case meeting of the poor of the world at all. It was a meeting of top-level delegations from most countries and from the major world institutions to discuss the condition of the global economy.

The starting point was something accepted by all, namely that the economies of the world are being unified by flows of trade, finance, information and technological change. This is the phenomenon of globalisation, which is proceeding rapidly irrespective of the wishes of governments. It is accompanied by liberalisation, or opening up of markets worldwide, which will be speeded up by the implementation of the Marrakesh agreement supervised by the World Trade Organisation.

The problem is that this process of global integration is uneven in its effects. This is partly because countries enter this system from very different starting points.

Some countries have benefited a great deal from globalisation. Others become increasingly marginalised, there are 44 such countries and two-billion people at present. The expectation is that this will become eight-billion early in the next century. Some speakers argued that the effects of the marginalisation of so many people will become the major concern of the world.

There is a further problem. Even within the industrial countries, substantial numbers of people are also marginalised in the sense that living standards are falling and unemployment rising. In Germany it now stands at 11.5%. The social wage is under threat everywhere.

The real purpose of Unctad

BENTUROK

(297)

20/5/96

One of the main sessions dealt at length with the fears in the northern hemisphere of jobs being lost through the migration of enterprises and investment to the developing countries. The truth is that the pressure for opening up is coming from the industrial countries, which urgently need markets for their goods and services, as well as openings for investment.

Thus although Unctad was indeed founded to give a platform for the developing countries, this was not a meeting for special pleading for aid or assistance, but about how the world economy is shaping in the era of relatively free trade, investment and communication.

The idea of liberalisation was not opposed, although common sense would lead to the conclusion that this is the kind of situation favouring the strong. It is well understood that rampant liberalisation which exacerbates competition could do a great deal of damage.

It was that great theorist of development, Andre Gunder Frank, whose studies of Brazil's economy showed that it performed best when its connections with its European colonial masters was weakest. This notion led to the dominance of dependency theory in development studies and to the view that some form of delinking based on import substitution-industrialisation was necessary.

The Asian tigers have all followed a policy of building up their domestic capacity as a priority and

used protectionist measures to do so. Even now, Japan remains highly resistant to foreign corporations and investors. The Japanese have established a highly complex system of state support for industrial exports which is hard to detect but which is tantamount to dumping.

India informed the conference that it had spent 45 years in creating productive capacity at home before turning to outside technology.

SA also followed a path of protectionism to start its industrialisation. Subsequently, the state played a major role in sponsoring a cluster of parastatals which now constitute the foundation for a strong steel industry, a massive electricity capacity, a chemical industry and the rest. Unfortunately, protectionism was overplayed and became subsidisation, so that some of our industry is now uncompetitive in world markets and in relation to foreign imports. This must now change.

The message from Unctad is that all countries, including the developing countries, must be afforded an opportunity to participate in the world economy on an equitable basis. This means that they require support in the realm of policy formation and they require access to markets, capital and technology.

Much was made also of the low commodity prices in the industrial countries for primary commodity exports, and of the protectionism

which persists there. Indeed some of the strongest arguments for free trade came from the developing countries.

This demand for even-handedness is important because of the increasing intensity of negotiations in the WTO. This rule-based institution has massive powers to impose its will on recalcitrant countries. Failure to comply could lead to a trade sanction or "cross-sectoral retaliation" being imposed. No developing country could withstand this.

These measures become particularly significant in the light of the proposed multilateral investment agreement sponsored by Europe and due to come before the first ministerial meeting of the WTO in December. This agreement would allow foreign corporations freedom in any developing country to take over any industry or sector and expatriate its profits. This will deprive the home government of control over who invests where and how much, and over its balance of payments.

These are some of the concerns about globalisation and liberalisation which affect all the world's citizens, not just the developing countries. The response from the latter is by and large to move towards "strategic integration". This includes the requirement of access to industrial country markets, fair prices for commodities, technical assistance to improve their own industries, increased aid and relief from their massive debt service costs. Implementation of these proposals

als would be by "partnerships for development", one of the dominant themes of the conference. Partnerships need to be built for intergovernmental co-operation between rich and poor countries, between developing countries themselves, by better co-ordination between multilateral organisations, between the public and private sectors, and by involving civil society.

Much of this is directly relevant to SA. We are by no means a basket case on the world scene. Yet we are undoubtedly a developing country which requires fair access to the markets of the industrial countries. We also need to improve our co-operation with our neighbours. We have yet to overcome the effects of isolation and badly need comprehensive information and analysis about trends in globalisation and liberalisation so that we enter the world economy in a phased manner. If we are not careful we shall be absorbed, not integrated into the world system.

Our presence in Unctad is therefore of utmost importance. After all, we witnessed one of the most extraordinary sessions where the presidents of the top five institutions in the world all appeared on a panel: the IMF, the World Bank, the WTO, the UN Development Programme and Unctad. The UN secretary-general also addressed the conference.

Unctad will no doubt be an important participant in the generation of new rules for globalisation. We need to be there, and we need to be there with a common view.

□ Turuk, an ANC MP, was a member of the SA delegation to the Unctad conference.

BOOKS

55 firms named for alleged payments to Abe

BD 22/5/96 (297)

CAPE TOWN — The Office for Serious Economic Offences is investigating payments which were allegedly made by a number of major companies into the bank accounts of former Cabinet minister Abe Williams.

Sapa reports that Judge Jeanette Traverso issued a warrant naming 55 companies and individuals that might be connected to the alleged payments.

The names of several large companies including Iscor, Transnet, Games Africa, Sea Harvest and Bokomo Foods appeared on a search warrant given to the office. Most of the companies named operate on the Cape west coast.

Office head Jan Swanepoel con-

firmed yesterday that the names on the warrant were obtained from Williams's bank statements.

Williams resigned from Cabinet earlier this year amid allegations that he had been bribed by a firm that had tendered for the contract to take over the payment of government pensions.

Williams has denied accepting money for his personal use from major companies operating on the Cape west coast, claiming money paid by companies and individuals into his bank accounts was for golf sponsorships.

Lukanyo Mnyanda reports that Sea Harvest MD Louis Penzhorn said the company had "made a contribution

to the west coast development programme and sponsored a local golf tournament". He was "not sure" what the projects administered by the programme were, nor was he aware of Williams's role in the programme.

A Games Africa spokesman denied knowledge of a probe of the company's alleged involvement with Williams.

Iscor group public relations GM Neels Howatt said he was not aware of the reports linking the company to Williams, but denied Iscor had made any payments to him.

Transnet chairman Louise Tager could not be reached for comment last night.

SA 'needs aid plan'

(297)

Sowetan 23/5/96

President Nelson Mandela, on a visit to Germany, says South Africa and its neighbours need help from the international community to recover from the ravages of apartheid, writes **Hannes de Wet**

BONN — SOUTH AFRICA and its neighbours needed a type of Marshall plan supported by the international community to recover from the devastation caused by apartheid, President Nelson Mandela said yesterday.

Meeting the challenges posed by the end of the Cold War between east and west was a common struggle of humanity, he told the German federal parliament in Bonn.

German investors in South Africa realised sustained growth and job creation were vital to ensure the survival of democracy in the country.

"They know what is needed in our country and the Southern African region is something akin to the Marshall plan, premised on the efforts of the people themselves, but reinforced by the international community," Mandela said.

Germany's own economic recovery after World War 2 was largely due to George Marshall's programme to fight "hunger, poverty, despair and chaos". It involved foreign aid of more than one billion dollars between 1948 and 1952.

Mandela, in Germany on a state visit, is only the fifth foreign head of state since 1948 to address the *Bundestag* (Germany's parliament).

He said answers to the post-Cold War challenges were in part being provided by South Africa's growing cooperation with Germany and the European Union.

Germany's Southern African Initiative would also be a major boost.

"Few other parts of the globe endured the direct assault, bloodshed, denigration, devastation and deliberate economic destabilisation that the countries of Southern Africa endured and survived," Mandela said.

Paying tribute to Germans for their support of the struggle against apartheid, Mandela thanked German Chancellor Helmut Kohl for his commitment to strengthening cooperation between South Africa and Germany.

"His personal wish to see the removal of disadvantages suffered by South Africa in its access to the European market is highly cherished by our people," he said.

Growing economy

South Africa, for its part, would strive for a growing economy to address the legacies of apartheid.

"We have entered a period in which the economic fundamentals in our country are not only sound, but they point in the direction of an even better performance," Mandela said.

He added that South Africa would remain committed to fiscal discipline and sound monetary policies.

On Tuesday, Mandela told top German



President Nelson Mandela talks to onlookers in Bonn on Tuesday as German President Roman Herzog looks on.

PIC: AFP

bankers to take the lead in foreign investment in the country.

He also said his Government was concerned about political strikes in South Africa. He said such strikes were being discussed with trade unions, and added it was not correct to see unions as being in conflict with Government.

Mandela also gave his audience strong assurances on privatisation, crime, violence, fiscal discipline and the Government's commitment to a multi-party democracy.

Addressing about 40 high-powered bankers at the Petersberg state guest house in Bonn, he said a country which ignored the markets would not survive.

He said the Congress of South African Trade Unions was in alliance with the African National Congress, adding he did not believe the country's workers wanted to damage the economy.

The Government, however, did not agree with everything unions did. "We are worried about the perception that we have a trade union movement that goes on strike on every little issue," Mandela said.

This could result in foreign business withdrawing from labour-intensive industries. It was something, unions should consider in view of the country's unemployment figure of about 50 percent.

When Mandela referred to concern about

strikes on political issues, he said this made it difficult for employers to negotiate with their workers.

"These are the issues we are discussing with our unions, we are proceeding well," Mandela said. "I hope you will give us time."

On privatisation, he said the Government was trying to get unions to accept it. Mandela added he had no doubt the issue would be solved.

Turning to crime, he said it was no use blaming the previous government. The ruling party had to accept responsibility in this regard and crime was being addressed.

Violence, Mandela said, mostly occurred in KwaZulu-Natal. The Government's strategy of deploying focus groups in trouble spots was proving to be effective. "I am convinced this will reduce violence," he said.

Fiscal policy

On fiscal policy, he assured the bankers the Government had no intention of replacing Reserve Bank governor Dr Chris Stals, although he was an appointee of the previous government.

Mandela reminded his audience that Mr Trevor Manuel had reaffirmed the country's commitment to fiscal discipline in his first major policy speech as Finance Minister.

The Government's policies would not change following the withdrawal of the National Party from the Government of National Unity, Mandela said.

He also emphasised that the Government would welcome the emergence of a powerful opposition. "We don't want to create a one-party state," Mandela said.

He said strong relations between Germany and South Africa were vital to the country's future.

"The Government has gone out of its way to ensure business confidence," he said. — Sapa.

R23m Swedish grant (297)

THE Swedish government yesterday handed over a grant of R23 million to World University Service SA to help eradicate illiteracy among adults in South Africa.

The Swedish ambassador to South Africa, Mr Bo Heinebäck, presented the donation to WUS-SA chairman Ms Phuti Tsukudu, who pledged financial accountability in the disbursement of the grant. CT 23/5/96

The donation forms part of the R172-million Swedish International Development Agency package provided for in an agreement signed between Swedish Prime Minister Ingvar Carlsson and President Nelson Mandela last year.

Mandela given German ovation and aid pledges

Kohl to plead SA's trade cause with European leaders
AKG 23/5/96 (297)

CLIVE SAWYER
 Political Correspondent

BONN - German parliamentarians punctuated President Mandela's speech to the Bundestag with applause after welcoming him to the legislature with an ovation lasting more than a minute.

The enthusiastic reception was among highlights of a day during which Mr Mandela also received firm undertakings of support on crucial issues, including free trade with the European Union, during talks with Chancellor Helmut Kohl.

Mr Kohl is to plead the cause with EU heads of state for a free trade agreement featuring fair terms for South Africa.

At a briefing for South African journalists accompanying him on his state visit, Mr Mandela also said the chancellor had been positive when he had asked for further funds from the German government to bail out Western Cape teachers whose jobs were under threat.

The meeting with Mr Kohl came after briefings to German Finance Minister Theo Waigel and leading bankers on steps

being taken to make South Africa investor-friendly.

Mr Mandela said Mr Kohl was playing a very important role in helping South Africa to entrench democracy and was the driving force in the EU towards increasing its aid to South Africa.

Referring to the free trade negotiations, he said Mr Kohl had outlined the difficulties for the European market to accept South African agricultural products, given the existing agricultural surpluses in Europe.

But the chancellor had undertaken to follow through the discussions with fresh initiatives to persuade EU colleagues of the merits of South Africa's case.

Mr Mandela also received African ambassadors to Germany, using the opportunity to send a stern message to Nigerian leader Sani Abacha that he would not give in to pressure for a meeting unless firm steps were taken towards democracy in that country.

Mr Mandela emphasised that South Africa would not act in isolation from its partners in such multilateral organisations as the Commonwealth and the

Organisation of African Unity. In the afternoon, Mr Mandela became the fifth foreign head of state to address the Bundestag.

Members of all parties turned out in force to give him a resounding welcome, which was echoed in the public galleries by diplomats and other dignitaries as well as German journalists, who packed the Press gallery.

Mr Mandela appealed for a measure for South Africa similar to the Marshall Plan, the United States rescue programme for post-war Germany, to be based on co-operation between South Africans and the international community.

In poetic terms, he drew a parallel between the reconstruction of Germany and South Africa and paid tribute to the German contribution to ending apartheid.

Mr Mandela also sketched the challenges facing the post-Cold War world, saying answers could be found in efforts through such multilateral bodies as the United Nations Conference on Trade and Development to bridge the gap in programmes and perceptions between North and South.

Visit ends with presidential talks

CLIVE SAWYER
 Political Correspondent

BONN. - President Nelson Mandela rounded off his state visit to Germany with a second meeting with President Roman Herzog here.

Earlier yesterday, he was accorded civic honours by Bonn and Berlin by signing their Golden Books, an honour reserved for visiting dignitaries.

In a speech to be delivered at the signing of Berlin's Golden

Book, Mr Mandela said South African ambassador Lindiwe Mabuza had had talks with mayor Eberhard Diepgen on twinning the city with one of South Africa's provinces.

He said the naming of a school in Berlin after Hector Petersen, one of the first victims of the 1976 Soweto shootings, showed how the city had identified with South Africans' sacrifices for freedom and justice.

"I am greatly moved by these

lasting tributes to figures who symbolise for the world the refusal to accept bigotry, racial discrimination and oppression."

Mr Mandela thanked the anti-apartheid movements of both West and East Berlin, saying support for the cause had transcended the wall.

"To see Berlin, a city once devastated by war, now determined to rebuild itself as one united and prosperous city, is encouraging to us."

NGOs' recommendations on fundraising laws in pipeline

(297)

CT 23/5/96

POLITICAL WRITER

RECOMMENDATIONS by non-governmental organisations on fundraising legislation are to be made to the government by next week, according to the Department of Welfare.

However, the proposed Non-Profit Organisations Bill is likely to be altered or replaced after a number of NGOs objected to its provisions.

The department said in its 1995 report, which has been tabled in Parliament, that consultations between it and NGOs about the proposed NGO Bill and the Fundraising Act were tak-

ing place and were aimed at promoting greater accountability in fundraising and spending on welfare programmes.

However, the director of fundraising would take steps to make the registration of organisations under the Fundraising Act easier.

"It has been agreed that the department should work towards the development of fundraising legislation.

"NGOs will make recommendations on legislation to the government by June 1996. The Department of Welfare will act as principal and facilitate consultations with other government departments."

More than treatment for the symptoms of poverty

Star 24/5/96
BY PRISCILLA SINGH

Many organisations are instrumental in uplifting underprivileged communities and World Vision has been one of the forerunners in South Africa.

This international non-governmental organisation started its programmes in South Africa in 1967. Since then, more than 400 communities have been assisted and another 125 are being developed, with the focus on children.

"To really help a child, we have to go further than treating the symptoms of poverty through feeding and clothing and ensure that the child's family and community are able to provide a healthy and economically secure environment for that child," says local spokesman Tamzin Lovell.

World Vision works in partnership with the poor themselves, maintaining that the core of development lies in helping people discover their "God-given" poten-

tial. Lovell says communities identify their own needs and set priorities, then work together to achieve their goals.

Funds and technical help are used for, among other things, providing portable water, sanitation, building schools, creches, water tanks, and skills training.

Another tentacle of World Vision goes out to emergency relief areas, with the most recent project being the Christmas floods in KwaZulu Natal.

"World Vision responded with emergency funds, clothing and mattresses, but the main work there has just begun. We have started a brick-making programme where people are making their own bricks to build new homes," said Lovell.

In Gauteng, there are about 15 ongoing projects.

People wishing to make donations or become involved in sponsorship can contact World Vision on (011) 674-2043.

Rural areas to benefit from R490-m windfall

Star 24/5/96 (297)

R30-million is intended for bulk water supply and R12-million for electrical projects in various outlying areas of Gauteng

By HOPEWELL RADEBE
City Reporter

Social development projects aimed at providing basic services and improving the lives of people in rural and informal settlements have received a R490-million boost from the Eastern Gauteng Services Council (EGSC).

The EGSC is the body responsible for the distribution of funds to local authorities of towns falling under the transitional local councils, transitional representative councils and local area committees in the rural areas of Gauteng.

EGSC spokesman Kelly Ramahuta said local town councils and area committees in rural areas were responsible for rendering municipal and administrative services in their areas.

They also applied for funds by submitting their proposed social development project plans, which were screened by the EGSC.

Ramahuta said the EGSC has decided not to raise the regional services and regional establishment levies rates this year.

Local area committees to benefit include Devon/Impumelelo,

Eikenhof, Randvaal, Vaal Manna and De Deur/Walkerville.

Ramahuta said R226-million has been set aside for regional functions, which included:

- R30-million intended for bulk water supply, the planning of regional facilities and masterplans as well as the construction of various regional reservoirs and pipelines.

Levy rates will not be raised this year

- R12-million intended for the implementation of major electricity projects in Nigel, Elandsriver, Springs, Vlakfontein, Brakpan and Boksburg.

- R53-million for waste water treatment and conveyance.

- R51 976 193 intended for planning and the development of various waste disposal sites and transfer stations, and the upgrading of existing waste disposal sites within the region.

- R27 398 093 intended for the

acquisition of suitable land and the construction of regional cemeteries and crematoria facilities.

- R33 974 828 to be spent on land use and transport planning.

- R16 654 116 set aside for implementation of RDP programmes, especially in the rural areas.

Ramahuta said another R212-million had been allocated for projects identified by the individual local bodies, of which R57,3-million would be spent in the rural areas for social upliftment.

He said liaison with the public transport industry would be maintained to investigate the feasibility of creating a metropolitan transport authority.

The metropolitan transport authority functions would be the preparation of tendered contracts on designated routes, overseeing education and training in the taxi and bus industries as well as dispute resolution among taxi operators and associations.

"We are facing a huge backlog in both rural and urban areas," Ramahuta said, adding that the council will have to be "innovative and enterprising in creating opportunities to serve communities with the limited resources at its disposal".

Jeays p.ague new projects

(297) ARG 25/5/96

MXOLISIMGXASHE

Staff Reporter

PEOPLE without the necessary technical skills are a major problem, causing delays in the construction of projects and the creation of thousands of new jobs, according to the Cape managing director of a leading property development company.

David De Freitas, head of Stocks and Stocks, said the system as it worked now gave too much say to formerly marginalised communities in the construction of business projects.

and this was open to manipulation and corruption. Mr De Freitas said whenever Stocks and Stocks and other property development companies tried to involve the communities in the vicinity of the proposed development projects, they encountered some problems and claims that tended to delay construction.

He said his company, for

■ A new breed of "manipulators" is enriching itself at the expense of the communities it claims to represent in development negotiations, says one community organiser.

instance had wanted to put up a corporate office building in Claremont, but the project was delayed for years because of the most vociferous objections" raised by people living in the area.

The other case Mr De Freitas cited was also an office development project, this time in Constantia. People who were not living in the area, but lived 10 to 12 kilometres away, raised very strong objections.

"There is a general belief that once people get into Constantia, for instance, they generally object to any development project and would want to keep the area completely green.

"Cape Town is in great demand all over the country, Africa, and all over the world because of its potential business capacity and other natural endowments.

"Everybody wants to buy here. This is going to continue for years to come, and we need to get our act together and release the property development industry from all these constraints," Mr De Freitas said.

Right now, Stocks and Stocks is constructing a R100 million shopping complex around the Cape Town post office which is going to improve the surroundings of Parliament and Darling streets with great benefits to the hawkers and the flower sellers vending in this area.

"It took us six months of negotiations with the hawkers who thought we wanted to eliminate them from trading in the area. But when we told them they were to go to benefit from the much bigger clientele that would be shopping in this



Pictures ROY WIGLEY, Staff Photographer

NO PROBLEM: Zolisa Jokana, left, and two of her hawker neighbours, Maurice Engel and Latiefa Adams, who have no problem with the new shopping complex.

new complex they understood." Mr de Freitas said.

A community organiser and consultant, Nonhlanhla Mkwana, who has been involved in negotiations with the hawkers does not, however, agree with Mr De Freitas view that the problems encountered were because of the new participatory democracy the historically marginalised communities were now enjoying.

"The problem does not lie with the participation of all the

stakeholders, including the communities, but with a few people who have suddenly discovered that the new democracy gave them powers they did not have - to manipulate the system and enrich themselves.

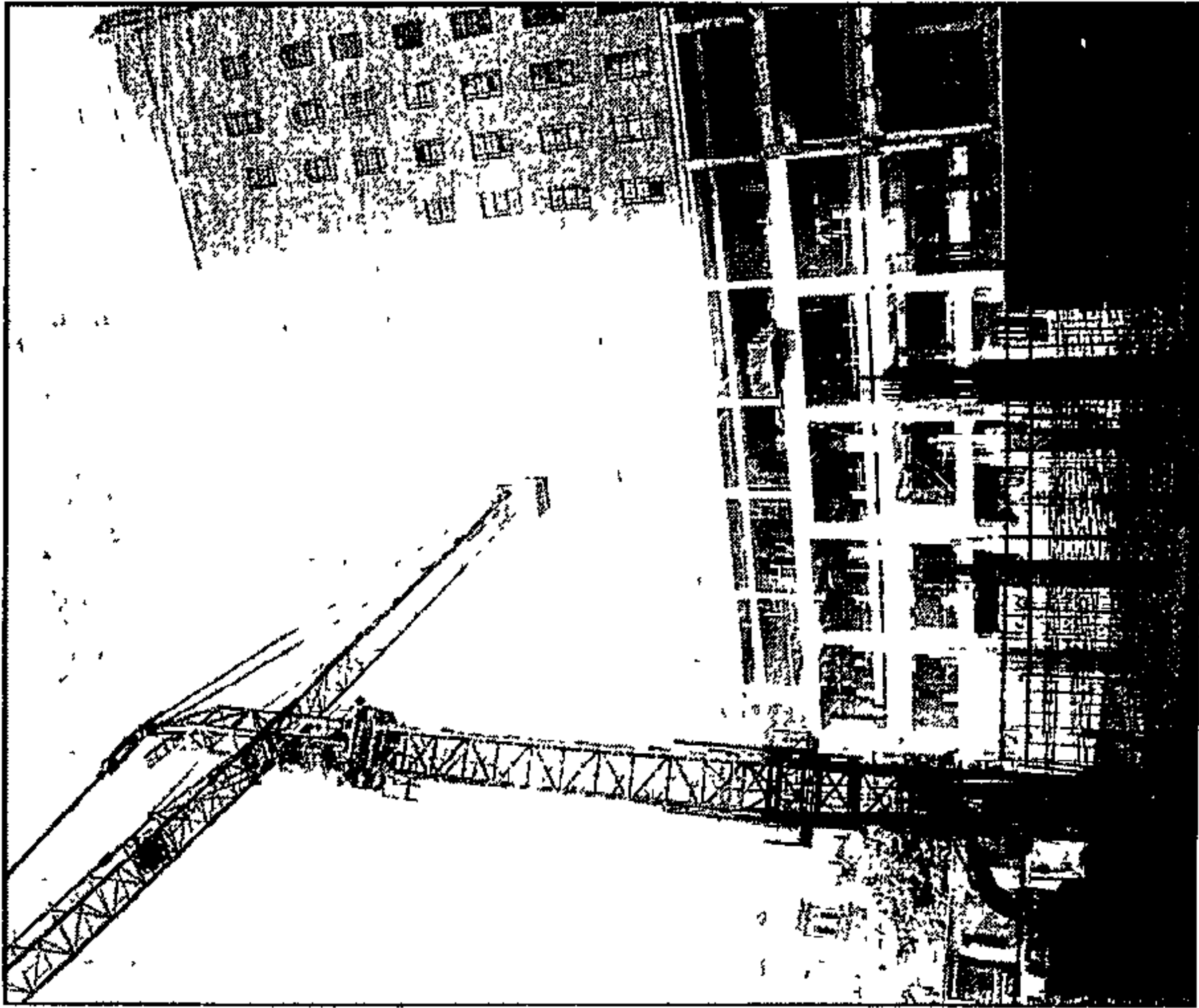
"These manipulators. I choose to call them are a new class of oppressor that has just emerged from the formerly oppressed people. It's a development that has manifested itself in several facets in the country," Ms Mkwana said.

"The bad elements must be stripped of power and where necessary communication should be directly with the communities, rather than through middle persons who posed in some cases as the legitimate representatives of the people." Ms Mkwana observed.

It had emerged from a meeting held on Thursday night between representatives of Stocks and Stocks, the individual hawkers around the gener-

al post office and a group of hawkers calling themselves the Cape Town Traders Association, that the average hawker had not been aware of the negotiations.

The traders association, Ms Mkwana said, had not been negotiating for everybody, but only for itself. That was going to come to an end now that the individual hawkers, who did not seem to have a problem with the R100-million complex will be involved.



MASSIVE DEVELOPMENT: Part of the new R100 million shopping complex around the general post office in Cape Town.

Baralink project a job and housing provider

Mduduzi ka Harvey

THE Baralink Development Framework, aimed at attracting investment to the south of Johannesburg and at connecting Soweto to the CBD, was expected to create 80 000 new jobs and provide 35 000 houses in the next 25 years, the city council's strategic executive for metropolitan planning, urbanisation and environment Tshepiso Mashinini said.

The project forms part of a larger R8,7m four cities RDP initiative to develop the Wetton-Lansdowne road corridor in Cape Town, the Mabopane-Pretoria-Centurion corridor in Pretoria and the Warwick Avenue Development node in Durban.

Mashinini said R4,2m had been allocated from these funds for Gauteng last year and through a process of intensive community involvement a set of guiding principles, images and policy suggestions had been made for a development vision for the area.

Outstanding issues which were expected to be finalised in the next 12 months included bulk service infrastructure capacity, the establishment of transport and rail networks, an environmental and socioeconomic impact

assessment and the formulation of a development plan.

In addition funding for capital expenditure would also be lobbied for at national, provincial and local government level for the implementation of the project and the private sector would be asked to invest.

City council management committee planning, urbanisation and environment chairman Lindsay Bremner said the framework would set out at empowering communities by restructuring the urban form and integrating various land uses, so that jobs and social facilities were accessible within five minutes walking distance of where people lived and those without access to private transport could experience true city life.

Although time frames for the studies would vary, it was expected they would be completed within one year. In order to expedite the process, a structure consisting of a co-ordination committee, made up of councillors from the metropolitan council and the Soweto and Randburg councils, a development forum consisting of a range of community leaders and a technical task team to initiate and co-ordinate technical investigative studies, would be set up.

RD 28/5/96

City of Johannesburg

Gauteng Development Agency launched

Nomavenda Mathiane

THE Gauteng Development Agency, a section 21 company launched by the Gauteng government, would not duplicate services because it was a mechanism to ensure government economic policies were im-

plemented, Gauteng finance MEC Jabu Moleketi said yesterday.

Moleketi said the company would strategise and co-ordinate industrial development in the province, while interacting with national government.

R2m has been set

aside to kick-start the agency, which will then need funds from the public sector.

The agency will run autonomously, with an independent board of directors and a CE.

It will link foreign investors with local business entrepreneurs.

BD 29/5/96

Illegal aliens 'fuel crime rate'

CT 29/5/96 (225/31)

CRIME WRITER

THE ANC has called for the immediate redeployment of police members to South Africa's borders after a report that the lack of adequate border control is a major contributor to the staggering crime rate.

Police have told the safety and security portfolio committee that illegal immigrants are involved in about 14% of all serious crimes. There are an estimated 5,5 million illegal immigrants in this country.

Last year less than three percent of these were traced and repatriated, divisional commissioner Daan le Roux told the committee. Police are currently deployed at only two out of 350 registered airports.

Firearms, illicit drugs and hijacked cars are being smuggled across the borders with alarming ease, he said.

South African industries, including the textile and electronics industries, were suffering because of the illegal importing of grey products.

"Businessmen talk openly of how they are bringing in goods and being able to make a 'killing' on the market."

The ANC said it was deeply concerned by the "arbitrary" way personnel were withdrawn from border policing after the unbanning of organisations in 1990.

"We call for ... the immediate redeployment of sufficient personnel to protect the borders.

"We know that the moratorium on recruitment has implications for deployment of personnel, but there must be a reprioritisation of tasks."

Border policing is expected to be discussed at a sub-committee meeting soon.

State plan to improve women's health

(297) CT 29/5/96

WOMEN around the world yesterday remembered women who had died during childbirth and from other women's health problems, as part of the Day of Action for Women's Health.

Welfare Minister-designate Geraldine Fraser-Moleketi announced the government had embarked on a wide range of

programmes to improve women's lives.

They focus on building self-esteem, providing education and employment, preventing violence and promoting secure family and community life. She also congratulated the Women's Health Project on the launch of the South African Women's Health Book. — Health Writer

R42-m for Ubuntu projects

(297)

By Khangale Makhado

THE National Ubuntu Welfare and Development Trust last night distributed a whopping R42 million to member groups aimed at uplifting non-governmental and community-based organisations.

Ubuntu, formed in July last year, is funded from proceeds generated by South Africa's biggest scratchcard operation run by the lottery operator, Games Africa.

It was all smiles at the Carlton Hotel in Johannesburg as member organisations of Ubuntu, the Ithuba Trust, Kagiso Trust and Viva Trust each received more than R10,7 million, while the National Sports Congress and World Wildlife Foundation South Africa received cheques for R1 697 086 and R754 260 respectively.

In his keynote address Deputy President Thabo Mbeki said the most serious challenge was to attend to the question empowering the people, something which Ubuntu was trying to do.

"Let us ensure that the masses not only become beneficiaries but become agents of change as well.

This should not be a hand-out exercise but we should ensure that the masses get out of the dependency syndrome," said Mbeki.



DANCE OF DELIGHT: Traditional healers from Site C in Khayelitsha perform a dance at the launch of the township's Market Project.

Boost for 'pavement' market

ANDREA BOTHA
Staff Reporter

KHAYELITSHA'S community market is to have an R810 000 facelift.

The Khayelitsha Market Project was launched last week by the Western Cape Minister for Public Works, Leonard Ramatlakane, outgoing Khayelitsha mayor Vuyani Ngcuka and community members.

The project involves the con-

Khayelitsha to get 60 lock-up stalls
AKG 30/5/96 (297)

struction of 60 lock-up stalls and a formal infrastructure for the market, now run from shacks and makeshift stalls on the pavement in Site C

In his speech, Mr Ramatlakane said the key objective of the project was to empower the community.

"People speak about empowerment all the time. But what

do they mean by it?"

He emphasised that communities should be directly involved in the decisions that affect them, and be part of the upliftment process

Mark Greyling, from the community-based public works programme, said a special part of the project was the income that would be generated by hiring

out the stalls after completion of the project.

"That means the money will stay in the community"

The project will also provide employment for 50 people during the 132-day construction period.

Mr Greyling said the Khayelitsha Community Market project was one of 21 projects approved in principle for funding through the Public Works Department.

THE future of non-governmental organisations (NGOs) in SA and the present controversy which surrounds them is not a simple debate. Most attention has focused on two areas of concern — the so-called "funding crisis" and a proposed Bill on the non-profit sector — both very important issues but which need to be placed within a wider context.

□ What do we mean by the term NGO in SA?

Is it really possible to generalise across a sector said to span about 54 000 different organisations? Are we sure that the issues that face a stamp collectors' organisation or a vintage car club or Operation Hunger or the Bekkersdal civic or the SA Institute of Race Relations can all be generalised usefully under the heading NGO?

□ What role can and should development NGOs play, now that SA is a democratic state?

The international experience is interesting. In Latin America, municipal governments faced by a nearly overwhelming fiscal crisis have formed collaborative ventures with NGOs in the hope of emulating NGO flexibility, innovation, client responsiveness and pragmatic effectiveness.

In Colombia, for example, NGO-municipal collaboration has become routine in local planning, primary health care, housing, garbage collection and recycling, micro enterprise promotion, day care and urban transport. The problems of state services in advanced industrial countries have led increasingly to the reliance by government on contracted non-profit service provision.

It has been estimated that in the US states of New York and Massachusetts there are more people in the non-profit sector providing social services than there are in the government sector.

There are important consequences that follow from a closer state-NGO relationship, and these too will need to become a critical part of the SA debate.

How to protect NGOs from the fatal embrace of government regulation? When NGOs enter a relationship with the state they immediately

Non-governmental organisations need to be empowered

ANN BERNSTEIN

BA 2/5/16

ly become subject to government rules, accounting procedures, safety regulations and so on. In the process the NGO changes and in time many of them become government agencies, albeit under another name.

□ How should the new SA democracy ensure the best possible enabling environment for a strong and vibrant NGO sector?

What policies, programmes and attitudes are required?

□ Does SA really need a new legal framework for NGOs?

It might very well be the case that certain legislation or clauses in existing laws should be repealed or amended, but this is a different matter from advocating an entirely new legal framework. Why does SA need a non-profit organisation Bill and why should it include more government control?

The onus of proof in this matter rests on those advocating such a new framework.

In the justified furore over the outrageous provisions in the proposed draft Bill, the drafters have asserted their commitment to NGO independence and a process of transparency and consultation.

The test of this — now that they have conceded that it "was clearly a foolish and naive decision to release the draft Bill for debate" — is how they will proceed from here. Vigilance will be required.

□ Should there be a voluntary NGO

co-ordinating council? If so, what should its role be? How will it effectively represent the tens of thousands of diverse NGOs in SA?

Why has government indicated it wants the NGO sector to speak with one voice? Is this what NGOs themselves want? Is it really possible to do this or is it a way for a small (well-connected) group to speak on behalf of the majority? How can such a co-ordinating council prove that it is not self-appointed, speaking on behalf of all NGOs when it represents only a small number, and not just carrying favour for its members with government? Is government really comfortable with an energetic and independent NGO sector?

Perhaps it might be better to think about different groupings within the non-profit sector (welfare NGOs, community-based organisations, human rights NGOs) which could cluster together if they wished, to form effective and efficient lobbies for their particular interests into government?

□ What is the role of the democratic state in funding NGOs, if any?

On the one hand we see the emergence of what will be a growing and healthy trend: NGOs in service sectors developing a contract relationship with a government department to provide services. These NGOs

will start to change as they expand in this new role and deal with the consequences of this new relationship which could affect their independence or innovativeness.

On the other hand, we see the recent government donation of R50m to the transitional National Development Agency which is to use this money to assist NGOs.

How are we to match this paltry sum with government's repeated statements of support for the NGO sector? In a context where government is unable to spend all the money budgeted for development, and when there is underutilised delivery capacity within the NGO sector, it is hard to understand this short-sighted response by the state.

Or does this indicate a lack of confidence by the state in this particular vehicle for disbursing funds? If so, then why give them any money at all? Why not set up a totally new independent body to decide on how public money for the NGO sector should be spent?

NGOs should relentlessly push government for an explanation of this contradictory approach towards the non-profit sector.

SA 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's innovation, pluralism, diversity and robust individualism.

The existence of NGOs provides citizens with protective mechanisms and mediating institutions against the most powerful institution in modern society: the state. NGOs provide a buffer between individuals, the powerful state and other large institutions that tend to dominate public life.

Through their existence and role in articulating the demands and needs of groups of citizens NGOs play an important role in revealing diversity and encouraging greater flexibility and pluralism in the political arena. NGOs can also function as "schools for democracy".

NGOs are mechanisms whereby a society can tackle difficult and seemingly insoluble social problems; test new ways of meeting needs without putting the whole system at risk, and reach into communities neglected or ill-understood in the larger mosaic of society.

NGOs are a way of making social services more effective by facilitating a separation of the guardian role of the state from the role of direct provider of services.

Some words of caution about NGOs. They are a component of the broader concept of civil society, not synonymous with it. NGOs cannot speak on behalf of "society as a whole" or "the community". They can only speak on behalf of their own members.

Their leadership is not elected by all citizens and therefore they do not have the right to "interfere with the centrality of democratically elected officials of government".

There is a big difference between what might work in a small project in a particular community or area (a "micro-experiment") and funding an approach that deals with large scale national poverty and social need across a large and diverse country.

NGOs are an expression of the values and real needs of people in our society. They are for the most part the "people-sized institutions". Public policy in SA should recognise, respect and, where possible, empower these institutions.

□ Bernstein is the executive director of the Centre for Development and Enterprise.

Telkom's grand RDP plans hit by shortage of cash

ST (ST) 2/6/96

(297) (297)

By SVEN LUNSCHÉ

TELKOM management has warned that without an equity partner it cannot proceed with its ambitious project to provide 4-million new telephone lines to the country's poor.

"There is simply no alternative. We need to receive substantial investments in Telkom or there will be no Vision 2000," says Brian Clark, managing director of Telkom.

Vision 2000, which is aimed at providing 4-million new telephone lines in underserved areas by the end of the decade, is one of the government's most-ambitious RDP projects and could cost about R32-billion in current terms.

Dr Clark indicated that the cost of the project had increased by about 20% since the depreciation of the rand in February.

The government is frantically trying to bring the trade unions on board to back partial privatisation of Telkom. An announcement is expected later this month.

Dr Clark is confident that Jay Naidoo, Minister of Posts and Telecommunications, will make good headway in negotiations with unions, which represent just over half of Telkom's staff. Mr Naidoo has previously stressed the need for an injection of capital, technology and management into Telkom.

Unions' demands for members on Telkom's board are likely to be met — a development welcomed by Dr Clark — ensuring their full participation in the selection of potential equity partners.

Selling 25% to 30% of Telkom could raise in excess of R5-billion, estimates Dr Clark. These funds are essential considering Telkom has few other options for paying future contractors working on Vision 2000.

The effect of its current cash shortage is clearly illustrated in the bidding process for the first phase of Vision 2000, the R6-billion project to provide 1-million lines.

Initially all bidders were asked to submit financial as well as technical proposals. In April, five shortlisted consortia submitted more technical

details but not financial plans.

"We realised that none of their financial proposals, which included loan financing, would be feasible given our debt position of R8,4-billion," says Hannes Steyn, managing executive, networks and technology. "We need an injection of new capital."

The proposals, amounting to over 30 000 pages, are currently being evaluated by 70 Telkom engineers.

Under its present financial condition, particularly with interest-bearing debt in excess of R8-billion,



BRIAN CLARK

Telkom could finance at most 180 000 new lines a year at a cost of about R2,5-billion. Vision 2000 will double the existing number of telephones.

Telkom's search for an international partner started out promisingly when the government announced its partial privatisation in December. Since then, under strong trade union pressure, the government has delayed and revisited its programme.

"Whether we are going ahead is a political decision and not a company one," says Dr Clark, stating that if everything had gone to plan Telkom would be "at an advanced stage of transaction".

Goldman Sachs, the US merchant

bank appointed to lead the issue, has proceeded with its evaluation of potential equity partners, including AT&T, Deutsche Telekom, Nippon Telecoms, Bell Atlantic and SBC.

Nevertheless, the delays have cost Telkom dearly. Dr Steyn estimates that the cost of the 1-million line project has increased by 20% since the rand's decline in mid-February.

This is because at least half of all equipment for the telecoms network has to be imported.

Telkom therefore insists that the five 1-million line bidders improve their local content as far as possible without incurring cost penalties.

Another victim of the delay has been the company's move to shed non-core businesses that are not part of their telecoms function, such as restaurants and security.

About 14 000 people would be affected by such a move, but retrenchments would be avoided at all costs, Dr Clark stresses. In fact out-sourcing was seen as an alternative to retrenchments.

In the five to six years it will take to complete Vision 2000 Telkom has been exempt from meaningful competition in the telecoms market, according to a draft law currently lodged with Cabinet.

In terms of the draft legislation Telkom will face competition in its metropolitan, national and international networks after only five or six years of the passage of the act.

"Nevertheless within those five years we will have to build 4-million lines as well as prepare for competition. It is going to be tough and we had hoped for a longer period of exclusivity," admits Pinky Moholi, group executive, regulatory affairs.

Telkom will, however, not lobby Parliament for those changes, arguing that the Bill itself was widely debated and already reflected industry consensus.

"If we had to open up our market immediately, costs of international calls would have dropped, but costs of local calls would have risen substantially," said Ms Moholi.

Welfare plans should help most needy

By PRISCILLA SINGH

The draft White Paper for Social Welfare holds great promise for the improvement of benefits and after months of deliberation, submissions and investigation, the end product is a blueprint already being widely acclaimed.

For the first time people from all backgrounds were invited to make submissions to the Department of Welfare according to the needs in their community and the White Paper has been drawn up with the full participation of stakeholders in the welfare field.

It is a negotiated policy framework and strategy, and the identified principles, guidelines and recommendations for the different policies and programmes will be implemented progressively through a five-year plan of action.

Director-general Dr Leila Patel praised the efforts of individuals and bodies who have contributed towards the compilation of the White Paper and has assured stakeholders that the final plan would be strictly adhered to.

The declining state of South African social welfare has been directly attributed to the poor economic growth over the past two decades, resulting in a decrease in per capita income per family unit.

This in turn led to increasing poverty and pressure on the welfare system to meet basic human needs as individuals and families became vulnerable.

The paper also highlights the extreme inequality in the distribution of income among racial groups and households.

Studies show that the poorest 40% of households in the country earn less than 6% of the total national income, while the richest 10% earn more than half of the national income.

As shocking as this may seem, it is a reality that in our society, as elsewhere,



Assurances... Dr Leila Patel, director-general of Department of Welfare.

great poverty exists alongside great wealth.

Furthermore, about a third (35.2%) of all South African households, some 18-million people, are living in poverty.

Large-scale unemployment also features high on the social welfare agenda and is one of the highest paying departments, handing out maintenance and social support grants.

The paper, during the five-year period, also suggests making land and social services more accessible to communities. These include education, health, housing and infrastructural services such as water, sanitation and electricity.

Critical problems within the welfare system have also been identified in the draft which covers long-standing issues

such as a lack of national consensus, disparities, fragmentation, participation, inappropriate approaches, lack of substantial financing, lack of enabling environment and partnership with non-government organisations.

Comprehensive programmes and services will be promoted in communities. Community development strategies will address basic material, physical and psycho-social needs.

A national programme of action for South African families, youth and children will be developed in partnership with stakeholders and will provide a comprehensive framework for policy, planning, legislation and social programmes.

Programmes for the elderly have also been designed to enable them to live an active, healthy and independent life for as long as possible.

The focus of this will be on social security, addressing the need for affordable accommodation. Community care options will also be promoted.

The paper stressed that the Government has the responsibility to provide for the needs of disadvantaged, destitute and frail elderly persons, and that racial inequity in the delivery of services will be "terminated immediately".

On the policy of legislation, the Ministry of Welfare and Population Development is directly responsible for its execution and administration.

The welfare sector is also directly influenced by acts administered by other ministries, and which contain specific clauses on services performed by personnel in the welfare sector.

The new legislation is affected by current uncertainties over the division of na-

A third of our people - 18 million - are living in poverty

tional and provincial powers, and in drawing up the document it was unanimously decided that uniformity should prevail, unlike in the past when the fragmentation and the lack of consultation with stakeholders reigned supreme.

The Department of Welfare presently administers 15 welfare acts, 10 of which will either be assigned to the provinces or repealed by the commencement of the Social Assistance Act.

The remaining five acts - the Fundraising Act, the Social Work Act, the Child Care Act, the Probation Services Act, and the Prevention and Treatment of Drug Dependency Act - will remain national.

A comprehensive National Welfare Act, a new Fundraising Act and a new Prevention and Treatment of Drug Dependency Act will be in place by the end of 1997.

Another undertaking of the draft white paper is to build a sustainable and equitable financing system and plans are already underway with the restructuring of the social security system.

Linking the needs of social security to the RDP is part of the strategy for financial upliftment.

Apart from the aforementioned subjects, the white paper covers issues affecting family, children, youth, the elderly, the disabled, child abuse and neglect, street children, child labour, women, substance abuse, nutrition and the burgeoning threat of HIV/Aids.

The White Paper has undertaken many challenges and disparities inherited from the past political era, but the promise from the department is to deliver, deliver, deliver!

R3,5-m theft of NGO funds, alleged

By ANNA COX

(297) *Star 3/6/96*
An urgent call has been made by Gauteng Province MPL Jack Bloom for answers regarding the alleged theft of R3,5-million of feeding money destined for non-governmental organisations from the Department of Health.

Bloom said most welfare organisations in Gauteng had suspended feed-

ing schemes for two months – April and May – because of failure by the department to send them their cheques.

"It is appalling that people have gone hungry for two months and have been left in the dark about the real reason. I am appealing to the MEC for Health to urgently investigate this matter and give the public some answers. The public,

the recipients and the NGOs are entitled to know what is happening.

"If there has been fraud or theft the department should lay criminal charges against the individuals responsible."

Questions sent to the Gauteng Department of Health by The Star 10 days ago regarding the matter have remained unanswered.

Funding ended to development bodies

Robyn Chalmers

GOVERNMENT has issued a framework for restructuring provincial development corporations to all provincial governments, saying there will be no further fiscal transfers to prop up struggling institutions.

Finance ministry sources said yesterday initial studies had shown that most of SA's estimated 150 provincial development finance corporations would have to be completely restructured or closed down.

A recent study of 17 such organisations showed only the Free State Economic Development Corporation had an operating surplus. The others had medium to large operating shortfalls.

The study said provincial corporations were generally financially vulnerable, dependent on continuous fiscal transfers, and their overall finan-

cial management was not sustainable.

The framework stated that resources for development must come from provincial government funding, development finance and the private sector, while provincial corporations should not undermine the capital market through pricing distortions.

Finance ministry adviser and University of Cape Town economics professor Iraj Abedian said decisions to be taken on provincial corporations had been handed to provincial governments. No further transfers from the national budget would be made.

"The process is being located closer to the provinces, so that if a provincial corporation undertakes a programme which is in line with provincial government priorities, this can be monitored at provincial level," he said.

Continued on Page 2

Funding (297)

Continued from Page 1

Abedian said it was too early to ascertain the financial state of individual corporations, which was a function of the relevant provincial ministers overseeing the process.

John Dlodlu reports that restructuring of some corporations is taking place. Free State Development Corporation chairman Junior Putloane said the organisation would be guided by four main principles. It had to be self-funding; lean (it would shed about 130 of its 238 staff over two years); focused on small and medium-sized enterprises; and should bolster the province's job-creation initiatives. It was planning to cut recurrent expenses to 35%

(from 54%) of total expenditure.

The Mpumalanga Development Corporation announced this week it would restructure to play a greater role in the RDP. It had embarked on a drive to hire general managers for training, small business development, human resources, housing and agriculture.

Abedian said the restructuring had to be seen in the light of the revamp of national development finance institutions such as the Development Bank of Southern Africa and the Industrial Development Corporation.

The sources said SA's development finance system was fragmented, lacked policy co-ordination and the focus was exposed to undue risk as a result. Innovative partnerships between government and the private sector were being forged to mobilise development finance.

Regional economic development 'vital for SA'

South Africa's regional industrial policy - and specifically the Regional Industrial Development Programme (RIDP) - is being re-evaluated through the Japanese Grant Fund

The RIDP consists of a series of incentives to industry in urban, underdeveloped areas. According to the Trade and

Industry Chamber's report, the investigation includes an assessment of provincial government legislative powers, capacities and requirements with regard to industrial development, an account of national support measures for manufacturing, and an account of comparative regional industrial development policy.

The South African group, comprising the investigation comprises business, labour and government, as well as representatives from the country's nine provinces.

The RIDP study complements other policy initiatives on industrial development, most notably supply-side measures and an investigation being co-ordinated by the

Industrial Development Corporation into regional industrial location strategy. The RIDP investigation is scheduled for completion by mid-1996.

Nedlac's trade and industry chamber has identified the economic development of the southern African region as critical to economic growth in South Africa

It has argued for greater participation by the social partners in the policy process of the Southern African Development Community and the Southern African Customs Union

A work programme to address this areas is to be developed after a special discussion session on the region to be held soon

Squabble over development

MHG (1991) 31/5-6/6/96 (297)

The repartee is becoming heated in the Western Cape as political parties clash over development planning
Aspasia Karras reports

DEVELOPMENT planning in the Western Cape is being hampered by party politics. The adoption of a Provincial Development Council Bill this month, and the debate that preceded it, have set the tone for future sparring between the National Party and the African National Congress.

Commentators argue that the NP's understanding of development planning is the degree to which it can extend patronage and thereby consolidate its own position.

Minister for Economic Affairs and the Reconstruction and Development Programme, Chris Nissen (one of four ANC MECs), says: "They make a noise about bringing government closer to

the people and when we take measures to put that objective into effect, they are the first to oppose them."

The Provincial Development Council Bill is an attempt to consolidate two structures that previously tried to facilitate development planning in the province — the Western Cape Development Forum, which brought business, labour and community organisations together in 1990 to address economic development, and the Regional Advisory Development Council, the advisory structure of the previous dispensation.

Clearly a substantial handicap to the government's potential to deliver has been the complex and messy division of power, and the rationalisation of inherited institutions. The Provincial Development Council (PDC) is a case in point.

In all other provinces, excluding KwaZulu-Natal, interpreting the Development Facilitation Act has been relatively simple, while in the Western Cape it meant reconciling the old guard — represented by Minister of

Development Planning Lantje Ficks's Department of Agriculture and Development Planning — with the RDP in Nissen's brief. And all the while juggling with the fact that RDP forums were sprouting spontaneously in communities and challenging government initiatives on the basis of inclusivity in decision-making.

Lucky Montana of the Department of Economic Affairs and RDP explains: "The pressure from more than 180 RDP forums, without a coherent institutional framework, led to the creation of an Interim Management Committee for the proposed PDC at a provincial RDP summit, which was empowered to develop enabling legislation and a draft constitution."

The chair of the Interim Management Committee, Adrien Sayers, a Cosatu representative, explains the province's hesitation to adopt the recommendations of the Development Facilitation Act.

"It is not an attempt to circumvent national legislation, but its implementation in the province needed to be dis-

cussed. The Act concentrates on the question of land and development. We envision a much broader, intersectoral definition of development planning. The history of the debate is not so much rooted in the provincial administration but rather in people looking for a structured framework, based on the RDP White Paper around consultative structures."

But, says a Gauteng official: "It is pure party politics, a fight for political autonomy."

The debate has concentrated on four areas of crucial difference in the Bill. Cameron Dugmore, an ANC member of the Provincial Legislature, says: "Our point of view has been that although the NP has adopted 'development speak', they do not know what development planning really means and the original Bill proposed reflects this."

The first important concern was the failure of the proposed Bill to integrate or even mention the RDP forums, which meant essentially that it was marginalising the community. Second, the Bill attempted to recreate the advi-



Chris Nissen: 'The NP is the first to oppose measures to bring government closer to the people'

PHOTOGRAPH ANDREW MOHAMMED

sory councils of the past, as it made no provision for government participation.

Says Montana: "This is completely inconsistent with the new ideas of governance, and the need for partnership between government and civil society to deal with the economic and developmental needs of the province."

"The NP argued that they are elected officials and therefore cannot advise themselves. But the council is not advisory, rather it is a mechanism for co-ordinated planning."

A further debate emerged relating to the new council's constitution. The proposed Bill suggested that the government must approve it before it was adopted. Montana elaborates. "This was clearly problematic, where is the consultation in that? How then do we engage with the stakeholder?"

The constitution will be presented at the inaugural meeting of the council and stakeholders are invited to comment on the draft. After it is adopted by the meeting, it will be submitted to the premier for approval.

Finally, on the controversial issue of stakeholder participation, the compromise position allows for representatives to be nominated from the various stakeholder organisations, who will then form part of the three tier organisation — local development councils, related to wards, regional development councils, divided into eight potential regions, and finally the provincial council.

This addresses many of the non-governmental organisation and environmental lobby positions, which have argued that there is too much business representation at the interim structures.

In an attempt to allay fears about current measures for decision-making, business representative on the Interim Management Council, Herman Hirsch, says. "No decisions on planning will be made until such time as the constitution is adopted."

The local government elections are a leverage point in the debate, and present an opportunity for further polarisation. Says Dugmore: "The NP tried to usurp control of development planning, which they understand simply as physical, spatial planning in the style of the Land Use Ordinance, whereas the heart of the debate is the overall economic growth and development of the province, which the premier's vision does not articulate."

"When the Nats refused to back down, we went out and mobilised. We have put huge pressure on them to ensure that the council will be broadly representative, inclusive, and will consult and then co-ordinate the economic and societal needs of the province, like the National Economic Development and Labour Council, through its mediation on needs and priorities."

Nissen is categorical: "It was not an accident that those who conceptualised the original Bill tried to root it in the old apartheid laws. There was no reference to the RDP, which should constitute the basis of the PDC itself. The ANC will not allow the NP to impose its own kind of development in the province."

CT (BR) 6/6/96
Bank needs to boost capital base

DBSA seeks (297) better rate on homeland debt

By Christo Volschenk

ECONOMICS EDITOR

Cape Town — The Development Bank of Southern Africa is negotiating with the government to refinance the R3,1 billion of former homeland debt on its books at higher interest rates, to help strengthen its capital base.

Almost half the total loan book of the bank is involved in the negotiations, the outcome of which will affect the bank's credit rating, said Div Botha, the bank's senior general manager.

The average interest rate on the debt is about 8 percent. Commercial banks' prime rate is 19,25 percent at present.

The bank gave the long-term loans to the homelands for infrastructure projects at concessionary interest rates.

The government's total service payments (interest and capital) on the R3,1 billion at those rates will be about R350 million annually for the next 10 years. If it agrees to refinance the final amount of the debt at higher rates, its annual service payments will be far higher.

The government indicated in the Budget that it would take over R2,9 billion of long-term debt the former homelands owed the bank.

Further disbursements by the bank to projects in progress have since pushed the debt to about R3,1 billion and will push it even higher next year.

Once the projects have been

completed and all disbursements have been made, the government will take the final figure on to its books, Botha said.

He said that negotiations between the government and the bank were "on-going and fruitful".

The bank was hopeful that some kind of agreement could be reached on the refinancing of its loan book in the next three months, Botha said.

The government recently decided that the bank would have to become financially independent. It also decided that it would stop guaranteeing the debt of public sector institutions.

The bank said in a report last year that about half the assets it funded now fell under the jurisdiction of the national government, while the rest fell under the jurisdiction of provincial governments.

Since it was seen as impractical and politically problematic to call upon provincial governments to repay debt incurred by homeland governments, it was decided that government should take over all the loans, the report said.

About R134 million of the debt involved in the negotiations was used to finance airports and national roads, and R509 million for national water schemes.

Another R223 million was used to finance post and telecommunication networks.

A further R1,1 billion was used to finance district roads, which fell under the provincial governments.

Plan to streamline local development structures

Robyn Chalmers

THE National Economic Development and Labour Council's (Nedlac) development chamber will meet next week in a special session to thrash out a framework to streamline local development structures.

Participants in next Thursday's meeting will include organised local, provincial and national government, non-governmental organisations and community-based organisations.

Representatives from the Centre for Development and Enterprise, the Development Bank of Southern Africa and the Institute for African Alternatives will also be present.

Nedlac executive director Jayendra Naidoo said yesterday that tension and confusion had arisen between the community-based development structures and existing development committees.

These committees, such as water and sanitation as well as health committees, had been established at the request of various government departments over the past two years.

"There are a minimum of 27 community development forums in the

central Witwatersrand alone, with little co-ordination between them and the three tiers of governments. Clearly, it is desirable to streamline and co-ordinate development structures to speed up the implementation of programmes and projects," Naidoo said.

The key issues outlined in a proposed framework to be tabled next week include the form and role of community and local economic development forums, and the role of local authorities in development structures.

In September last year, Nedlac began work on formulating the proposed framework for the establishment of single and representative development structures at local levels. Naidoo said a draft framework document, formulated by the Nedlac secretariat with input from its key constituents, would be discussed at the special session and, if accepted, would be ratified by Nedlac's executive council.

It has been proposed that the development forums should represent a single disadvantaged community at local level and ensure that priorities in each community are not diluted by the priorities of the broader local area.

Minister-designate plans to put welfare of the people first



(297) Star 11/6/96

Courageous, argumentative and dedicated, Fraser-Moleketi promises to inject a bit of decency into an all but disgraced ministry, writes Gauteng Reporter Karin Schimke

The two-page document that is the curriculum vitae of the Welfare and Population Development Minister-designate is a bland read which does little justice to the indomitable personality of Geraldine Fraser-Moleketi.

Her relative youth, her tiny stature and the fact that she is a mother of three are details that could conspire to make her a sidelined entity in the Government, which to all intents and purposes is still the domain of men. But many an unsuspecting opponent has come under fire from this intense, argumentative woman who makes no bones about her intentions to inject a bit of decency into the all but disgraced Welfare portfolio.

"I wouldn't say welfare is vastly unpopular only because of the (fraud) problems. I think that the portfolio itself isn't necessarily treated appropriately as a priority by Government and one big challenge for me is going to be to reposition welfare in Government and in the country as a whole.

"Having said that, I think the appropriate tools are already in place to make that possible," she says.

The tools she means are the draft policy document on welfare which has been accepted by Parliament as a discussion document and which Fraser-Moleketi says will target major social programmes aimed especially at poverty alleviation.

The second is the creation of a chief directorate within the department of welfare which looks purely at social development in a holistic way, so as to involve and empower communities.

Finally, there is the work of the social security restructuring committee which will attempt to eliminate fraud by "putting in place more appropriate management systems and addressing personnel problems".

Fraser-Moleketi has a distinct advantage in her new appointment in that she has been the deputy minister of welfare and population development for about 18 months already.

She has been trying to tie up the strings on a task she has been involved with following her return from the Beijing conference on women which took place last

year.

The task is to set up an office on the status of women to ensure that "a gender perspective is integrated into all publicly funded policies and programmes".

The office is to be placed within the President's office to give it political clout.

Once she takes over her new duties on July 1, though, she will

istry will be looking at raising consciousness around women's issues ... particularly the issue of domestic violence.

"But there are other areas that Government falls short on. One is the fact that we don't have state-subsidised shelters for battered women and we don't have funding for them in the present welfare services budget."



Determined ... Geraldine Fraser-Moleketi intends to create a directorate within the Department of Welfare which looks at social development in a holistic way.

have little extra time for the project and she hopes to have the system in place by the end of this month.

She will not stop carrying the flag for women's rights in South Africa and indicates that her min-

istry has begun a flagship programme involving unemployed single mothers with children under five year, but again budget constraints are limiting and Fraser-Moleketi is concerned that ways be found to "beef up

the programmes".

Fraser-Moleketi speaks of the plight of women with compassion and tenderness that is in no way condescending or vaguely false.

She has the unwavering support of her husband, Jabu Moleketi, the Finance, Economic Affairs and Agriculture MEC for Gauteng.

They have been married for close on 14 years. They have three children. Nothando, who at 13 is the oldest, Themba (9) and Solomzi (4), who was born after the couple met up again in Soweto after years of exile during which they were often separated.

This aspect of the family history is probably what has best prepared it for the schizophrenic life Fraser-Moleketi leads as a member of a Government which functions in two cities.

Last year was spent trying to sort out the logistics of where the children should live, but it was decided to leave them in Johannesburg where they can be close to their father, who spends more nights at home than their mother.

But, difficulties notwithstanding, Fraser-Moleketi takes this in her stride. She tries to spend at least four nights a week at the family home in East Observatory.

"We're used to separations, you know. Just after Nothando was born, Jabu was sent away on an operation and I only saw him again months afterwards. We've spent much of our married life apart, but we make the best of it," she says.

To compensate for the stress of constant travel and separation, Fraser-Moleketi spends most of her free time with Jabu and the children.

"I'm not a socialite politician. I like being with the family, so apart from that and reading, I don't do many other things to relax."

She does enjoy mountain climbing and tries to do some during the sacred family holidays around Christmas times.

And when the going gets really tough?

"I go for long, long walks on the beach at The Strand to air my brain."

Fraser-Moleketi will officially become the Minister of Welfare and of Population Development on July 1.

Govt to cut more charity subsidies

OWN CORRESPONDENT

(297)

CT 11/6/96
PRETORIA: Government-subsidised charities can brace themselves for further cutbacks as the department of welfare forges ahead with its policy of spreading funding evenly.

Outgoing Minister of Welfare Patrick McKenzie says there will be cutbacks on the grants to charities mainly serving whites, in an attempt to address imbalances.

State-subsidised old-age homes recently had their grants cut by R50 million in an attempt to redress a situation where 80% of the state funding was going to whites.

A National Interim Consultative Committee on Developmental Social Services, established to look into the relationship between the government and private welfare bodies, was inaugurated yesterday.

Speaking at the inauguration, McKenzie said the new committee had been formed to replace the old South African Welfare Council, which was far less representative than the new.

To achieve equity and eliminate disparities, racial and regional differences in facilities needed to be attended to, McKenzie said.

His department would lobby for additional funding and tax exemptions on donations to charities. With the present budget there was no way they could achieve what they wanted, he said.

constitution, including religious and customary laws

In this transformation and rationalisation of laws, the department is looking towards the recognition of religious and customary marriages. [Time expired]

Mr A G EBRAHIM Madam Speaker, we are in a situation in which we have a democratic dispensation, and we are also evolving a culture of human rights

I believe that the hon the Minister will recognise that an untenable situation exists for Muslims in this country in that Islamic marriages are not legal in our legal system. At the same time, and for purposes best known to them, children born out of such Islamic wedlock are now regarded as legitimate. I am sure that the hon the Minister will agree with me that it is absurd when a marriage is perceived as illegitimate, but children born out of such a union are, for some reason, regarded as legitimate. It is also interesting to note that the State, for its own convenience, regards the marriage to be legitimate for tax purposes

Project 59 was set up during the era of P W Botha for a very specific purpose. We now believe that the system has changed, and therefore the aim should be to legitimise all the different marriages that are taking place in our country

It will be recalled that Muslims in this country have brought cases to the courts for arbitration, starting way back at the beginning of this century. There have been certain rulings, particularly the first ruling, *Seedat v Board of Executors*, as far back as 1917, which was arbitrary and discriminatory

We also heard, as far as women are concerned, a very discriminatory judgement passed in the case of *Ismael v Ismael* in 1948. So it is not only discrimination on the one hand, but also in terms of the rulings that have been given [Time expired.]

The MINISTER OF JUSTICE Madam Speaker and hon members, I want to express my appreciation to the two hon members who have just spoken. I believe that we share the view that the injustices of the past must be brought to an end.

The hon member Mr Solomon drew attention to the long history of struggle of Muslim people to win recognition for their marriages. The recognition of religious personal law is part of a broader question. I want to say that from our point of view,

as the Government, we are extremely mindful of the need to address those concerns, but we do so from the vantage point that all religious groups need to be recognised and that the religious practices, religious personal law and religious customs of all groups must be recognised.

The same applies to customary law. It is for that reason that the first step which we took at the time of the adoption of the interim Constitution was to include a provision in the Bill of Rights which would enable us to recognise religious personal law, including religious marriages

We have proceeded on the basis of that constitutional provision. I can give members the assurance that the Government is giving constant attention to this problem, and in the same way as the issue of illegitimate children has been addressed, the issue of Muslim marriages and other religious personal law will also be addressed as soon as possible.

Ms F HAJALI: Madam Speaker, I thank the Minister for his reply. However, I would like to put a request to the Minister. When the SA Law Commission investigates issues around Muslim personal law, we would like to request that there be a Muslim woman sitting on that panel as well, because the previous SA Law Commission, in their Project 59, had all males sitting on it. Since Muslim personal law especially affects Muslim women, I would sincerely ask the Minister to do so.

Just to reiterate something that the other two brothers have said, I do think that in terms of all traditional marriages, not only Muslim marriages—we need to look at all traditional marriages, including those in terms of Hindu law and Jewish law and African traditional marriages, and I see there is already something out in regard to Jewish law—we humbly ask the Minister to expedite the matter.

Mr G SOLOMON Madam Speaker, I am given great hope by the Minister's reply. I would like to tell the hon the Minister that I am now convinced that the Muslim community in South Africa, like any other religious or cultural community, can rest assured that the new constitution has the capacity to address their civil rights so that they might live their lives in the moral and ethical frameworks which they chose for themselves, and that the State does care about matters which are of concern to them as religious and cultural communities

The South African nation is a beautiful mosaic of different cultures which apartheid exploited to divide the nation. The new constitution uniquely accommodates these differences in such a way as to allow us to grow into a single nation. I am sure that all of us here, as South Africans and Africans, are members of different communities here, and I pose this question to the Minister in the spirit of the African tradition which holds that an individual owes a duty to the community to which she or he belongs. I thank the Minister for this and I hope that we will be able to get this going for the Muslim community

The MINISTER OF JUSTICE: Madam Speaker, very briefly, I think that all religious communities in our country are entitled to the kind of recognition to which the hon members have referred, and we will do everything in our power to ensure that the rights of all religious communities are respected.

Secondly, it is very important for all our religious communities to recognise that we are living in one country, that we form part of a single nation which we want to build and that we need to establish a climate of peace, security and happiness for all the people of our country. Therefore all our religious communities need to participate in a process of nation-building. In that respect we will enjoy the same rights as everyone else, but at the same time, within the framework of a single South Africa and the building of a single nation, the rights of all our religious communities must and will be recognised

Debate concluded

Reconstruction and Development Programme: progress

2. Mr R P MEYER asked the Minister of Finance *

Whether the Government has satisfied itself that sufficient progress is being made with the implementation of the Reconstruction and Development Programme, if not, why not; if so, what are the relevant details?

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The MINISTER OF FINANCE: Madam Speaker, hon members, the question relates to the implementation of the Reconstruction and Development Programme. The RDP cuts across virtually everything that the Government does, and is in the form of four programmes: meeting basic human needs, developing our human resources, promoting

ing growth in the economy and democratising the State and society

The question of its implementation is therefore linked to the overall progress that the Government is making at all tiers in regard to the fundamental transformation of society. I am sure that the hon interpellant, who looks a lot like somebody who was once the Minister for Provincial Affairs and Constitutional Development, will be familiar with this.

The notion that the RDP is a loose association of projects is, clearly, a nonstarter. So, whatever the Government is engaged in at the moment, for example the recent announcement of the National Crime Prevention Strategy, is part of the RDP because it impacts on the people's quality of life. The Batul programme, whose clear objective is to take agricultural technology to the disadvantaged communities, is part of this. The programme with regard to small, medium and micro enterprise development is also part of the RDP.

However, having said that, while recognising that much of the focus has been on the Presidential Lead Projects, which were designed to focus specific attention on particular departments and to take particular areas of work into particular communities, it is important to reflect on that as well. There, the objectives of job creation and skills development targeting the disadvantaged communities have all been part of our project assessment.

There were initial delays in ensuring proper planning, and consultation is very important in ensuring that the RDP is people-driven. The major problem in the Government was the absence of project management experience. I am saying that after those delays one now has a number of Presidential Lead Projects, such as the school nutrition programme, up and running.

The school nutrition programme provides 5 million children with 25% of their energy needs. Secondly, free health services are being provided through 600 hospitals for children under the age of six and pregnant mothers. Thirdly, there are 1 600 projects to extend and upgrade municipal services. Fourthly, there is the provision of water, sanitation projects that are up and running. There are also 14 special integrated presidential projects of urban renewal, which link infrastructure. [Time expired.]

Mr R P MEYER: Madam Speaker, let me first of

all say that I had actually asked Deputy President Mbeki this question, because according to the information I had he was identified as the driver of the RDP. Apparently, the matter was thereafter transferred to the hon the Minister of Finance. I have no problem in asking him this question, and wish to thank him for the answer.

However, the reason why I raised this question in the House is out of mutual concern. It is a matter of concern for all South Africans, because we all know that more than half of the people of South Africa live in poverty, earning less than R300 per month [Interjections.] They account for less than 10% of the total consumption. According to the statistics, unemployment among the Black population stands at approximately 40%. Sixty-one per cent of children in South Africa live below the breadline. Those are the concerns.

The hon the Minister has correctly indicated that the main priority of the RDP is to address the people's basic needs. The question is, what should we do? What is the Government doing to address this main problem? [Interjections.] Looking at the situation, we do not see the results. I can read to hon members what *The Economist* wrote on 6 April this year. I am sure the Minister knows about this.

The article says, *inter alia*, that the ANC plans to build 1 million houses over five years, provide water to 1 million people and electricity to 2.5 million people. It goes on to say that the closure of the RDP Office, unfortunately, amounts to an admission of failure.

The outcome of the RDP has been patchy at best. By the end of 1995 only 12 000 RDP houses had been built, which is 6% of the number the ANC promised for each year. The last apartheid government managed to build about four times as many houses in its final year. [Interjections.]

I would specifically like to ask the Minister of Finance, since he is responsible for managing RDP funds, what his plans with the RDP Fund are. Over the past two years we have seen that R5 billion in RDP funds had to be rolled over to the next year. What are his plans as far as the RDP Fund is concerned? Is he again going to allow another roll-over at the end of this financial year or will he ensure that all the money allocated in the Budget to the RDP will be spent during this financial year? That is what is important. [Interjections.] [Time expired.]

Mr K M ANDREW: Madam Speaker, I hope, in

relation to the last remark of the hon member Mr Meyer, that he does not advocate what his government did in the past and that was simply to throw money at problems even if they did not have a plan to solve them. [Interjections.]

There is a close and direct relationship between economic growth, development and fiscal discipline, and the RDP failed to give this relationship the recognition that it deserved. This first booklet that we got on the subject described the RDP as an integrated, coherent, socioeconomic policy framework. In actual fact it was not what it claimed to be, because this relationship that I have referred to between economic growth, development and fiscal discipline was never fully spelt out. Secondly, it was full of good intentions, but very thin on quantifying the costs involved. To call any programme coherent and integrated when one has not costed it is a meaningless exercise.

If the quality of life of the people in South Africa is to improve we have to have economic growth, job creation and a reduction in crime.

Mr M S MANIE: We all know that!

Mr K M ANDREW: The hon member Mr Manie says they know that. It is only a pity that they cannot do anything about it if they have known it for some while. [Interjections.]

These are the two priorities in South Africa today and they are directly related. I hope that the economic growth and policy strategies that the Cabinet is considering at present will address these issues as fundamental. Economic growth, job creation and the reduction of crime are all extremely difficult objectives to achieve, and we cannot clog plans with all sorts of other peripheral wish lists and then not achieve the basic objectives. [Time expired.]

THE MINISTER OF FINANCE: Madam Speaker, I am glad to see that the hon member, as a representative of the last apartheid government, has brought this matter to our attention and raises, *inter alia*, the question of admission of failure.

I want to repeat that the delays in the beginning were related to the fact that we had inherited a government incapable of project management. In putting that in place in order to ensure that the norms of fiscal discipline were met, it fundamentally meant that one could not throw money at projects, because then individuals from the same side of the House would get up and say: "What have you achieved with the money that you threw

at projects?" One first puts project management in place. Yes, there were carry-throughs, but, as everyone has seen in the past fiscal year, they have been reduced very substantially.

In respect of what the hon member Mr Andrew said, I agree. One cannot have a wish list or a shopping list of things that one would like to have. It has to be supported by very clear programmes and I think that we will surprise a few members in this House within the next few days.

*Mr J A RABIE: Madam Speaker, the hon the Minister is playing politics with a very important question. At present there is R2,5 billion in the RDP account that should be ploughed into the economy as an injection for job creation. Moreover, he waxed very eloquent about the apartheid regime. [Interjections.] I suppose that will remain a refrain until the day we die.

They inherited 720 000 serviced sites from the apartheid government, yet they have not managed to build a single house on one of those plots. [Interjections.] One task group after another and appointed, thus eating away the RDP Fund [Interjections.] Stop this! Develop the 720 000 plots, then at least we will have close to a thousand houses. Those hon members want to blame everything on the apartheid regime.

All those fine-sounding statements they make about orderly management to identify projects is nonsense. Look at their school feeding scheme. They do not say a word about the millions of rands that have been stolen, that never reached the poor children's stomachs. [Interjections.] That is the sort of thing they should be telling us instead of trying to blame everything on apartheid. [Interjections.]

THE SPEAKER: Order!

*Mr J A RABIE: Free medical services should be welcomed, but look at the chaos that has been created at the clinics and the hospitals. Those are the sort of problems hon members should be addressing. Then they must come and tell us exactly what they have managed in a practical sense. [Interjections.]

Mr R P MEYER: Madam Speaker, I would like to put it to the hon the Minister that I think there are, in particular, three obstacles regarding the implementation and delivery of services.

One is the fact that there is too much central control of RDP projects, and the second is that

there is insufficient empowerment of NGOs to continue with the constructive and useful work that they did in the past, in the process of which they could facilitate much of the implementation of the RDP projects.

In the third instance, there is lack of co-ordination with the private sector in general in order to involve business maximally in the provision of services. I also believe that the Government has a responsibility and needs to interact specifically with Parliament and its members on the implementation of RDP projects. [Time expired.]

THE MINISTER OF FINANCE: Madam Speaker, it is a pity that the hon Mr Rabie did not hear what the hon Mr Meyer said when he introduced a quote from *The Economist* about the last apartheid government, but it was in English, he used difficult words, and I can therefore understand why the hon Mr Rabie was left behind. [Interjections.]

I want him to show us where those 720 000 serviced sites are in South Africa. I want him to show us, because that is complete conjecture. They would not be found anywhere in this country. As for money misappropriated in the school nutrition programme, it was discovered by the RDP management processes that were put in place. It was not discovered by the hon Rabie or his cohorts. That is what he has to accept as a reality, because that is what good governance is about.

In relation to the three obstacles mentioned by the hon Mr Meyer, let us deal with the last one and touch on the issue of housing, which seems to be the focal point. Let us go back to the Botshabelo Accord. Housing is the one area of the RDP where the private sector was required to deliver the most. The Government put in place a mortgage indemnity scheme which would take responsibility for the basic servicing of sites, but the developers would then take responsibility for the building of houses, and the private-sector financial institutions would take the responsibility for making loans available. And if one asks what has happened to the housing programme, one has to look at the absence of commitment on the part of the work. If the accord is running into difficulties now, with renewed threats of bond boycotts and so on, it is because there is no sense, at present, of movement on the part of the private sector. [Time expired.]

SA's national lottery
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Stakes Over portfolio

The National Gambling Bill is expected to be passed by Parliament before the end of the month.

Development focus moves Govt must resolve

Dugan Fraser

PAYING for development is one of SA's most pressing problems. The difficulties that face us relate not only to finding the hard cash to pump into the underdeveloped sectors of our society, but also finding ways of delivering resources to the people who need them.

Plans for improving development finance flows in SA have been focused on the macro level, and this has probably been appropriate if the money is not there at the top — to "on-lend" to end users, there is no point in taking the matter any further.

This bigger picture is starting to fall into place: wholesale institutions have been identified and their functions have been clarified; infrastructural finance will be the responsibility of a new, leaner Development Bank of SA; finance for home loans will be delivered by the newly formed National Home Finance Corporation; Khula Enterprise Finance Company will be responsible for making funds available for lending to micro, small and medium sized enterprises; and industry will have a focused Industrial Development Corporation as its capital provider.

What still has to be resolved are the recommendations of the recent Strauss commission on the provision of finance to rural communities.

The draft recommendation that the Land Bank be transformed into a "Rural Bank" is the subject of some controversy. The argument that this will "ghettoise" rural lending, and prevent rural people from using the other wholesale institutions, is gaining support, particularly among organisations which work with the rural poor.

Development finance institutions will make funds available for on-lending to what have become known as retail financial institutions.

These intermediaries — banks, non-governmental organisations and others — will borrow from the development finance institutions and lend to the person in the street or on the land.

But can they do it? Do these retailers have the capacity to make use of the opportunities which will present themselves when wholesale facilities start operating at full steam?

The answer, quite simply, is no. Based on experience and historical evidence, retail financial institutions in SA do not have the capacity to make use of the full range of products and services which will

soon become available, and this is why those who are serious about development finance need to take a long, hard look at retailer capacity.

Commercial banks have traditionally shied away from becoming involved in the development finance market for three reasons. Firstly, the risks associated with this type of lending are high — one can be vulnerable to boycotts and mass action, and the poor have always (unfairly, some would argue) been seen as bad risks.

Secondly, the transaction costs get higher the further one moves from the centre. The costs of transporting cash, of security, and of establishing appropriate infrastructure rises astronomically, so that by the time one is considering delivering the finance in a remote rural area, a commercial bank cannot make any profit out of the exercise without revising its operating style.

The third reason is a product of the other two and relates to returns on investment: commercial banks use money to make money, and they can get a better return somewhere else. Development finance is not their business, and they cannot be expected to make it happen on their own.

The other key set of institutions are NGOs. These are flexible, dynamic and innovative, and have the advantage of being close to communities. However, they are often inefficient and geographically limited. This is not always true: certain NGOs like the Get Ahead Foundation operate on business lines, and are teaching commercial lenders a thing or two about operating in this market.

Most savings and credit NGOs also have severe difficulties in raising funds for on-lending, and one cannot assume that the new development finance institutions will solve their problems: they will still have to meet stringent lending criteria before they can access funds.

NGOs are definitely where the most potential for growth exists, since they are tailored to the needs of the sector, but they need consistent and ongoing capacity-building support, which is expensive and time-consuming.

A further issue is that of ways of providing support. It has been shown that offering cheap credit creates market distortions, which have knock-on effects that lead to the creation of economies operat-

ing in a kind of cloud cuckoo land. Without being exposed to market forces, retailers on a sustainable basis are not for gold: SA's economy was for cheap credit and subsidies — the effect is the same. If retailers do not opt to build on the mines around the city, and concern, they may never catch up to their parent by last year, and 20% of export earnings. state. (One can of course argue that support can be on a recoverable reserves. focused very clearly on sustainability, but this is not the explicit objective.)

What then is the way forward? Standards have called into question ma? How does one build SA's gold mines. Production last year tailers without creating a self-limiting feat, the lowest for nearly 40 years, after a point is to look at who is falling off nearly 6% in 1994. support them.

NGOs that are scaling up production costs formance standards and by 1994, double the rate of inflation. tively should be one clear result was a 38% decline in the other is mutual banks: profit on every kilogram mined. and Cash Bank are two Johannesburg Chamber of Mines

cialist lenders who are chief economist Roger Baxter says last year could fairly be classified as a disaster for the industry. "SA's average income people, and both production cost per ounce is now 36% ties in raising capital for higher than other key producers."

One needs to go further, active on the ground, a branch network present rural areas, the places' funds are most needed?

Roger Matthews

JOHANNESBURG would not exist if it were not for gold: SA's economy was built on the mines around the city, and gold continues to make a vital contribution to the country's wealth. It provided nearly 5% of the GDP last year, and 20% of export earnings. SA still has at least 40% of the world's recoverable reserves.

However high costs, poor productivity and the need to improve safety standards have called into question the international competitiveness of SA's gold mines. Production last year dropped by more than 10% to 522 tons, the lowest for nearly 40 years, after a fall of nearly 6% in 1994.

Simultaneously, productivity decreased, pushing up production costs by 19%, double the rate of inflation. The result was a 38% decline in the profit on every kilogram mined. Johannesburg Chamber of Mines chief economist Roger Baxter says last year could fairly be classified as a disaster for the industry. "SA's average income people, and both production cost per ounce is now 36% higher than other key producers."

The glory days of gold at \$800 an ounce, a plant labour force, casual safety standards and rich ore veins are past. No new SA industrial empires will be created on the profits of mining. Capital costs are rising as the industry is being forced to mine ever deeper and more expensive veins.

He telephoned the person responsible for Anglo American gold and uranium division head Bobby Godsell, to protest and seek a reversal.

"Tito asked me how I could do this," says Godsell. "I replied, 'Tito, how can I not do it, unless you write me an immediate cheque to cover the losses? But even that is no answer. You can maybe give the mine three months to try to put things right, but you cannot subsidise the industry. What you the government, the unions, and the shareholders require is profitability.'"

Baxter estimates the number of marginal mines — those having a profit to revenue ratio of below 6% — had increased from seven in 1994 to 15 last year. These 15 mines produced more than 190 tons of gold and employed more than 150 000 workers. In other words the marginal mines account for 37% of production and 44% of the labour force," he said.

First-quarter results showed some improvement this year on the back of higher gold price. The recent 20% decline in the value of the rand will provide further short-term relief, as the gold price is denominated in dollars.

However the trend is clear, an improvement where the problem lies. "The root of the issue is the affect that labour and productivity has had on costs. The industry has to lift the yolk of burdensome restrictions and our

LESS MONEY FOR WHITE OLD-AGE HOMES

Badly needed welfare posts to remain vacant after cuts

CT 13/6/96

(297)

THE PROVINCE'S Social Services department will spend more money on preventive care for children and less on the elderly in spite of a cut in the welfare budget of R27m. Political Writer **CHRIS BATEMAN** reports.

THE welfare cutback of R27 million in the Western Cape means 96 desperately needed social care posts will remain vacant and the relatively well-off white old-age homes will take the brunt of the blow — a whopping R5m.

The province's social services chief, Ms Virginia Petersen, said yesterday that "internal provincial shifts" (including freezing the 96 posts) was the only way she could "avoid the total breakdown of welfare services".

White old-age homes — several of which laid on "extravagant services" — would in future provide "just basic good care and three excellent meals a day, instead of

weekly hairdressers, high staff ratios and so on".

"I mean, we have entire families out there who live on just R400 a month," she said.

Petersen said the allocation per old-age home resident had been slashed by R500 — from R1 600 to R1 100 a month. The total spending on care for the aged in the province had dropped from R93m last year to R87m this year.

If the province had taken the R27m cut off their funding of 163 welfare organisations, 156 children in children's homes would have had no funding, 12 000 children would have been denied education facilities and 47 social workers would have lost their jobs.

"Instead, we'll keep 96 posts vacant until September," she said.

Petersen said her emphasis was on preventive care of children, using non-governmental and community organisations, "rather than picking up the pieces afterwards".

This "understandably" alarmed establishment welfare bodies, whom she urged to review their programmes to see if they met these criteria.

To illustrate, she said last year children took up 29% of the budget and the elderly 60%, but this year children were allocated 35% and the elderly 49%.

Petersen responded sharply to the Child Welfare Society's intention to shift 500 families with problem teenagers to her department's care and to withdraw services from Llandudno to Mowbray on July 1 to balance their books.

"They have not officially told other stakeholders with whom

they have a work agreement. If they do this unilaterally, it will impact directly on the R3m funding they currently receive."

She threatened to transfer the funding to other welfare bodies who could run this service.

Her department would hold an urgent meeting with the society in Wynberg, Petersen added.

Asked about her "preventive care" programme, she gave an example of R500 000 allocated to create after-school centres for six to 14-year-olds where life skills creative thinking would be taught and social activities conducted while parents worked.

Areas targeted so far included Manenberg, Hanover Park, Langa and Nyanga. "The kids there are the most vulnerable to abuse."

More money would also be spent on day-shelters for street children and expanding shelters for battered women.

Slashed budgets strain social services net to breaking point

(297) CT 13/6/96



SOCIAL workers are fighting shrinking budgets to serve the needs of communities suffering the ravages of economic and social deprivation. Senior Writer YAZEED FAKIER reports.

SOCIAL workers across the Peninsula, hard hit by a R27-million cut to the welfare budget, are fighting a virtual life-and-death battle to make do with shoe-string budgets, visiting problem families in run-down cars that are 10 years old and expensive to maintain.

In many cases entire communi-

ties in need have to be overlooked for the moment because of a lack of resources and manpower; only areas with the most severe breakdown of family relationships are being served.

"Because of the incredible increased demand for both our preventive and therapeutic services we

simply can't cope," says Mr Tertius Cronje, Western Cape assistant director of the SA National Council on Alcoholism and Drug Dependence (Sanca). The organisation works among the poorer communities of Bonteheuwel, Atlantis ("a major problem area"), Khayelitsha, Ravensmead, Manenberg and Mitchells Plain.

"We have had to re-demarcate areas to make the case load more realistic so people can survive. You must remember if people aren't paid properly, it doesn't exactly motivate them to do more."

The social workers themselves (they start with a salary of just over R2 000 a month) have no back-up services in the form of stress relieving courses and face just one alter-

native when the going gets too tough — to leave the profession. Innovative programmes have to be devised to fight the scourge of drug and alcohol abuse; many social services are pooling their resources in the unrelenting fight.

But at the present rate, "more people are going to be turned away." "They are going to be told: 'We will help you — if you are prepared to wait two months.' Who can wait two months if their house is in a shambles, the wife desperately needs someone professional to talk to about her abusive husband, someone to help sort out her household..."

Multiply that scenario Peninsula-wide?

"Substance abuse will increase

... it's going to manifest itself in an increase in alcohol-related traffic offences, increased wife-battery — all the pathologies related with alcoholism will be exacerbated, because there will be reduced facilities ... for them to be addressed."

There will also be a spillover into the services of, for example, Nicro, Pamsa, Child Welfare. "The whole social services safety net is sagging under the weight of cut-backs. At some point that net is going to break."

"At the end of the day the politicians — not the department or the welfare organisations or social workers — are going to have to answer for that."

Sanca is halfway through its fourth year operating without a

government subsidy. Private sector funding is becoming increasingly difficult to secure, going instead to more high-profile RDP projects and President Nelson Mandela's Children's Fund.

Qualified social worker Mr Gerald Fortuin, Sanca's Western Cape regional director, notes that "the public should bear in mind that we are essentially doing the state's work at a lower rate than they would have been able to do it themselves".

He says the only reason there have not been lay-offs at the organisation is that a committed group of workers has not received pay increases in years. The only reward they receive is "moral support from their superiors and a generous

approach, where possible, to time off for working overtime".

Cronje, a sociologist, says: "I can't promise our social workers that they have a career with us and excellent chances of promotion when I know well that we don't have the money. Our people's ambitions are being suppressed. Some have come to us and said: 'Just give me a title, you don't have to pay me more.' It just shows the level of desperation."

With the transition in the country, expectations had been raised that communities "would see much more of an effort from central government to address the plight of the poor".

"But locally we have a vast spread of deprived communities

seeing services actually being closed and themselves being turned away ... because of cutbacks and retrenchments.

"They are seeing other services getting smaller and the message is that maybe these services ... were better provided under the old government..."

"Our society is ridden with social pathologies given our past, the inequalities and our poor infrastructure. That situation is going to be exacerbated, ironically at a time everyone is expecting an improvement."

For the moment social workers will bite the bullet; but the toying protests of the teachers, labour unions and civil servants have not gone unnoticed ...

Move to help achieve deficit targets

Govt bid to cut spending from RDP fund

(297)

BD 19/6/96

Greta Steyn

THE state expenditure department has started an urgent review of the RDP fund to see how much spending can be cut — a move designed to help achieve the ambitious deficit targets outlined on Friday.

State expenditure director-general Hannes Smit said yesterday the review was aimed at finding money that had not yet been tied down. About R1bn came to mind immediately, consisting of the R450m that had been allocated in the Budget to "promote the RDP", and a further R561m that had been allocated but not yet committed.

Money had also been earmarked for projects which would not need the finance this fiscal year. "Now that the macroeconomic framework has been set, we have to ask ourselves whether to go ahead with this spending or not. We are looking at the entire R7,5bn allocated to the RDP fund," Smit said.

State expenditure would present a memorandum to the Cabinet by end-July, about a month later than the initial plan. The audit would take longer than expected because the RDP projects were dispersed over departments and provinces. The decision to cut spending rested with the Cabinet.

The possibility of cutting spending from the RDP fund was suggested in the appendices to government's

macroeconomic framework, which said: "The department of finance has launched an audit of expenditure programmes, beginning with those funded through the RDP fund, to identify possible savings." The critical challenge facing fiscal policy was to ensure the current fiscal year's deficit target was not exceeded, and to cut real spending enough to achieve a 4% deficit as a percentage of GDP in 1997/98, it said.

The plan to slash government's deficit has come under fire from Cosatu, which expressed concern over the effects of cutbacks on the poor. But analysts said government had been unable to spend much of the fund anyway — it was the major reason for the massive spending rollovers. The document said unspent RDP funds amounted to R4,2bn after two years. It indicated that of the R7,5bn allocated up to this fiscal year, R4,6bn would be unspent.

Government argues that the RDP fund has served its purpose as a mechanism to reprioritise state spending. "At a time of tight budget constraints, a significant increase in social infrastructure spending was achieved through the RDP fund... The fund has now been abolished in recognition of the ability of the normal budget process to allocate resources to priority areas," the framework document says. The RDP office was closed in March and funds went back to the treasury.

Warning on bogus charity workers

(297) ARG 19/6/96
Staff Reporter

THE public has been warned to beware of the rising number of bogus charity workers in Cape Town.

In the latest incident, a man approached the owner of an upmarket restaurant saying he was the chairman of an organisation for the disabled.

The man asked for credit for a two-week period, promising he would bring the restaurant some customers.

The owner believed the man and gave him R3 500 but the money had not been returned after two weeks.

The owner contacted the organisation but was told that the man had no authority to request credit on its behalf.

The owner also discovered that the man had used the organisation's name to get credit several times.

Many charity organisations have apparently been used in a similar way.

Dave Weyell, chairman of the Western Province Round Table Association, said that some people had approached the public and requested cash donations for Child Welfare and also towards the prevention of child abuse.

He said these people produced letters on which the Round Table logo was displayed, which added credibility to the request.

Mr Weyell said neither the Association of Round Table Clubs nor the Child Welfare Society were running such fundraising campaigns or were connected with any other group which might be.

The police have asked the public to report any bogus charity workers

Cape outlines its RDP projects

Linda Ensor

297 RD 20/6/96

CAPE TOWN — The Western Cape would receive R611m for RDP projects in the current financial year, economic affairs and RDP MEC Chris Nissen announced in the provincial legislature yesterday.

In his speech on the RDP budget, he noted that 35% (R213m) of this amount was earmarked for the integrated land service project and 34% for shifting health services from tertiary hospitals to primary health care centres.

In addition to its own allocation of RDP funds, the province also had access to the R289m allocated nationally. Nissen said the land service project, which had a total budget of R363m from 1994-97, would provide 21 000 incremental housing units and benefit 40 000 Cape Flats families.

Transport and public works MEC Leonard Ramatlakane highlighted the large gap between the R450m needed to reinstate roads in the province with the R171m allocated. The total backlog amounted to R1bn.

NGOs warned about funds

By **PATRICK PHOSA AND
LEBOGANG SIZANE**

Non-governmental organisations (NGOs) should shift from a state of crisis to one of development if they want funds from the Transitional National Development Trust (TNDT).

Speaking in Johannesburg on Wednesday after receiving R80-million from the European Union, chairman of the TNDT board of trustees Bishop Stanley Mogoba said the organisation did not want to get "bogged down in baling out NGOs", because that meant they would be "resuscitating dying NGOs".

He said most of the organisations were in a crisis, adding that most of them experienced problems especially after the Reconstruction and Development Programme came into being, because sponsors were biased towards the RDP.

Mogoba said they had made a cut-off date of August 31 for the NGOs to come forward with more applications for project funding instead of crisis funding. He said the TNDT was tired of listening to crisis stories and that it would like to receive more proposals for projects so that it could assess them and see to what extent it could finance them.

(297) Star 21/6/96

BUSINESS

EU grants R81-m for development

(297) *Sowetan* 21/6/96
By Isaac Moledi

THE EUROPEAN UNION has granted more than R81 million to the Transitional National Development Trust to help stimulate the capacity of ailing non-governmental organisations.

The R81,2 million cheque, presented by the EU representative in South Africa, Ambassador Erwan Fouere, to the TNDT chairman Bishop Stanley Mogoba in Johannesburg on Wednesday, is aimed at activating NGOs in South Africa and help guarantee their vital space in addressing the development challenges facing this country.

Fouere said the grant symbolised the ties of friendship and trust that exist between the EU and the NGO community in South Africa.

"The European Union has developed a long-standing partnership with

The TNDT wants to concentrate on development projects and not crises

the Government of National Unity and the NGO community in this country. It is this partnership effort that will guarantee the success of the RDP," said Fouere.

Bishop Mogoba, whose TNDT was formed last year to help build the NGOs' capacity, warned that his organisation would, from the end of August, begin moving away from addressing the crisis facing NGOs to start concentrating on development projects.

"We want to see more applications from the NGOs that want to start the projects and not those that want us to solve their crisis, because until we start moving away from addressing the ailing NGOs' problems, it will take time

for this organisation to start addressing the RDP-related projects," said Mogoba.

Since its inception, TNDT has processed applications of 73 NGOs. Of these, 31 applications valued at R13,2 million were approved and 42 rejected.

"We are saying to these NGOs that we want investments that are directed at people so that the money can be poured into development," warned Mogoba.

Last year only, the EU provided grants worth R600 million to South Africa. The organisation aims to increase this to R700 million this year with similar-sized grants to be provided for until the end of 1999.

Free the idle billions

(297)

The government is delaying upliftment by cutting non-governmental organisations off from funding already in hand, writes HANS STRYDOM

ST 23/6/96

WHILE R5-billion intended for upliftment lies unused in government accounts, a lack of funds is forcing non-governmental organisations which cared for the poorest to close their doors.

This situation is fast escalating into a national disaster. Thousands, if not millions, of underprivileged people who depend on these organisations for education, health and housing will lose a lifeline.

NGOs are registered non-profit-making organisations. Most of them are small but their combined efforts are vital to rebuild the country. Long before reconstruction and development became a political catch phrase, they were busy with exactly that. Indeed, in the apartheid years they were the only ones to extend a helping hand to the oppressed.

All over the world the role of NGOs is highly appreciated, with governments realising they simply cannot do without their help. If they were forced to provide the NGOs' services they would have to finance a string of new bureaucracies out of taxes.

Neither the central nor provincial governments will be able to fill the vacuum being left by the fast-dis-

appearing number of NGOs in South Africa.

But instead of accepting the organisations as partners in the reconstruction and development process, the government treats them almost as enemies. Withholding funds from them is sure to lead to their demise.

The government cannot plead poverty because R5-billion is an awful lot of money. And a large slice of that was intended for NGOs by foreign funders who previously contributed directly to them. They were then persuaded to channel the funds through the Reconstruction and Development Programme with the promise that the government would look after NGOs. Morally, the government is obliged to release some of the funds.

It is hard to find a logical explanation for the government's reluctance to help NGOs, who were really anti-government organisations during the apartheid years.

They were part of the freedom struggle because they helped to educate promising young people, even sending them overseas when white universities were closed to them. Many of these graduates are now serving in central and provincial governments and parastatals.

Surely they recognise that they would not have been where they are without the help of NGOs? How would the government have coped without their services?

The organisations did not have an easy time under the National Party government. Funding from overseas was controlled by legislation and the activities of NGO officials attracted the attention of the security police because they operated in black areas. The atrocious conditions these officials found were often highlighted in the overseas media.

But, ironically, it was easier for NGOs to obtain funds in those days. Anti-apartheid sentiment ran strong and encouraged assistance for upliftment programmes.

With the scrapping of apartheid, some overseas funders seem to think a normal society can be achieved overnight. Anybody should know this is impossible.

It will take decades to wipe out discrepancies in education, for instance. It is not enough to build more schools and classrooms; the whole teaching force which "qualified" under apartheid, will have to be retrained.

This can be done in short, intensive courses. To look to the state's teacher training

colleges is to perpetuate the apartheid damage and mindset. But there are NGOs with the necessary expertise.

By persuading foreign governments to channel funds through the RDP, the government cut off NGOs' only substantial source of funds. Belatedly, it changed its attitude, saying foreign governments could fund the organisations directly. But the damage was done and the pattern established.

Now, with R5-billion in the kitty, one cannot help but wonder what is really going on. Is the government only paying lip-service when it says NGOs are doing valuable work? Or does it disapprove of the independence of thought and action which the organisations bring to society — in the same way the Nationalists did? Or are the funds to be used shortly before the next general election for political purposes? A gift to the poorest of the poor from the new President?

South Africa has more than enough problems as it is. To create new ones is shortsighted and irresponsible.

● *Hans Strydom is the co-author of The Super Africans: Inside the Broederbond, and a trustee of Promat colleges*

C. D. D. D.

Post Office to bid for national lottery

Amanda Vermeulen

BD 24/6/96 (297)
THE Post Office is planning to bid for the national lottery and has held discussions with a number of local and international organisations with a view to forming a consortium.

Senior GM of business units Andre du Pisani said at the weekend that the Post Office had been investigating a bid for some time. It had conducted talks with a number of potential black empowerment partners.

He said the Post Office would consider bringing an international technology supplier into a consortium. It had also talked to a number of retailers with a view to bringing them into a national distribution framework.

The Post Office bid still depended on the outcome of the proposed lottery legislation which is due to be submitted to Parliament this month.

Du Pisani said the Post Office placed the lottery's annual sales at between R2bn and R5bn. He said that an international technology alliance would be essential as no company in SA had the technical capacity to establish a national on-line lottery.

He said about 400 jobs would be created if the Post Office won the bid. The cost could be up to R200m, but Du Pisani said the Post Office would not have to bear this independently.

Other bidders for the lottery are Games Africa and a consortium consisting of Thebe Investments, Vela International, Viva Trust, Stocks & Stocks and the Totalisator Agency Board, and Malaysian group Mycom.

Expanded commitment to new projects

IDC set to sell Sasol shares to raise funds

Reinie Booysen

BD 24/6/96

(183) (297)

THE Industrial Development Corporation has signalled that it plans to sell its shares in Sasol, currently worth R3bn, to help fund its expanding commitment to new projects.

Industry sources said last week that a sale of the 11,5% stake was imminent. The parastatal declined to be drawn on the timing, but said at the weekend that selling the stake now — when it is trading close to an all-time high — would be opportune.

IDC senior GM Malcolm Macdonald said the stake was now a "mature" investment — ripe for selling to raise funds for other projects. He also agreed it would be a good idea to offload the stake before the oil industry's deregulation which is expected to put pressure on the share.

"Over time we will sell all our Sasol shares," he said. "We have to continue selling investments when they mature. We will never advertise exactly when the sales occur."

The parastatal last year unveiled a 5-year R20bn investment programme, with commitments including the Saldanha Steel joint venture with Iscor, and Hulett Aluminium (in joint venture with Tongaat Hulett and Amic).

IDC outgoing MD Carel van der Merwe said recently that the IDC would continue to concentrate on fund-

ing major capex projects such as Columbus Stainless Steel and Alusaf's Hillside aluminium smelter. These projects, together with Saldanha, are expected to earn forex equivalent to 30% to 40% of current gold exports.

However, Van der Merwe said it had also spent more than R1bn helping smaller companies, having allocated R200m a year over the next five years to a black empowerment programme.

The value of its listed and unlisted investments stood at about R7,5bn for the 1995 financial year, with total commitments at R9,4bn. Proceeds from the sale of investments last year fell to just R187m, from nearly R2bn in 1994.

Analysts said Sasol was next in line for sell-off, given that deregulation and cuts in government support would pressure the share.

Analysts said the impact of an IDC sale on Sasol's share price hinged on timing and scale. "Sasol shares are very liquid, and I think the market would absorb a gradual release," said one analyst, noting that about R211m worth of Sasol shares change hands each month.

Sasol's share touched an all-time high of R47,75 in April, but some analysts believe the share ought to be rated more highly. At present its rating, with a price:earnings ratio of 12,79, is only 70% the average for its sector. It closed on Friday at R46,70.

Eastern Cape task team helps to implement 15 RDP projects

Robyn Chalmers

BD 25/6/96 (297)

THE high-level task team set up recently in the Eastern Cape to boost reconstruction and development objectives has helped in the implementation of 15 key RDP projects in the province, public works MEC Thobile Mhlahlo said yesterday.

Mhlahlo, outlining RDP progress in the province, said implementing rural development programmes in the former Transkei had received priority by the team. The poverty rate in the former Transkei was about 92%.

The 10-member task team was announced by Deputy President Thabo Mbeki in February, and consists of representatives from provincial and national government departments, business and labour as well as non-governmental organisations.

The team had carried out a range of tasks, including facilitating and expediting the completion of bogged-down projects, promoting the role of the private sector and ensuring that all projects directly benefited communities.

The short-term key areas of focus included electrification, community water supply and sanitation, rural roads, urban bulk infrastructure, housing and serviced sites and local authority services.

Mhlahlo said a large portion of the

R800m in RDP funds allocated to the province had either been committed, allocated or spent.

He said that while the national RDP office had been closed down, it did not mean provincial RDP programmes had also been halted.

"The structures of the RDP in the Eastern Cape are still intact, and communities must not think that the national or Eastern Cape government had suspended their plans to reconstruct and develop SA," he said.

The RDP projects that were currently under way included a land reform pilot programme, a clinic upgrading and building programme, urban renewal, a rural community water programme and community-based public works programmes.

Eastern Cape premier Raymond Mhlaba said in the latest RDP monitor of the Eastern Cape that local governments now had to compile integrated development programmes.

These should be aimed at reviving towns and turning them into growth points that offered economic and social opportunities.

"The business sector, together with labour, must expand its activities throughout the province, especially by developing the agricultural base and tourism potential of towns throughout the Eastern Cape," he said.

(297)
Union protests

against Oasis
26/6/96

NATIONAL Education,
Health and Allied Workers'
Union (Nehawu) members
marched to the Oasis pro-
tective workshop for the
mentally handicapped in
Claremont yesterday to
demand the reinstatement
of 11 dismissed members

Nehawu regional chair-
man Mr Wilfred Alcock
claimed 2 000 marchers
had arrived, but observers
counted fewer than 300.

The marchers sub-
mitted a memorandum
alleging "union-bashing"
by Oasis. Demands includ-
ed the reinstatement of the
dismissed workers and the
arrest of management for
alleged corruption.

Oasis executive director
Ms Gail Bester said the 11
were fired for "gross insub-
ordination", and said the
allegations of corruption
were "devoid of truth". —
Staff Writer

CLAREMONT
VENDIS
64 30
18 HOU
ETTE 7

PHOTOGRAPH BY JIMMY K. HARRIS

Closure of RDP office will not affect projects

27/6/96 (297)

Robyn Chalmers

THE closure of the RDP office did not signal the programme's demise, with millions of people expected to benefit from a range of projects over the next few years, according to two RDP publications.

The official RDP newsletter and an independent RDP quarterly report said there had been significant expenditure over the past two years on the provision of free health services, but slow spending on urgent urban renewal and municipal infrastructure construction projects.

The latter was largely the result of poor administrative capacity within recently elected local authorities as well as an inability to create the infrastructure needed to handle major ventures.

The reports said that of the R7,5bn available to the RDP for the current fiscal year, R1,5bn had been allocated to urban renewal and R1,2bn to municipal services.

An overwhelming demand for municipal services in developing communities had led to the RDP office committing an additional R700m to upgrade programmes. This follows the allocation of R750m to the constitutional affairs department for the upgrading of services in 614 communities.

Constitutional development department local government facilitation director Richard Kruger said that even with the additional R700m, SA would still need to find billions of rands to fund the backlog of municipal services.

Former RDP minister Jay Naidoo said the R1,45bn municipal services upgrade programme was expected to bring basic water services, sanitation, new roads and new sporting facilities to more than 1 000 developing communities. "The lives of about 3,5-million people will be positively affected by this programme," he said.

The reports indicated that the basic idea behind the closure of the RDP office was to challenge government departments and institutions to become part of the RDP process instead of looking at one ministry as the sole producer of the RDP.

Frank Chikane, a member of the task team established to examine the relocation of programmes, said the various departments would be empowered to implement the RDP. It was important that the centre of activity of government be geared to the transformation of society.

Former RDP office personnel were being redeployed or transferred together with the programmes, projects and institutions.

National lottery spells end of scratch cards

AD 28/6/96

(297)

Wyndham Hartley

CAPE TOWN — Legislation providing for a single national lottery will be tabled in Parliament today, numbering the days of scratch cards.

Provincial and Constitutional Affairs Minister Chris Fisser said yesterday he would table the legislation today — his last working day in the Cabinet and formal party politics — and this meant it should complete its progress through Parliament, becoming law, before the end of the year.

He said the Bill provided for the lottery to be run by an organisation independent of government and for the

proceeds to be distributed to the RDP, charities, sport and recreation, arts, culture and the national heritage. Allocations would be established once the legislation had been adopted by Parliament, Fisser said.

"The establishment of the national lottery means existing lotteries, including scratch card games, will be prohibited and will have to cease trading unless one of the operators conducting these lotteries or games is appointed as the operator of the national lottery, or operates as one of the other lotteries envisaged in the Bill."

Small lotteries would be allowed, but they would have to be specific to

"entertainments" and devoted to "purposes other than private gain". The prizes could not be money and the results would have to be announced in the place of the entertainment.

Private lotteries where no one was employed for reward and the entire proceeds of the lottery were devoted to providing prizes would also be allowed.

Societies could run lotteries authorised in terms of the Fund Raising Act to raise funds for their organisations.

Fisser said other "strict conditions" on running costs, maximum purses, frequency and audit would apply to each lottery to "ensure the industry's integrity and protect the public".

IAN GOLDIN

ON TRACK FOR SURVIVAL

FM 28/6/96

(297)

Though he was born in Pretoria, new Development Bank of Southern Africa CE Ian Goldin (40) is something of a new boy on the block for all the wealth of development experience he carries under his belt.

Indeed, in a career including a three-year stint at the World Bank and one year as senior economist at the European Bank for Reconstruction & Development, Goldin has been exposed to 30 developing or re-developing countries.

He maintains he left SA in 1978 in a physical sense only, and claims he always kept tabs on its political transformation. "I hope I and the DBSA can contribute to SA's economic transformation, which includes meeting its development needs."

He adds that his lifelong commitment to development economics is underpinned by a strong sense of justice.

Goldin's immediate objective at the Development Bank is to complete — by October — the structural transformation process it is undergoing. A drawn-out process will lead, as he puts it, to "paralysis by analysis" and have a debilitating effect on staff morale. The bank's future survival and success, however, will depend on how client-driven it becomes.

Indeed, the new CE is determined to set a firm course for the survival of one of SA's important development institutions. Though he believes its legitimacy and credibility are no longer questioned — some might differ there — he reckons the bank needs to adjust its internal systems rapidly to meet development needs.

Apart from implementing an affirmative action policy, the bank is reassessing its lending criteria. Since its current concessionary lending may not be sustainable — government no longer guarantees its loans — it is bringing its lending

rates more into line with those of commercial banks. Returns on projects will therefore become more important.

"In turn," says Goldin, "this will influence the type of borrowers it attracts, as well as the type of development that takes place."

The greatest external challenge facing the bank is the ability of its borrowers to implement projects successfully. "We aim to provide support on this score, though the exact nature of how we will do this has yet to be decided."

Schooled at Pretoria Boys' High and Rondebosch, Goldin graduated from UCT with a BSc and a BA (Hons) in 1977. He left SA and read for an MSc at the London School of Economics. He then completed his PhD at Oxford.

Goldin and his wife have two young children. An enthusiastic saxophonist, he also enjoys gym and hiking.

ALWYN MARTIN

CATCHING THE WAVE

Alwyn Martin (58) comes as a complete surprise — at 1,6 m, he's no taller than this vertically challenged reporter. What he lacks in size, however, he seems to make up for in determination.

Having taken over from Danie du Toit earlier this year as Vodacom group executive chairman, the publicity-shy Capetonian has been commuting to an apartment in Sandton.

Responding to the leaked "London Agreement" — signed by heads of Vodacom and MTN in August 1994 and outlining agreements on tariffs, coverage, airtime discounts and connection bonuses — Martin says "We've not done anything illegal and are assisting the Competition Board to come to a speedy resolution."

With cellular telephony showing no signs of slowing down, he says Vodacom should be allowed to apply for a third licence. "We need to take advantage of new frequencies and technologies." But with two thirds of the market and Telkom a 50% shareholder, Vodacom is certain to hit flak. Many would prefer a third licence going to an outsider.

Martin adds that Vodacom has no intention of selling air-time directly to the public — a promise certain to win favour with service providers, many of whom feel threatened by MTN's new channel strategies.

Born in Paarl, Martin matriculated at a mission school in Genadendal. From this environment — he had to study without the luxury of electricity or running water — he moved to UCT. After starting a BSc, he switched to commerce.

In 1967, he qualified as a chartered accountant. Unable to find a suitable job under the apartheid regime, his only option was to team up with a colleague, Victor Christian, to form Christian & Martin. "We were two of the first three black CAs to qualify in SA."

Unable to break into business, they worked mainly for churches, sports clubs and trade unions. "Our community kept us alive for 20 years."

They merged with Ernst & Young in 1985. Martin had just become a senior partner when he accepted Telkom chairman Dikgang Moseneke's offer.

He is a director of Telkom, serving as chairman of the audit committee, and sits on government's Financial and Fiscal Commission.

He and his wife, Val, who runs a secretarial college for the disadvantaged, have a son and a daughter at UCT.

Martin enjoys golf and cycling.



Alwyn Martin



Dr Ian Goldin

National lottery bill goes to parliament

(297) ARG 28/6/96

Strict rules leave room for smaller competitions

JOSEPH ARANES
Staff Reporter

A NEW bill which makes provision for a single national lottery, was tabled in parliament today by the outgoing Minister of Provincial Affairs and Constitutional Development, Chris Fisser.

Although on the face of it a national lottery means that all existing lotteries, including scratch-card games, will be prohibited, the bill contains many provisions for them to continue operating.

In terms of the proposed legislation, the national lottery will be run and managed by a non-state organisation on behalf of the government. The proceeds derived from the lottery will be used to finance the Reconstruction and Development Programme, charities, sport and recreation, the arts, culture and "national heritage".

The percentages allocated to each of these will be decided once parliament has passed the law and a National Lotteries

Board has been established.

All existing lotteries, including scratch-card games, will, in terms of the new bill, be declared illegal, but they could be incorporated into the national lottery if the contract to run it is awarded to one of the existing operators, such as Games Africa.

Competitions may also operate as one of the other permitted lotteries envisaged in the bill.

The bill provides for small lotteries not run for private gain and where the prizes are not cash. The results of these lotteries must be announced at the place of entertainment - such as at a church bazaar.

Private lotteries, where all the proceeds are devoted to the provision of prizes and no person is employed in connection with the lottery, will be allowed, as will society lotteries such as community chests.

Local Community Chest executive director Roger Hulley said his understanding of the new bill was that it provided an opportunity for the Chest to continue its scratch-

card operation as a "society" in terms of the bill.

Society lotteries may be run by societies authorised to collect contributions from the public in terms of the Fundraising Act 107 of 1978 and where the proceeds are devoted to the purposes of the society.

Mr Hulley said he felt there was room for the Community Chest's scratch-cards alongside the national lottery, but the organisation would have a close look at the bill's details and would discuss the fine print with the parliamentary portfolio committee.

A spokesman for Games Africa said the government's latest announcements would not affect the existing scratch-card games until the national lottery was introduced.

Mr Fisser, who leaves the cabinet at the end of the month, said the bill had a host of strict conditions, which would apply to each of the lotteries to ensure the integrity of the industry and for the protection of the people who chose to take part in them.

Bill for one national lottery tabled today

BARRY STREEK
POLITICAL WRITER

CT 28/6/96

A BILL to establish one national lottery and ban all existing lotteries, including scratch card games, will be tabled in Parliament today.

However, the Lotteries Bill will provide for smaller and private lotteries.

The Minister of Provincial Affairs and Constitutional Development, Mr Chris Fisser, said the bill provided for the establishment of a single national lottery, which would be managed by a non-statal organisation on behalf of the government.

The proceeds from the national lottery would be distributed to the RDP, charities, sport, arts, culture and national heritage.

"The percentages allocated to each of these will be established and prescribed once this legislative proposal has been adopted by Parliament and a National Lotteries Board has been established.

"The establishment of the

national lottery means that all existing lotteries, including scratch card games, will be prohibited unless one of the operators conducting these lotteries or games is appointed as the operator of the national lottery, or unless they operate as one of the other lotteries envisaged in the bill."

Fisser said the bill provided for small lotteries where the proceeds of "certain exempt entertainments" were devoted to purposes other than private gain, the prizes were not money prizes and the result of the lottery was announced at the place of the entertainment.

Private lotteries where the proceeds were devoted to the provision of prizes and no person was employed for reward would be authorised.

The bill will also provide for society lotteries, "which may be run by societies authorised to collect contributions from the public in terms of the Fundraising Act 107 of 1978 and the proceeds are spent on the purposes of the society."

Nissen blames NP for RDP delays

CHRIS BATEMAN

CT 20/6/96 297
CONFLICT in "less than five percent" of Western Cape RDP forums was being used by his NP opponents to marginalise all forums and delay their accreditation, RDP and Economic Affairs MEC Mr Chris Nissen said yesterday.

Delivering a fiery budget speech, Nissen said moves to institute "participatory democracy" had met with resistance from his NP colleagues in the provincial RDP cabinet committee.

He said this resistance stemmed from "a lack of understanding of governance and democracy".

"Building a vibrant civil society does not mean replacing government or creating a fourth tier of government," he stressed.

Nissen said that since November 1995, 22 RDP projects costing R6,3 million had been funded from the provincial discretionary fund, with a strong focus on job-creation.

This financial year a total of R610m had been earmarked for Western Cape RDP projects, including primary school nutrition and pilot land reform.

Nissen said his department was working with the Olympic Bid Committee and "various task teams" to link infrastructural needs to RDP projects.

His department also aimed to ensure the province's development needs were not marginalised "in the drive to become the bid city".

Family gives up the good life to aid homeless

The Cloetes left the northern suburbs behind eight years ago to run the Kashani project, which incorporates schools, a clinic, houses and shacks

By NIKKI WHITFIELD

In a material world, Cornelius and Marion Cloete had it all. Their own businesses. A home in Johannesburg's northern suburbs. A fancy car. Three children in private schools.

But that was eight years ago, before they packed it all in and ploughed everything they had into the kind of lifestyle few privileged elite would even contemplate.

Now, the family live in a three-roomed house with about 20 foster children on a compound near Magaliesburg. The couple's daughters go to school with some of the poorest people in the country.

Their white Audi has long since given up the ghost. What possessions they have left are shared by hundreds of people. So are their bathrooms.

The Cloetes - who were on the brink of emigrating in 1988 - were asked by the ANC to become councillors. They accepted, and abandoned their lifestyle to run Kashani, a project which incorporates the Magaliesburg Schools - boarding and day schools for pre-primary, primary and high school children - a clinic, a mortuary and Peach Farm, a 20ha slice of land which serves as home for people evicted from local farms.

Several family members live with them on their commune-style compound, where the boarding houses, primary and high schools are found.

Lorraine Raik, the Cloetes' sister-in-law, once matron at several major Johannesburg hospitals, lives in a one-room "Zozo" with a lean-to kitchen and runs the hectic little clinic. Her three children go to the same school as their cousins.

Lorraine's mother, Louise Ulyate, tends the gardens. Her father, Bert, fixes things when they break down, which is often.

Marion's father, Joe Schutte - Uncle Joe - is the maintenance man. His bedroom doubles as workshop, living room, kitchen and dining room, although his bathroom is rather splendid in a rural kind of way. It has a sunken bath and a loo with a granite effect which flushes well, provided someone has remembered to turn the tap on to fill the cistern.

And while Louise's elder son, Terick (17) has long hair, the adults all look your average suburbanites. There isn't a "hey, man" hippy among them - they are all deeply dedicated, passionately committed people.

"We used to be pretty political," Con said. "Well, Marion always had leanings towards the

South African Communist Party, but that was about it.

"But the neighbourhoods we lived in always had squatter camps nearby and we became involved with them. The ANC approached us to become councillors because of the work we used to do in these communities."

Every morning, George Gabonwe drives a tractor and trailer down the road and up to the ramshackle dwellings to load up children and workers.

They find themselves with nothing

Some children go to the pre-primary school at nearby Hekpoort. But often, when it's very cold, they don't go at all.

"They have no shoes," one mother said simply when asked why two small boys with runny noses were darting around the yard at Peach Farm.

These are families who have

been evicted from farms, either because they were too old, or because a farm changed hands and the new owner wanted to bring in his own labour.

"They find themselves on the road with nothing and nowhere to go," said Marion. "And because their births were never registered, they have no ID and cannot get pensions, disability grants or unemployment money."

She spends a lot of her time at the Department of Home Affairs office near Magaliesburg fighting for the rights of evicted people.

"Authorities are often suspicious. They think they may be illegal aliens. But they aren't - these people have never lived anywhere else in their whole lives."

Lorraine is doing her best to ensure each new birth is registered.

"Many new mothers don't see the need. To them, it's just an added hassle," she said.

Kashani also needs help regularly from the Magaliesburg police when there are rapes, thefts and assaults.

"We had a bit of trouble with the police at first - they thought we might be communists," said Con. "But the relationship has improved over the years."

The school is run by Marion. Con takes care of the business now."

side of the project. They fund it themselves, although small amounts trickle in every now and then from the Government and the private sector.

Each month, Kashani gobbles up around R160 000 and the Cloetes' money is rapidly running out.

Just how long will it last? "Who knows?" Con said. "We've got a couple of projects in the pipeline where a business could be run by the school, and hopefully we'll get funds from there. But that's still to come."

He added wryly: "There are times when I'd kill to get back into business. Running a project like this defies all business practice. The practical and the theory are totally different."

Parents are supposed to pay for their children's education (for boarders, the fee is around R500 a month for board, washing and education), but many of them are poverty stricken.

"Evictions and abuses are increasing all over the place," said Marion. "We all need to get over the fear of the past and work together to help each other. The days of 'this is my home, this is my car, this is my budgie, here is where I take my holidays', are over. Everybody has to share now."



Tender loving care ... Lorraine Raik attends to a baby in the Kashani project's clinic.

CHRISTINE NESBITT

Tax incentives to be used to induce NGOs to register

Wyndham Hartley

CAPE TOWN — Proposed legislation on fund-raising is to be redrafted so that non-governmental organisations are not forced to register. Instead, it is proposed that tax incentives be used to induce them to register.

The initial non-governmental organisation Bill, drafted at the request of the Development Resources Centre, caused a storm last year for suggesting a compulsory register of NGOs and a statutory NGO council be set up.

Consultation between the NGO Coalition and other community-based organisations has achieved consensus that the controversial draft Non-Profit Organisations Bill be reduced to a discussion document on issues related to an enabling environment for NGOs.

A seminar with the Katz commission and finance department will be held in September to discuss the implications of tax incentives.

Representatives of the Develop-

ment Resources Centre, the Grant-maker's Association and the International Centre of Not for Profit Law and interested members of the business community will make submissions to the seminar.

The suggestion is that the tax incentive for registered non-profit organisations take the form of qualified exemption from VAT as well as broadening the scope of deductions for donors in terms of the existing Income Tax Act. There are about 54 000 NGOs in SA and the implications of VAT exemptions have not been quantified.

Development Resources Centre advocacy officer Owen Stuurman said there were some organisations in mainly rural areas that wanted compulsory registration of NGOs. This, he said, was a hangover from the misuse of funds during the "homeland" era.

He said the advantage would be that a list could name organisations which had committed themselves to transparency and accountability.

BD 1/7/96

(297)

Japan tops loan commitment to SA

John Dludlu

(297)
BD-117/96

THE Japanese Export-Import Bank has extended \$670m worth of loan finance, and managed to persuade Japanese commercial banks to lend to SA parastatals in the past two years, as part of Tokyo's \$1,3bn aid package to Nelson Mandela's administration, according to the Japanese embassy.

The figure of \$670m of the total \$780m lent to SA to date — the balance was loaned by Japanese commercial banks — is well above the \$500m figure contained in the 1994 announcement of the two-year package.

A Japanese diplomat expressed hope yesterday that Japanese aid would be continued to this country.

However, spending the \$300m worth of grants and technical aid to SA has been very slow. The embassy said only \$80m had been spent in two projects — for water augmentation as well as rural infrastructural development.

The \$500m component of the \$1,3bn was made up of government guarantees for trade-related loans and investments, the diplomat said.

The loans were made to state-owned corporations, including the Development Bank of Southern Africa (\$100m), Eskom (\$330m), Transnet (\$300m) and the Industrial Development Corporation (\$50m).

The diplomat pointed out that the loan funds had been used by the paras-

totals in a range of projects, including promotion of the small business sector, economic development, extension of the electricity network, as well as improvement and expansion of the port and railway infrastructure.

The US Agency for International Development said \$398m of the Clinton administration's \$600m package had been spent.

USAID director in SA Lesley Dean said the money had gone into six main areas, including democratisation, health, education, support for economic growth, private sector development and housing and urban development.

Though US aid to SA would decline next year to about \$80m, Dean said Washington would continue its development assistance until 2005.

Three of SA's major donors — the European Union, Japan and the US — said yesterday they would not revise downwards their aid pledges to Pretoria following the recent depreciation of the rand, a move which could substantially increase the pledges in rand terms, sources said.

The EU, which is by far SA's largest donor, has pledged to spend 130-million ecus this year as part of its multi-year package to shore up SA's reconstruction and development programme. The finance department previously announced that foreign aid pledges amounted to R12,8bn, but could not provide updated figures yesterday.

World Bank plan taken to heart

CT 2/9/96

(297)

SINCE 1994, when the ANC became the effective government, the South African economy has been following recommendations made in a World Bank analysis produced that year, contends economist Bruce Cameron.

This report assumed that the government would have three central aims: the re-establishment of growth in both living standards and per capita gross domestic product, the reduction of unemployment, particularly among blacks, and the narrowing of inequalities in the distribution of income and access to public services.

To achieve these objectives, the report stipulated that government would need a strategy that included:

- Rapid growth in skilled labour by upgrading the skills of semi-skilled workers.
- Shifting the manufacturing sector emphasis towards exports
- Stimulating the employment growth through rural restructuring and encouraging small business.
- Restructuring government expenditure by raising public investment in infrastructure and public services and targeting this towards the poor and underprivileged.
- Sustainable fiscal goals and a monetary policy consistent with a stable inflation rate.

Despite what Cameron labels as an economic response that is "sometimes muddled and ambiguous and at other times retrogressive," he is convinced that the ANC is "determined and firm" in its commitment to these policies, and more.

"The 'more,'" he says, "includes chiselling away at protective import barriers, phasing in the removal of exchange controls and moving away from the policies of nationalisation towards privatisation."

Given this, Cameron believes that many key policy decisions should have gone a long way towards inspiring confidence, both internally and abroad.

Cameron's apparent buoyancy is not without cautionary notes, however. There are its and buts throughout his analysis, influenced not least by the pressure being applied by voters who believed the ANC's electroneering promise of "a better life for all" and have not yet seen their expectations realised.

The achievement of these expectations is also dependent upon a willing and competent civil service. It is likely that in future the civil service will be characterised by what economist Steven Friedman refers to as "pockets of efficiency, but with much incompetence too".

As he points out, it is simply wrong-headed to write off the civil service as being in a state of collapse. "The future of the public service is not settled," he



says. "Much will depend on the decisions politicians make — and how willing and able citizens are to hold their servants to account."

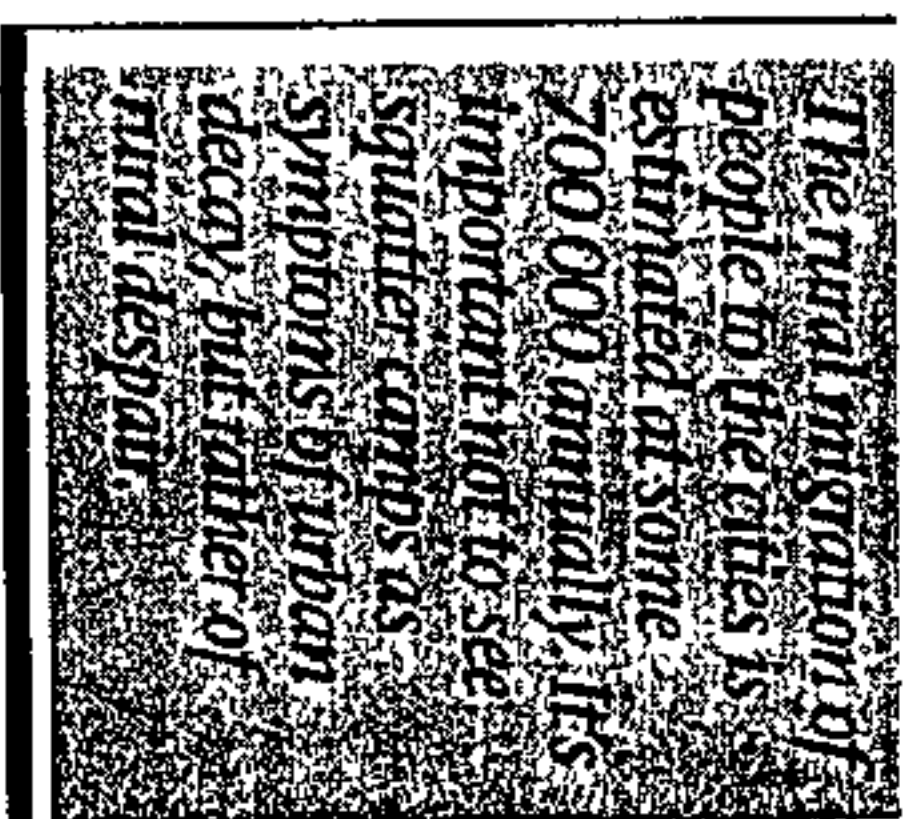
"Willing and able" are the key words. They imply a citizenry with a more equitable spread of wealth than is the case.

But, unfortunately, recent statistics show that internal economic discrepancies among blacks are widening, although the gap between blacks and whites is narrowing.

During apartheid's last decade, the richest 20% of black households saw a 40% growth in income, while the buying power of the poorest 40% of black households declined by 40%.

With the unemployment rate now considered to be

The rural migration of people in the cities is estimated at some 700 000 annually. Its important not to see squatter camps as symptoms of urban decay, but rather of rural despair.



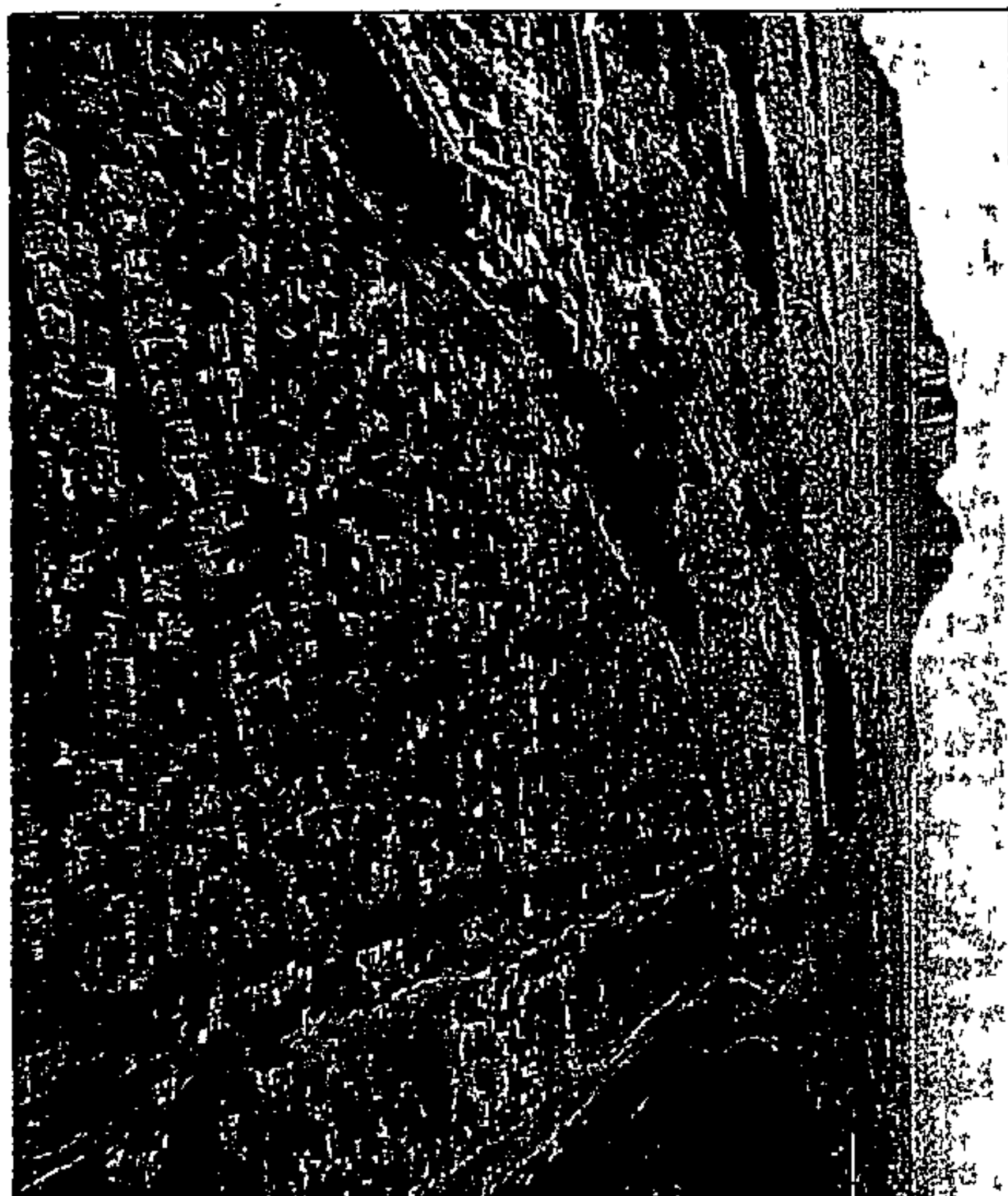
about 40% and only one out of 10 new entrants to the labour force finding employment in the formal sector, many economists are inclined to describe the current economy as, at best, stagnant.

Added to this is the rural migration — estimated at some 700 000 people annually — towards the cities in search of a better life. Most of these "refugees" end up in the squatter camps, which are now an ever-expanding feature of every major city in the country.

However, it is important not to see these squatter camps as symptoms of urban decay, but rather of

typical village 45% live in mud houses, 54% have "some kind of toilet facilities", there is often no electricity or running water, few people are employed or self-employed, and the nearest clinic is almost 10 km away.

In the beginning the ANC's response to the economic challenges was its Reconstruction and Development Programme — RDP, an acronym that was soon embraced



SQUATTER CAMPS: Because of rural despair, they are an ever-expanding feature of every major city in the country.

by the whole country as an ideal, a key, a mantra to rescue the nation.

Despite this, the RDP office was closed down earlier this year and its funds transferred to the Minister of Finance, while policy and monitoring is now the responsibility of Deputy President Thabo Mbeki's office.

"There can be little doubt that the closure of the RDP office marked a downgrading of the programme," says Dr Gavin Lewis, editor of the RDP Monitor. "Nonetheless, it would be a grave mistake to underestimate the continued significance of the RDP, both in symbolic terms and as a central political plank of an ANC bent on redressing the injustices of the past, even as it adopts orthodox capitalist economic policies."

"Take the RDP seriously — it will continue to affect all our lives for at least the next three years."

He identifies three key areas where ordinary people have benefited from RDP projects: housing, education and health care. Housing is now increasing at 4 000 low-cost units a month, primary education is being constantly improved, although there is no money to provide it free, likewise primary, preventative health-care facilities are being improved, or, in many cases, established.

In addition, electrification and fresh-water schemes are beginning to alter the standards of living in many vil-

lages. "The ambitious targets initially set by the RDP White Paper have been considerably toned down," admits Lewis. "The more sober assessments now are focused on practical results, with a much greater involvement of the private sector and of the almost entirely neglected NGO sector."

In South Africa, the term NGO applies to 54 000 organisations, ranging from the Institute of Race Relations to Operation Hunger.

To Ann Bernstein, executive director of the Centre for Development and Enterprise, this "intricate network" of NGOs makes society "richer, more effective and more compassionate".

She points to Latin American experience where NGO-municipal collaboration has become routine in local planning, primary health care, housing, garbage collection and urban transport, and cites the North American states of New York and Massachusetts, where more people work in the non-profit sector providing social services than in the government sector.

The implications here for finding solutions to both rural and urban problems are obvious. As Bernstein puts it, the "innovation, pluralism, diversity and robust individualism of NGOs is an expression of the values and real needs of people in society".

Plans set to benefit local councils

Central government to contribute R250 million for provision of services and R86 million for building of facilities

MICHAEL MORRIS
on the Olympic Bid

THE first five "strategic" Olympic projects being built during the next year to demonstrate Cape Town's commitment and capacity to host the 2004 Games will give metropolitan councils "discount" opportunities to extend local services.

Local authorities could "build on" to the Olympic multi-purpose halls - several of which will be located across the Peninsula - to add amenities such as a satellite library, day-care centre or day clinic without having to foot the huge bill for services like sewerage, roads, water and electricity.

Former city councillor Llewellyn van Wyk - one of a team of 20 voluntary professional advisers, who meet once a week to mull over plans and offer multi-disciplinary assistance to the bid company's planners - said this opportunity underlined the developmental nature of the bid.

The first facilities, to be built between now and September next year, will be funded by R86 million from central government. Services will be funded from a further amount of R250 million committed by the government.

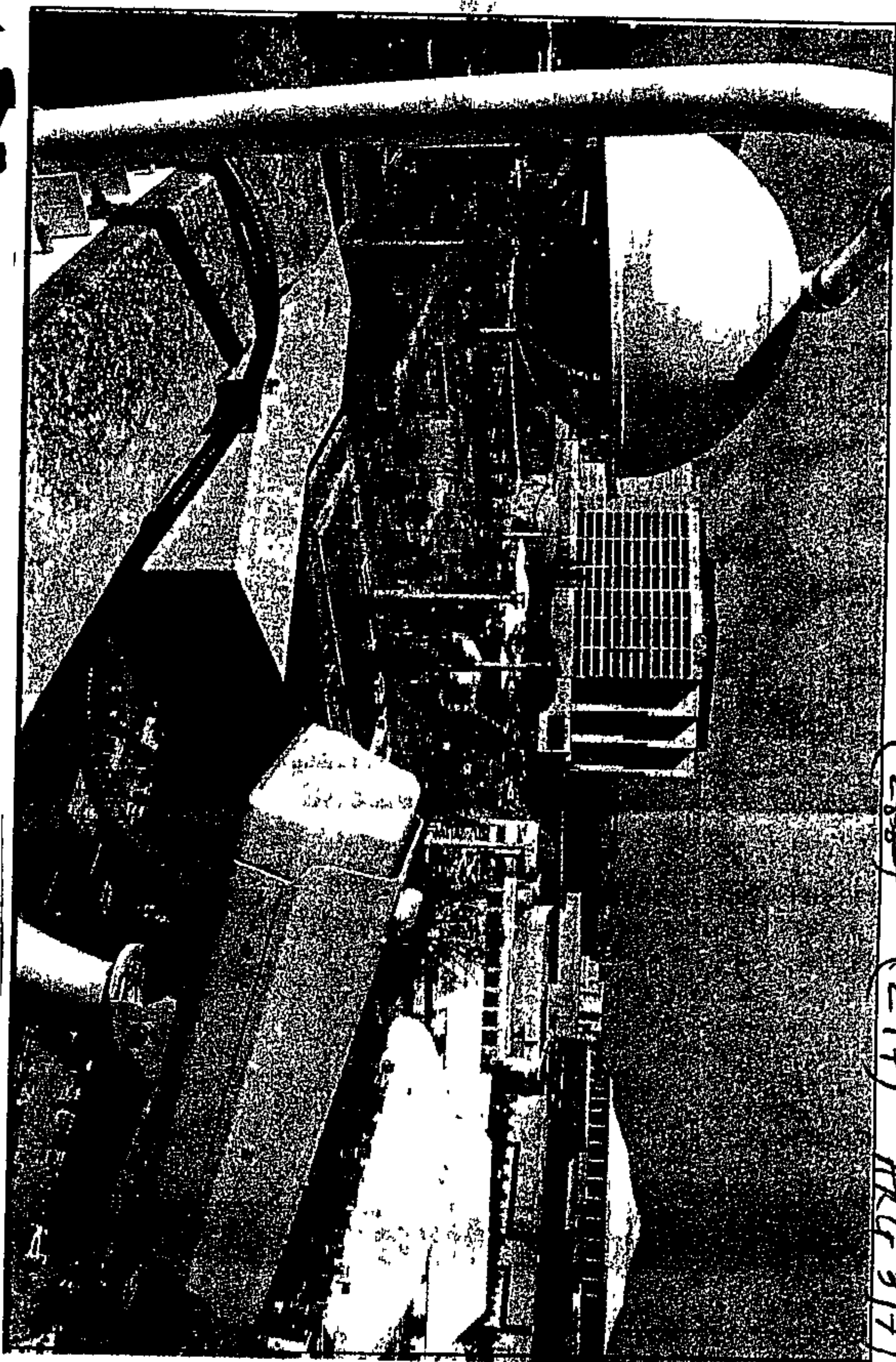
"These are targeted in disadvantaged areas, and even if we are not successful in the bid, the facilities will be available to communities."

But he added: "The creation of facilities must go beyond the notion of four walls and a roof. Each facility must be accessible to the community, so it becomes a forum, a place where children can play and parents can meet. It must make a substantial contribution to the social aura of the community."

"This is not the job of the Bid Company, but the local authority has the option to spend extra money on the facility. You could, for instance, add an education centre, a day-clinic, or a satellite library to the sports facility and this would come at a major discount to the local authority since all the services are paid for and the initial infrastructure cost - usually the most costly element - is provided by central government. I have no doubt the local councils will use this opportunity."

Mr Van Wyk, in fact, has been instrumental in restructuring the voluntary advisory group, precisely to keep better track of the developmental opportunities and how they are being used.

"We have suggested there be a co-ordinating team to take on the five strategic projects - Olympic facilities in Philippi East, Belhar, Khayelitsha, Bellville and Langa - to concentrate on delivery, and then a second, project advisory team of volunteers to help by giving guidance on the best ways to proceed, involving anything from tender procedures to environmental concerns."



(297) AR 4 3/7/96

BIG BROTHER:
Cameras mounted on top of the Inforum in Atlanta monitor the Olympic Park 24 hours a day. The cameras are two of several stationed in the lamp posts and within the Olympic venues to monitor security at the Olympic Games.



CAPE TOWN

2004

CANDIDATE CITY



Needs of the deaf must be heard

M+G (15M) 28/6-4/7/96

(297)

After two-and-a-half years of TV captioning for the deaf, how do we rate?

Elsa Semmelink reports

THIS month it will be two-and-a-half years since the former NNTV introduced the SABC's first half-hour magazine programme for the deaf, but some people within the corporation feel South Africa still lags far behind international broadcasters.

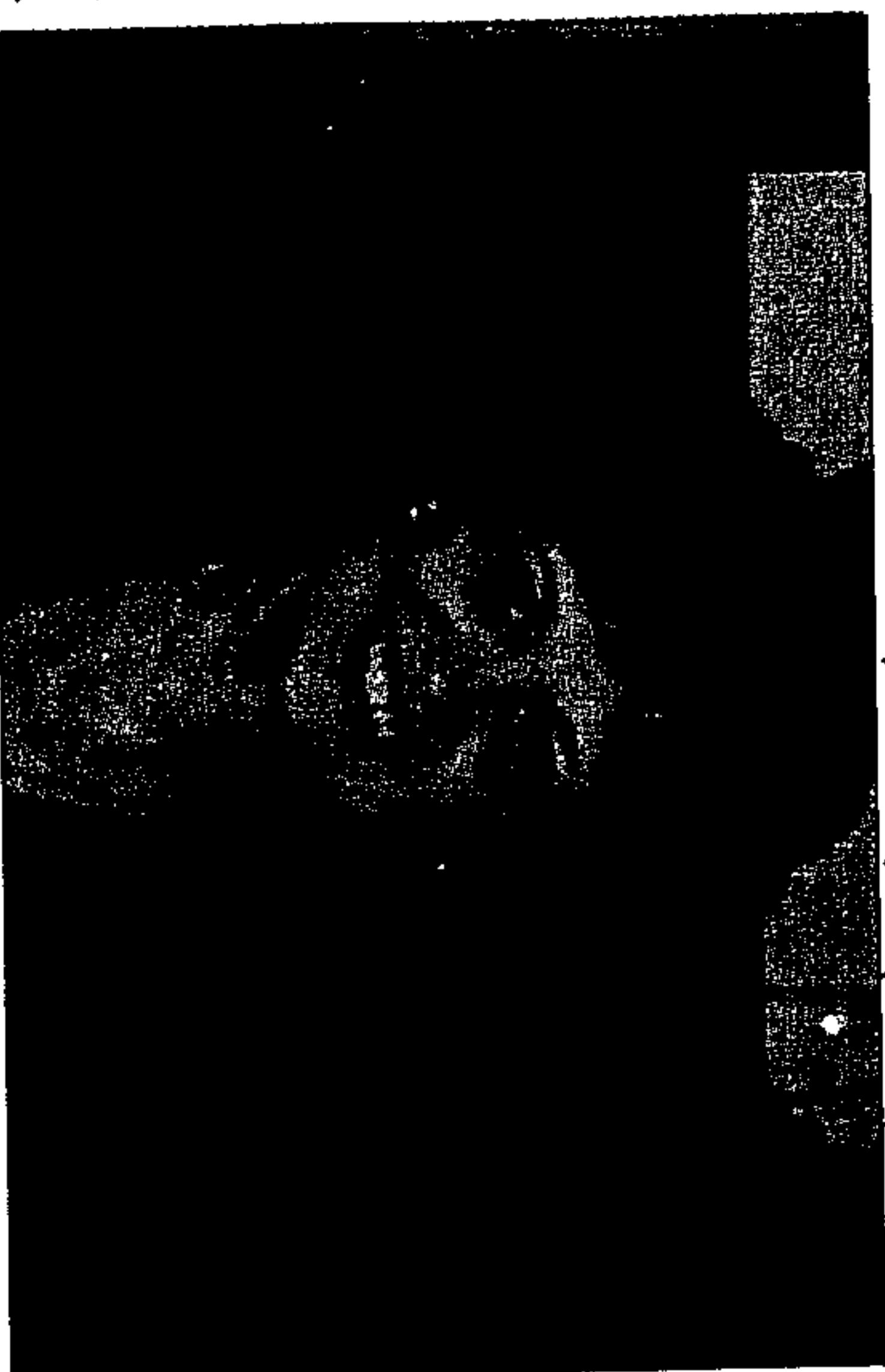
Sign Hear! was the first deaf programme launched on South African television, followed by *Signing Power* and *The Shakes*, which all aimed to cater for more than four million deaf and hard of hearing viewers.

"The international exposure South Africa has received since we started developing programmes for the deaf has proved that we are on a par with the rest of the world as far as our dedicated programmes are concerned. However, when it comes to captioning, we don't feature at all. Since television is made accessible to the deaf primarily by captioning, this issue requires urgent attention in this country," says SABC television programme co-ordinator for the deaf, Iris Bester.

She explains that television programmes other than those dedicated to the particular interests and needs of the deaf are made accessible to them by using different methods.

Captioning, also known as subtitling, is the most common. In open caption programmes, the text appears on the screen, but in closed caption programmes, which are more widely used, hidden data is embedded in a TV programme.

A decoder box — similar to a M-Net decoder, but much smaller — has to



Iris Bester: 'The deaf have similar requirements to hearing viewers'

be attached to a TV set for the viewer to see the captions.

Real time or live captioning, in which case information is made accessible to the deaf by using a sign language interpreter, is mostly used for news bulletins and live broadcasts.

"The deaf have basically the same requirements as hearing viewers," Bester says. "As regards language preference, however, the deaf have indicated that sign language is their first language. When a second language is learned, it will be either English or Afrikaans. However, most black deaf people approached by SABC TV have indicated that they do not require captions in vernacular languages, but would prefer English, since it is regarded as the language of education."

Last year Bester attended the 12th World Congress of the World Federation of the Deaf in Vienna, Austria, and the 18th International Congress on Education of the Deaf in Tel-Aviv, Israel and found that as far as cap-

tioning is concerned, South Africa is being left behind.

In the US, for example, which has more than 24-million people with hearing impairments — the federal government established the National Captioning Institute in 1979 as a non-profit corporation to develop closed captioning technology and programming.

It also supports legislation for more captioned programming and decoder subsidies; provides public relations and advertising support to increase public awareness; secures government grants to provide funding for captioned programming; and conducts research on the benefits of closed captioning as an educational tool.

During the 1992/1993 television season, NCI captions were seen on more than 770 hours of programming including programmes well-known to South African viewers such as *L4*

Lou, National Geographic specials, *Loving*, *The Bold and the Beautiful*, *Garfield and Friends* and *Batman*, the animated series.

Australia, likewise, established a non-governmental, self-supporting, non-profit company, the Australian Caption Centre, in 1981, and its first programmes with captions went on air the following year.

In Britain, subtitling is funded by the BBC licence fee, and the BBC broadcasts about 75 hours of programming with subtitles each week, which includes drama, documentaries, comedy features, consumer programmes, films, children's programmes, news bulletins and current affairs, whereas Japan, a country with 400 000 deaf and two million hard-of-hearing, has 12 hours and 50 minutes of programmes for the deaf using sign language every week.

Legislation played a major part in captioning being used far more extensively in other countries than in South Africa. In terms of the UK's Broadcast Act of 1990, 50% of all programmes on independent channels must be subtitled by 1998.

The US has no legislation pertaining to the number of programmes that have to be captioned, but the Public Broadcasting Service captions virtually all its programmes, and all programmes made by the federal government are captioned.

According to Bester, preliminary research done in the US has shown that the literacy skills of those learning English as a second language might be improved with exposure to captioned television programmes.

"In addition, closed captioning is one of the most important developments this century in bringing deaf and hard-of-hearing people into the mainstream," she says.

Social pact to get SA back on track

Guy Standing sets out the principles for a social accord, labour creation and wage levels

IN recent days there has been much talk about an incomes policy or social accord to help realise the government's economic growth strategy. It is important to appreciate the rationale for such a policy, and to know what type of policy is feasible in South Africa's conditions as well as what should be wanted from it.

Let us begin by considering issues on which there is little need for an incomes policy. In an International Labour Organisation (ILO) review of the South African labour market issued after more than a year of intensive work, we question some influential assertions.

Commentators should stop parroting unproven claims that do a disservice to the country's economic prospects. The labour market is flexible, in most senses of that overused term. Most workers face employment and income insecurity, while wages at the bottom are low and unprotected by the standards of many countries. To the Jeremiahs who assert otherwise, at least demand the evidence.

Most claiming that economic growth is impeded by an "inflexible labour market" are affluent, and it ill-becomes the privileged to advocate making

wages and working conditions of the poor more flexible, unless they are very confident of their evidence. How often do commentators argue for more flexibility for themselves or colleagues?

So, an incomes policy is not yet required to make the labour market more flexible for ordinary workers.

What about labour legislation? It is ironic that some blame the new Labour Relations Act for unemployment and low growth, when it has not come into effect. The Basic Conditions of Employment Act is also mild in its application. Others claim that industrial councils are a source of inflexibility and excessive wages. The trouble is that these cover a small and declining minority of workers, and many of those are covered only partially. Wages are mostly determined within firms.

Talk about "exemptions" is the stuff of after-dinner waffle. Thousands of exemptions are granted by the Department of Labour every year. As for the Wage Board, intended to set wages for those not covered by collective bargaining, it has scarcely functioned for years, and recent wage orders have set minima at about R400 a month, or about the level of the social pension.

There is also little need for an incomes policy to deal with labour

laws and collective bargaining. Similarly, the idea that lower wages for job entrants or youths would lower unemployment is misguided. First, it already exists in practice, yet youth unemployment is high. Second, if you lower the relative wage of one group you induce a distorted substitution of that group for others, so that any effect on total employment would be limited. Third, the proposal is a prescription for more regulation, which would be costly and complex.

'It ill-becomes the privileged to advocate making wages and working conditions of the poor more flexible, unless they are very confident of their evidence'

Although one may be sceptical about labour inflexibility, there is an "image" problem. If you say you have an inflexible labour market often enough, people will believe it even if they have no evidence.

Unfortunately creating an image abroad is important. South Africa is blessed with many advantages and I for one am convinced that economic growth will be impressive. There are short-term problems, not helped by ill-informed comments on what are teething pains of a new order and by posturing by some in positions of public responsibility.

Social pacts could help, in part, by altering the chemistry of policy dialogue. Ultimately, they are desirable to help improve labour market efficiency and socio-economic equity. And they

should help boost employment and community development.

A statutory incomes policy is out of the question, and the business community would be right to be wary about that. Policy should build on the South African capacity for dialogue. Although the National Economic Development and Labour Council (Nedlac) has had a difficult baptism, it must evolve into a co-ordinating body for national negotiations on ways of improving efficiency, equity and industrial democracy.

The main economic challenges facing this country are inequality, unemployment and inefficiency in production. Industries are adjusting to economic liberalisation, which is accentuating insecurity. The Reconstruction and Development Programme has been an uneven process, with recrimination about delivery and co-ordination. And there is fear among economists, this one included, that potential benefits of the rand depreciation could be dissipated unless there is a national agreement to limit price rises in sectors making "windfall" gains and to control costs.

At the national level one could envisage a National Employment and Development Pact (NEDP), whereby employers, unions and government could make some short- and medium-term "trade-offs". Quiet diplomacy is needed before the process starts. Unions might be prepared to negoti-

ate on strikes and efficiency, employers might agree to limit price rises, government might use its leverage to set transparent rules for fiscal redistribution. Here is not the place to set out what should be in the package.

But basic principles are vital. The parties must be clear about objectives, and they must know and agree to the rules of the game before the process is launched. The national agreement should include negotiations over indirect labour costs, which are a worrying aspect of the labour market and a source of inflexibility.

An NEDP could set the framework for lower-level agreements. Thus it could be complemented by sectoral agreements whereby industrial (bargaining) councils set minimum standards for their sector.

These could be complemented by what might be called Regional Employment and Development Councils (Redacs). There are the beginnings of this in some parts of the country, and they must be nurtured into an integrated strategy.

One appreciates the historical baggage that comes with regionalised policy and the need for national cohesion. Yet the latter could be weakened unless meaningful Redacs were set up.

One lesson from the European Union is that there is much democratic, equity and efficiency sense in the principle of subsidiarity. A potential advantage of regional bodies is that they could bring representatives together who feel an identity with their community. Put bluntly, the local football team is our football team.

Redacs could improve the societal sharing of costs and benefits of adjustment and economic growth. Although individual firms might not like the idea, because it runs against their narrow short-term interest, employers as a group could bring to the bargaining table a willingness to shift some social and development functions from their own preserve to the community, perhaps in return for wage restraint and efforts to raise efficiency from unions, and measures to improve infrastructure by the local authorities. Unless there were a communal bargaining structure such desirable changes would be unlikely.

A localised negotiating process — which may not look glamorous to national politicians or commentators — is the way local labour market adjustments could be co-ordinated. Otherwise one fears that under pressure to cut costs to become "competitive", firms would abandon social functions, which would wither, while productive efficiency will continue to be stagnant, and there will be a continuing problem of "confidence" which is disturbingly fragile.

Structured and guided by national agreements, sectoral and regional employment and development pacts could limit co-ordination failure and improve the climate of opinion at home and abroad. We may lament the influence of confidence and credibility in international finance markets, but surely a way of moderating their effect would be to lower the tone of negotiations between employers, unions and the government.

In that spirit, employment and development pacts would address the twin problems of equity and efficiency to boost growth and employment while reducing the awful inequality that characterises South African society.

Guy Standing, director of labour market policies at the International Labour Organisation, co-ordinated the report *Restructuring the Labour Market: The South African Challenge*. This article is written in his personal capacity, so views

Inequality stunts growth

Madeline Wackemagel

OFFICIAL unemployment may not be as drastic as previously thought, according to the International Labour Organisation (ILO) report released last week, but levels of inequality are still abnormally high. And while there has been some progress on redistribution between the races, intra-racial inequality is growing.

"The gap between the haves and the have-nots is widening," says Dr Azar Jammine, chief economist at Econometrix. "Otherwise, why would sales of food be underperforming sales of luxury goods?"

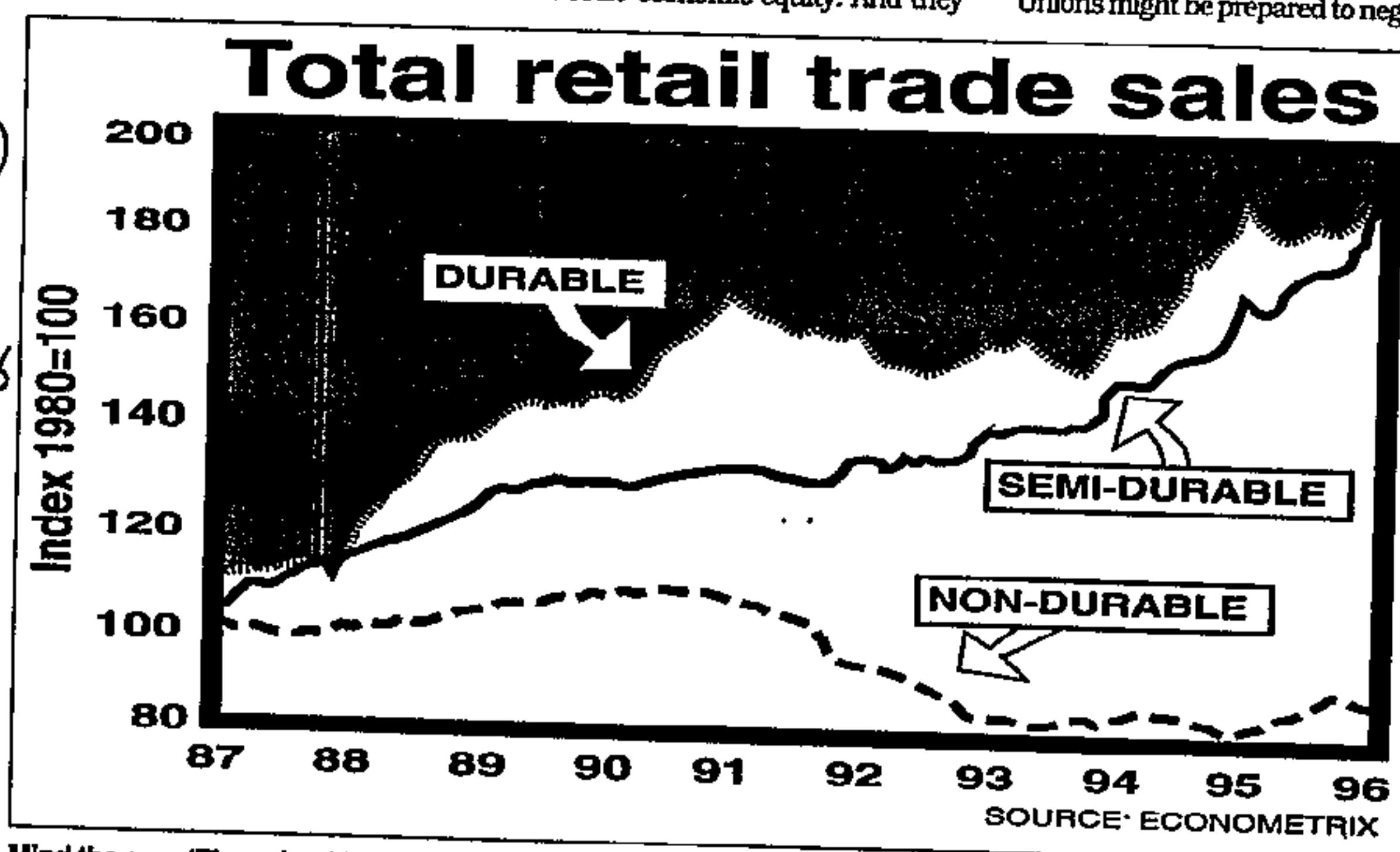
"It is no longer only a racial issue; the distribution of earnings is becoming increasingly unequal, leading to skewed consumption patterns in favour of durable goods for the haves and away from 'essential' non-durable goods for the have-nots."

Inequality affects poverty, as well as growth prospects. Says the ILO, "Modern economic theory has established, with strong empirical support, that severe income inequality of the type found in South Africa hinders economic growth, and that a reduction in inequality would in itself increase the rate of economic growth."

"If more impressive economic growth and development are desired, then lessening the degree of inequality would be a way of achieving them."

On a 20-year trend, the income gap between black and white workers has narrowed but the differential between unemployed and employed blacks has been growing.

Redistribution is not simply a matter of creating more, low-wage jobs, believes Murray Leibbrandt, of the University of Cape Town's economics department. "All this talk of a



Mind the gap: 'The sale of food [non-durables] is underperforming sales of luxury [durable] goods'

flexible labour market being the solution to all our poverty and unemployment problems amounts to nothing more than platitudes.

"Unemployment is worst in rural areas, yet most jobs are created in urban areas. Without incentives, you won't get the jobs in rural communities; most rural people can't just up and leave in pursuit of a job miles away in the city. And cutting wages alone is not going to do the trick."

"What we need is proper targeting, with particular emphasis on the agricultural sector, to address rural unemployment."

The ILO found that the worst-hit group was rural women, "who deserve very high priority in the targeting of labour market and social policy. Improving the lot of African women, particularly in rural areas, would reduce poverty, assist in human development and reduce inequality."

According to the ILO, 53% of the unemployed live in households with no wage-earners, relying instead on social transfers and informal activities. But the rural level is nearer to 70%.

Jammine says this finding shows that lower wages in the formal sector would help to boost employment, despite the fact that the informal sector

John Kane-Berman, head of the South African Institute of Race Relations, is not convinced. The correlation between wages and unemployment may not be that clear-cut, he says.

"If real wages are held down in order to speed up the rate of job creation, we may find that not too many people are prepared to work at lower wages."

"This is certainly the case in domestic service and agriculture — often illegal immigrants perform the jobs that locals are not prepared to do because the wages are too low."

Kane-Berman says there is evidence that a number of the officially unemployed rely on the support of a wage-earner within the household, supplementing their income with informal activities, including crime. According to this theory, the extended family system operates in the same way as the social security safety net in Europe. And it has the same effect — people on the dole are less likely to seek formal employment at low wages.

Leibbrandt disagrees: "Surely anyone would prefer a formal job to hawking vegetables on street corners? If wage employment is avail-

take it up. Granted, at ridiculously low wage levels, it would not be worth it, particularly if one's costs outweighed the benefits."

While it did not call for a national minimum wage, last week's Labour Market Commission report highlighted particular sectors as suitable for target wage levels, especially agriculture. "Minimum wages set at appropriate levels, combined with a de-emphasis on capital intensity in most sectors of agriculture, may eliminate extremely low wages, encourage the more productive use of labour and increase total employment...."

In this context, the commission recommended that the wage board be given the power to determine regional and local conditions and set suitable wage levels.

A sectoral policy makes sense, says Leibbrandt, but it must form part of an holistic approach, combining macro-economic, industrial and labour policy. "Industrial policy must set out to encourage labour-intensive projects, instead of following the capital-intensive route. Then, sectoral policy can step in to address localised conditions and wages. Redistribution must form part of that holistic approach, with the

SABC viewership stabilises in June

Ingrid Salgado

WEEKLY viewership levels for the SABC's three television channels stabilised towards the end of June while average daily viewing time for SABC1 and SABC2 increased marginally, audience ratings released by the SABC yesterday shows.

SABC1's average daily viewing time increased from 40 to 41 minutes and SABC2's rose from 46 to 47 minutes for the period June 17-23. SABC3 levels were unchanged at 17 minutes.

The ratings indicated strong support for African language programmes. Among Nguni and Sotho speakers, indigenous language programming dominated the top 10 programmes, led by the SABC1 drama *Uthando Lwami*.

Performance of news bulletins varied from channel to channel. There had been a marked viewership improvement of Afrikaans news bulletins with increases among English, Nguni and Sotho viewers.

IBA processing 12 private radio licence applications

Ingrid Salgado

THE Independent Broadcasting Authority has received 12 private radio licence applications for three new frequencies in Cape Town and one new Durban frequency, the broadcast regulator said yesterday.

Applications closed on Tuesday and applicants' details would be made available only once the IBA had gazetted the applications. One FM and two MW frequencies are up for grabs in Cape Town.

One Durban FM frequency is available. Applications for one Gauteng MW frequency and three Johannesburg FM frequencies close on August 16.

IBA spokesman Amos Vilakazi said the authority had not yet had time to scrutinise the Durban and Cape Town applications. It was still analysing licence bids for six SABC re-

gional radio stations.

The authority expected to have licensed the first batch of applicants by November while public hearings to consider bids for the SABC stations would start in September, at latest.

The authority could not speed up the process, Vilakazi said. The IBA Act required the regulator to wait a month for objections to gazetted applications while applicants had another month to respond to objections. The IBA's decision on which applicant to licence would follow public hearings.

Vilakazi said time taken for the IBA to grant licences would depend on the volume of evidence submitted.

Posts, Telecommunications and Broadcasting Minister Jay Naidoo's proposal to speed up licensing by changing the IBA Act had been put on hold, as Parliament was in recess.

Provinces to get a voice in lotteries

Linda Ensor

CAPE TOWN — Provincial governments have been given a significant role in governing the national lottery, in terms of the Lotteries Bill tabled in Parliament yesterday.

The Bill provides for each province to be represented on the National Lotteries Board, while provincial premiers will have to be consulted over the way lottery funds earmarked for the RDP are spent. The Bill stipulates that money raised by the lottery will have to be equitably distributed among the provinces.

Sports pools, where punters forecast the result of a sporting event to win a prize, are given the green light by the Bill, opening the way for operators such as Littlewoods to enter the SA market.

The Bill proposes the establishment of a National Lotteries Board made up of a maximum of 19 members, with two representatives from central government,

one from each of the provinces, a lawyer, an accountant and not more than four with specialised knowledge of lotteries.

The board's functions include awarding a licence to a company to run the lottery, monitoring the way it is run and administering a National Lottery Distribution Trust which will receive the licence fees and funds raised.

The Bill stipulates that a licence will only be awarded to a company that shows "a clear commitment to the advancement, upliftment and economic empowerment of persons or groups or categories of persons disadvantaged by unfair discrimination".

With the concurrence of the relevant minister, the trust fund will distribute the funds raised to the RDP and to support charities, sport, recreation, the arts, culture and the national heritage.

Prescribed percentages of the funds in the trust will be allocated to each of these earmarked recipients, though the Bill does not de-

tail these percentages.

The Bill proposes that bodies receiving lottery funds should be nationally representative and active in all provinces.

Provincial and local interests, including the number of lottery tickets sold in each province, and the population and financial requirements of each province, will have to be taken into account when grants are made.

A condition for the granting of a licence is that no political party or political office bearer has any direct or indirect financial interest in the applicant company. The licence could be granted for a maximum of only five years.

The Bill recommends that small, private and society lotteries be allowed under certain conditions, but that competitions not based on a degree of skill, and newspaper and broadcasting competitions be outlawed where they offer prizes for forecasting a future event or a past event where the result is not generally known.

with RDP programme to

Welfare's database is in place, ending 'decades of chaos'

By JOVIAL RANTAO
Political Correspondent

The first phase of a process aimed at ending "decades of chaos" and streamlining the social security payout system had been completed, Welfare and Population Development Minister Geraldine Fraser-Moleketi said yesterday.

Fraser-Moleketi said that with information on social grants – including that of beneficiaries in the former homelands – having been loaded into one database, the department had moved a step further in its drive towards attaining

a social security setup under one national transverse computer system

"In line with the recommendations of the White Paper for Social Welfare, the move signals a break with the past, which was riddled by discrimination and fragmentation.

"Inheriting 14 different administrative systems has not been an easy task for the department and its officials, who have consulted broadly with pro-

vinces and worked together to devise a strategy aimed at ending decades of chaos," she said.

During the first phase, beneficiaries' identifications, payment amounts and types of grants had been screened, resulting in some being referred to provinces for further verification. Some beneficiaries' IDs could not be confirmed.

"The completion of the loading of data into one database – our first phase – is a culmination of daily

planning sessions, a series of meetings with national and provincial government ministers and officials which began last year."

The second phase, to be started soon, would entail the final verification and clearing of data, in consultation with the Department of Home Affairs

Fraser-Moleketi said that despite problems having been encountered – which had led to the department missing deadlines – much progress had been made in the former Bophuthatswana and QwaQwa, where the system was already up and running.

Department inherited 14 systems

MAN 5/7/96 (297)

Corruption 'eroding' public support for foreign aid — World Bank

(297)

60 9/9/96

CORRUPTION in developing and transition economies was undermining public support for expenditure on overseas development, World Bank president James Wolfensohn said in a recent interview.

"When voters think their money is going into a few people's pockets and Swiss bank accounts, that erodes the whole quality of the overseas assistance package," Wolfensohn said.

He said corruption was a constant concern of non-governmental organizations operating in recipient countries and said he expected it would play a bigger part in debates over development spending.

"Countries that are fundamentally corrupt should be told that unless they can deal with that they are not getting

any more money," he said. Wolfensohn said the bank had been studying corruption and possible cures. A year into his presidency, he said people would soon see other shifts of emphasis.

"One area of focus is clearly capacity: helping countries to build their own structure, property rights and judicial systems; the framework which can encourage private sector investment. Financial markets are another clear area," he said.

Wolfensohn said that he wanted the bank to give more encouragement to rural industry. "It keeps people out of cities, helps the environment, is less disruptive and keeps the social structure visible."

The bank's lending programme in

Russia also showed the growing importance of taking social support into account during periods of economic restructuring.

"If they're going to keep their system together the vulnerable underbelly is the social system," he said.

Most of the loan recently agreed to help restructure Russia's coal sector would be devoted to social measures.

The bank would also try to encourage private sector investment in poor countries by offering more guarantees to companies entering long-term contracts with governments.

Wolfensohn said this shift of emphasis was being accompanied by a change of the bank's internal ethos. Country managers were being encouraged to manage relations with govern-

ments more effectively, while the layers of approval required for each project were being cut from five to two.

Wolfensohn said that he did not, however, expect an easy ride. "Every step I take there will be criticism. If I talk about mundane details, people say I'm neglecting policy. If I talk about policy, they say I'm neglecting the details ... if I try to do both, then they say I'm trying to do too much."

Wolfensohn was visiting London after the Group of Seven summit in Lyons, which endorsed the joint initiative on poor country debt by the bank and the IMF.

He said the bank had made a financial commitment to it but success depended on fair burden sharing among creditors. — Financial Times.

UK to pledge R400-m for development projects in SA

Star 10/7/96 (297)
The money is part of a three-year
aid package that will be used for
health, crime-fighting and education

By PRISCILLA SINGH

South Africa was due to receive a £60-million (R402-million) pledge from Britain today as part of an aid package destined for major development projects over the next three years.

British Prime Minister John Major was to make the pledge in London when he met President Nelson Mandela on his state visit.

The contribution is the second from the British government in three years; the first – also £60-million – was handed over in 1993.

Richard Morgan, the British High Commission political/aid first secretary in South Africa, said officials had been working with central ministries and provincial authorities on projects of health, rural development, small enterprises and community policing.

Morgan said the money in the three-year development scheme focused on specific long-term projects.

"In Mpumalanga and the Northern Province, millions of rands were pumped into restructuring the waterworks and putting into place a system which works for a long time and is not just a short-term solution. Hydro-purification works have also been implemented.

"Community policing is also an area where we are using the money. Communities, policing forums and NGOs are encouraged

to combine their strengths to work against crime and, together with police advisers from London, we try and provide the know-how," he said.

Morgan said a troop of police trainers from London trained local officers and exchanged crime-combating information last year.

About 200 community policing forums have been formed in the North West Province through the UK aid programme.

In setting up educational institutions, Morgan said, the aim was to have permanent structures in place which would benefit generations to come. In Mpumalanga, primary education schemes are already up and running after UK consultants and advisers came here to share expertise with local teachers and provincial bodies.

"We want to develop a fair amount of priority to education and our mission is to serve bodies across the board – from central ministries to provincial governments to NGOs – and deliver on the ground.

"We have made a lot of progress over the past three years but there is still a long way to go," he said.

"The British government will continue with aid support for SA, provided the SA government is still keen to have us and accepts there is a need to change the way development is being tackled," said Morgan.

Source: Low

15/7/96

297



President Nelson Mandela salutes an officer of the First Battalion Foot Guards as he departs with Britain's Queen Elizabeth in a horse-drawn carriage for Buckingham Palace after a welcome ceremony at Horse Guards Parade in London yesterday. Mandela is in Britain on a four-day state visit.

PICT: AP

Britain to give SA R403-m

British prime minister John Major is expected to pledge a further R403 million in British aid to South Africa during his talks with President Nelson Mandela at 10 Downing Street today.

This pledge maintains the British government's support for the political and economic transition of South Africa, according to British representatives in SA.

The aid will be used to promote development in priority sectors agreed on by Major and Mandela, who is on a four-day state visit to Britain. These are education, good governance, health, rural development and small enterprise development, reports *Sapa*.

Meanwhile, Mandela and his daughter, Princess Zennu Mandela-Dlamini, were welcomed by Queen Elizabeth at a colourful ceremony at the Horse Guards Parade in London yesterday.

A 21-gun salute was fired from nearby Green Park and the

South African and the British national anthems played. Mandela, escorted by Prince Philip, inspected a guard of honour of the 1st Battalion Irish Guards with the Queen's Colour.

Crowds of mainly schoolchildren on stands around the parade ground chanted "Nelson, Nelson" as Mandela waved to them. Later Mandela, the queen and senior members of their entourage left in a carriage for Buckingham Palace.

Smiling entourage

They were followed in carriages by smiling Water Affairs Minister Mr Kader Asmal, Transport Minister Mr Mac Maharaj, Deputy Foreign Affairs Minister Mr Aziz Pabod, Deputy Finance Minister Ms Gill Marcus and the director-general in the President's Office Professor Jakes Gerwel.

Crowds of hundreds, waving South African and British flags, lined the Mall as the procession moved towards Buckingham Palace under grey London skies. Rafiq Roiban reports from

London that while practically all senior members of Britain's royal family participated in Mandela's visit, there was one noteworthy absence - the Princess of Wales.

Nowhere was the name Princess Diana found on the heady list of events, banquets and walkabouts Diana is at the centre of a bitter divorce from her estranged husband Prince Charles at the moment.

A Buckingham Palace spokesman dismissed speculation about her absence, saying she had other tasks to perform.

● In April 1994 the British government pledged about R403 million bilateral aid, plus the British share of the European Community aid and Commonwealth Development Corporation programmes. Most of that bilateral aid has now been committed to projects in the priority sectors.

The new pledge of aid will continue work in the focus sectors, with particular emphasis on education, an area in which Mandela takes a particularly close interest.

Britain pledges R402-m

The Argus Foreign Service

ARCT 10/7/96

(297)

LONDON. - South Africa will receive a £60 million (R402-m) pledge from the British government today as part of an aid package for big development projects over the next three years.

British Prime Minister John Major is expected to make the announcement when he meets President Mandela during his four-day visit to the United Kingdom as a guest of the Queen.

The bilateral aid contribution is the second by the British government in three years. The first such payment - also £60 million - was handed over in 1993.

Richard Morgan, British High Commission political/aid first secretary in South Africa, said officials had been working with central ministries and provincial authorities on projects covering health, rural development, small enterprises and community policing.

Mr Morgan said the money in the three-year development scheme focused on specific long-term projects.

"In Mpumalanga and the Northern Province, millions of rands were pumped into restructuring the waterworks and

putting into place a system which works for a long time and is not just a short-term solution. Hydropurification works have also been implemented.

"Community policing is also an area where we are using the money. Communities, policing forums and NGOs (non-governmental organisations) are encouraged to combine their strengths to work against crime and together with police advisers from London, we try to provide the know-how," he said.

Last year police trainers from London had spent a couple of months in South Africa training police and providing information on how crime was dealt with in Britain.

To date, about 200 community policing forums have been formed in North West Province through the UK programme.

In setting up educational institutions, Mr Morgan said, the aim, again, was for permanent structures which would benefit generations to come.

In Mpumalanga, primary education schemes were already up and running after UK consultants and advisers had visited to share their expertise with teachers and provincial bodies.

Madiba puts down some roots in UK

LONDON. - President Mandela planted a plane tree in London's St James's Park today.

It would be something permanent he would be leaving behind, he told a crowd of hundreds of early-morning onlookers watching in bright sunlight, which had broken through minutes before he arrived from Buckingham Palace.

He thanked the British people for their "tremendous support" for the anti-apartheid struggle over many years, and said the hospitality he and his entourage were receiving from the royal family, the government and the public was "beyond words".

Mr Mandela quipped that he wished he could come every week to water the tree, but hoped those who had an interest in improving relations between Britain and South Africa would do the job regularly.

Mr Mandela, wearing one of his famed shirts, shook hands with dignitaries and jived with a group of singers, the South African Music Village. - Sapa.

● See page 23



ROYAL WELCOME: President Mandela poses with Queen Elizabeth.

'Resources must be redistributed to overcome poverty'

Battle inequalities, Cape Town municipality is urged

JOSEPH ARANES
Municipal Staff

THE Cape Town municipality must redistribute its public resources and switch its spending priorities to overcome the inequalities and poverty prevalent in the council area, says assistant city administrator Roy Gentle.

Mr Gentle, who was addressing the council's new reconstruction and development programme policy unit, told members that in the past the council had problems implementing RDP projects due to shortcomings in the standing committees.

"The idea of the RDP is to transform local societies and change the mindsets of those in authority because it is no longer business as usual.

Local government must deliver basic services, extend local control and give communities a say in the planning of their future.

"We need to encourage and manage

local economic development and redistribute public resources - and even freeze inappropriate projects - in order to overcome the inequalities and poverty that exist in the municipal area."

Mr Gentle said the municipality should make sufficient resources available for extending and upgrading municipal services and needed to get a clear perspective on the infrastructure of other areas like Pinelands and Ikapa that now fell under its jurisdiction.

He told the members they had a vital role to play in ensuring that the RDP took off in the city.

"The previous RDP standing committee was poorly attended and hardly supported by other line departments largely because it was a new concept and there was a lot of uncertainty about the future boundaries of the council.

"Each substructure will now have its own RDP forum which will fulfill a watchdog role ensuring that planning at a local and municipal level is taking

place.

Expectations of communities are high and we must see how we can meet their expectations with our limited resources."

He said there were several community-based RDP forums which were seeking accreditation and recognition from the council, and that the RDP policy unit needed to liaise with these groups and should also become part of the Municipal Development Forum (MDF).

The unit agreed to make inputs on the MDF and agreed to a policy for accrediting local RDP forums as long as they met the criteria of representivity, inclusivity, transparency, accountability and political neutrality as laid down by the provincial RDP office.

RDP unit chairman Saliem Mowser said that by accrediting the local RDP forums, the council could now award them an annual grant-in-aid not exceeding R5 000 to cover their running costs.

Watchdog to oversee RDP projects

Municipal Staff

THE Cape Town municipality has established a watchdog body to oversee the implementation of the council's reconstruction and development programme (RDP) projects, and to ensure the projects are not bogged down in administrative red tape.

The RDP Policy Unit, which met under the chairmanship of Saliem Mowser and which includes the chairmen of the council's standing committees, has the task of directing the relevant community RDP projects to the standing committees for implementation.

Mr Mowser, who is also the council's deputy executive committee chairman, said the unit's task was very important as the expectations of the communities within the municipality were very high, and it was time their concerns and the inequalities of the past were addressed.

"We will have to develop RDP policies and a framework to address these needs which the different standing committees can implement.

Through this we have to raise the living conditions of the communities we represent." He said the unit would set in motion a programme which would ensure that there were no unnecessary hold-ups in the implementation of the

RDP projects.

Urban planning committee chairman Leon Markovitz said it was the task of the unit to ensure that the standing committees were doing their jobs and that there were no delays in getting the work done.

"We must place extreme pressure on the standing committees to make sure that the RDP becomes part of their lives and the life of the city.

"This unit must get rid of the red tape and must short cut the processes so that the delivery process goes on."

He said the unit should monitor and put mechanisms in place to ensure that the work was done.

NGOs accuse government of failing them

A recent study has revealed how difficult it is for NGOs to access government money and contracts, writes
Colleen Lowe Morna

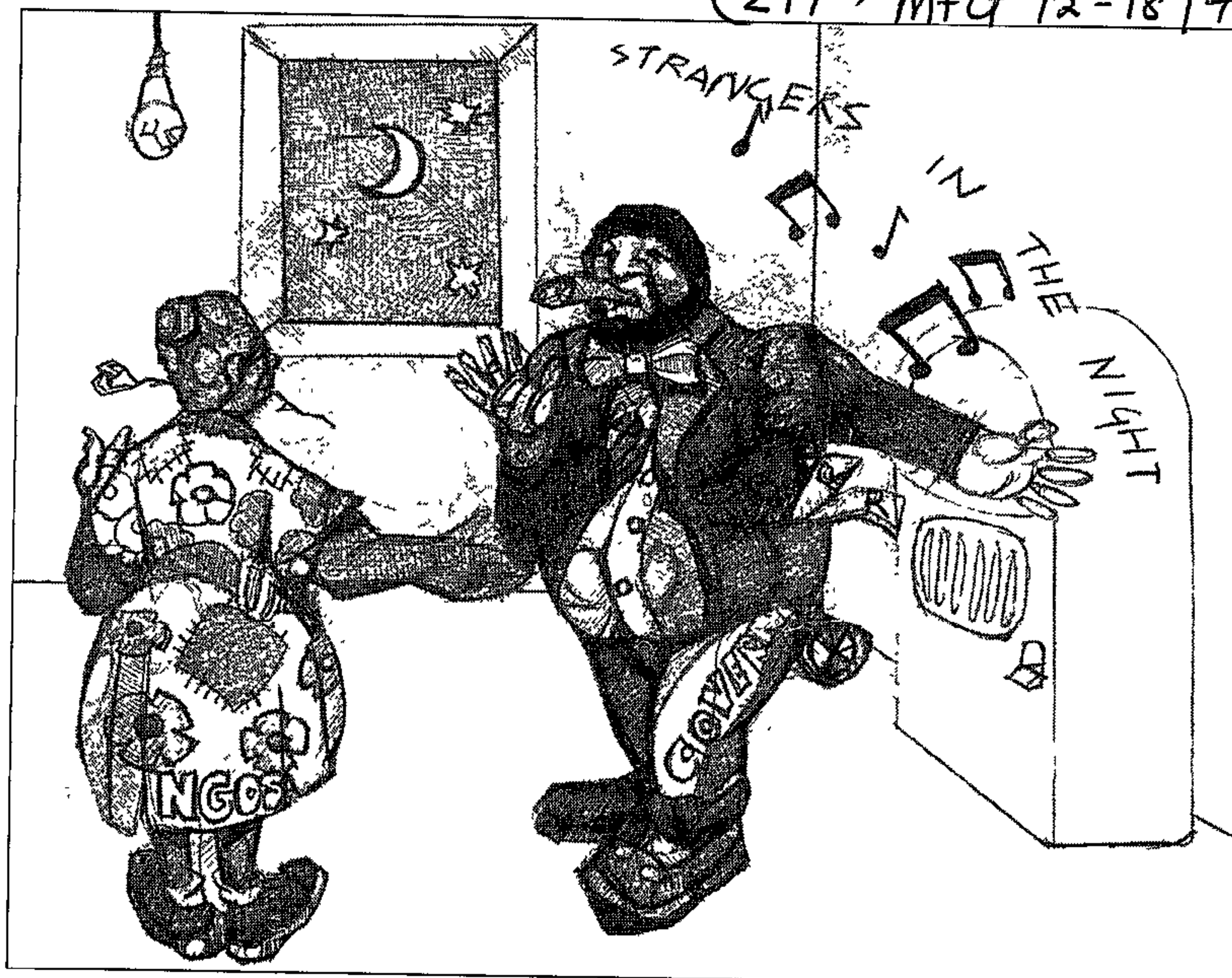
THE government has failed to "define a coherent policy on how to relate to non-governmental organisations (NGOs)", states the first major survey of government and voluntary sector partnerships in the new South Africa.

The study, called *Tango in the Dark* and to be released on July 24, takes its title from an observation in an article in the *South African Development Digest* that "trying to raise funds for the NGO sector in the current funding climate is rather like trying to tango in the dark. You know your partner's out there, but finding her, let alone getting any sort of dance going, is nigh impossible."

Commissioned by Interfund, an international development agency, and carried out by the Johannesburg-based Community Agency for Social Enquiry, the study set out to provide a simple, practical guide on how NGOs could access government money, either through grants or contracts.

"What we found is that it was far from simple," says Anita Gulati, author of the report, an advance copy of which was made exclusively available to *Reconstruct*. According to the report, "only a small number of NGOs have been involved in government-sponsored development projects and even fewer have been recipients of government funding."

This had raised a number of "awkward questions", including whether or



not the government "is paying lip service to NGOs and community-based organisations (CBOs)" and whether "NGOs and CBOs can rely on the government to assist them in resolving the crisis threatening their existence".

Among the difficulties experienced, the report cites the delays in getting the Transitional National Development Trust (TNDT) off the ground as a major obstacle.

Seven months into its two-year

term, the TNDT has only disbursed R13-million, owing to delays in reaching agreement with the European Union on procedures (the trust has now agreed that the EU have a final say on its R80-million share of the R130-million fund) and in the appointment of project staff.

After receiving funding applications worth over R600-million, the TNDT announced that it would not be entertaining any more "emergency"

funding applications after August 31. In effect, TNDT chief executive officer Eric Molobi says it is likely to mean no more applications, pending the establishment of the longer-term National Development Agency.

The report cites a few success stories of business partnerships between NGOs and the government. These include the Mvula Trust, which has an R 70-million official agreement with the Department of Water Affairs

to assist in the supply of rural water; the National Land Committee and others who have undertaken work for the Department of Land; as well as a number of NGOs in the health sector.

But the report, which carried out surveys of five ministries and four provinces, says NGOs face numerous problems in tendering for government contracts, including the fact that they are expected to compete on the same terms as business, face an unfriendly State Tender Board, and receive conflicting messages from national, provincial and local government.

While critical of the Reconstruction and Development Programme (RDP) office for failing to facilitate better access to the government, the report concedes that things are likely to be tougher now the ministry has been abolished.

Bongi Mkabela, former NGO liaison officer in the RDP office, says she now reports to the deputy president's office, and insists there is still a strong commitment by the government to partnerships with NGOs. But she concedes that the closure of the RDP "one-stop shop" means NGOs will have to "knock much harder at the door of individual line ministries".

Interfund director Barry Smith insists the report is not intended "to let NGOs off the hook... both the government and NGOs need to be more proactive in seeking out partnerships."

Smith suggests this might include a joint effort to draw up guidelines for NGOs wanting to tender for government projects, the appointment by line ministries of NGO liaison officers, and special budgetary allocations for partnerships between NGOs and different tiers of the government.

U-turn on proposed Bill

Stefans Brümmer

SOME say non-governmental organisations (NGOs) stopped digging when they discovered it was their own grave. Others maintain the digging was merely for the sake of exercise, and NGOs are now brawny enough to pursue their better interests.

However one looks at it, the truth is that South Africa's development NGO sector has made a spectacular turnabout, withdrawing submissions on new NGO legislation that — in the eyes of the critics — would have placed all NGOs under "Orwellian" government control.

When the Development Resources Centre (DRC), an NGO in the business of networking and capacity-building among other NGOs in the development field, circulated a proposed NGO Bill a year ago, the first dissenting voices came from more conservative NGOs.

Said the Helen Suzman Foundation's Bill Johnson at the time: "The proposed Bill is more restrictive than anything the old apartheid regime ever envisaged."

He railed, particularly, against clauses like compulsory registration of most not-for-profit organisations within three years, and a massively powerful regulatory commission — according to some interpretations dominated by the government — which would have the power to suspend NGO trustees, replace them and even deregister NGOs.

For the proponents of the Bill, it would have been easy to dismiss Johnson's critique as the rantings of a conservative.

But the Bill's classy pedigree — it was the culmination of an independent study by high-profile

names like Nicholas Haysom, Wallace Mgoqi, Dennis Davis and others, commissioned in 1992 by the DRC and debated by the broadly representative National NGO Coalition — meant it deserved a harder look.

Soon NGOs from the left — organisations which were at the forefront of the anti-apartheid struggle — were also querying the degree of "statism" reflected in the bill.

'The proposed Bill is more restrictive than anything the old apartheid regime ever envisaged'

"We took cognisance of the comments and we withdrew [the Bill] in December," says Owen Stuurman, advocacy manager of the DRC.

"In its place we said, 'Hold on, if this is the feedback we're getting, rather let us facilitate discussion on these issues.'"

Early this year, the DRC started circulating an "issues document" among NGOs, setting the agenda for a new look at the need for legislative change. As before, the rationale for new legislation remained the need for "an enabling environment for NGOs".

Stuurman says the initiative was widely discussed by provincial NGO networks in recent months.

While there were still demands for greater state powers especially from smaller community-based organisations (CBOs), who were often at the receiving end of what they perceive as mismanagement by larger NGOs, broad consensus

was reached on the following:

- The present Fund-Raising Act, which already gives the government strong tools to interfere in NGO management, some of which was replicated in the NGO Bill, should be scrapped. Rather than controlling fund-raising, a system of spending accountability is required.

- Registration of NGOs should be voluntary, encouraged by proposed tax exemptions.

- Criminal activity should be handled through the police and judicial system, rather than by the Bill's proposed NGO commission.

- The proposed NGO commission should not have strong executive powers and rather operate as a registration body, and to advise and support the sector. It will be dominated by NGO-proposed representatives.

Stuurman says the jury is still out on whether amendments to existing legislation or a single new NGO Act will achieve the "enabling environment". His preference is for the latter.

Stuurman defends the DRC's decision to circulate the Bill last year. "We take full responsibility for actually distributing the second draft, even though we did not fully agree with it... It is a tactic of advocacy."

The one mistake the DRC will not make again, he says, is to dabble in drafting a Bill. When the current round of consultations expected to culminate in a week of discussions in December is complete, NGOs will forward their consensus position to the Department of Welfare, to be drafted into a Bill or amendments to existing Acts, and piloted through Parliament.

Tender Board reforms eagerly awaited

Aspasia Karras

NON-GOVERNMENTAL ORGANISATIONS (NGOs) are awaiting the Green Paper on Procurement Reform, due at the end of July, and expected to herald far-reaching recommendations for adapting state tendering procedures to new realities.

The Green Paper is the handiwork of a Procurement Reform Task Team, established as a joint venture between the Departments of Public Works and Finance. Deen Letchmah, team chairperson, says the Green Paper will attempt to address the manner in which NGOs can participate in government contracts.

The frustrations of NGOs are shared by many who have been involved in Reconstruction and Development Programme (RDP) projects.

Temba Maluleke, project manager of the East Rand Presidential Lead Project, describes how after six months he has not been able to procure X-ray equipment for a newly established hospital. "This is a case in point where the bureaucracy is frustrating development."

Tender Board officials say they have to balance the need for flexibility with the requirements of transparency. For example, the Tender Board now requires that all contracts below R75 000, which used to be administered by departments without a tendering process, be advertised in an open-tender process.

The task team created a 10-point plan in November 1995, and is responsible for representation quotas in the Tender Board, appointed in February this year.

Maluleke says although the Tender Board has changed its orienta-

tion towards assisting the previously disadvantaged, it has not determined parameters for what counts as a small- or medium-sized enterprise. The result is lengthy investigations, further slowing down delivery on the ground.

Letchmah says the Green Paper will lay down guidelines for affirmative procurement. Its call for "unbundling projects and an affirmative procurement policy may appear to be extremely radical to some, and to other's not radical enough", he noted.

The 10-point plan identifies immediate measures that can be taken, including advertising in the *Tender Bulletin*, changing its format to make it legible and understandable, and ensuring it is available in post offices.

Another initiative is to establish Tender Advice Centres, in collaboration with the Department of Trade and Industry's proposed Local Business Service Centres.

To speed up the government payments, a 30-day penalty system has been imposed for non-payment. Certain sureties required by the government in construction contracts have been waived.

Dr Erwin Friedman of the National Progressive Primary Health Care Network, an NGO, says the formulation of new procedures is hampered by the legacy of old tender board procedures.

Cyril Herr, chairman of the State Tender Board, concurs: "We as a board do not have capacity problems. Departments have to understand and adapt to new processes."

Another complication is there are nine provincial tender boards that function independently of the State Tender Board and which will need to be addressed.

Hope for S African development projects

(297)
Kouwen 15/7/96

By Sowetan Business Correspondent

SOUTH Africa is among six African countries whose project loans and equity investments of about R30 million have been approved by the World Bank's private sector arm, the International Finance Corporation.

This brings hope for the sustainability and growth of about seven developmental projects in South Africa, Nigeria, Senegal, Tanzania, Zambia, and Zimbabwe, most of which had financial problems.

All the approved projects will be financed through the IFC's Africa Enterprise Fund (AEF), an extended

arm aimed at supporting emerging businesses, especially those undertaking projects with costs of between R1,6 million and R31 million.

The IFC has already approved R99 million for over 22 AEF-funded projects in the current financial year.

Not been active

The institution has not been very active in Africa due to the size of the continent's private sector, but economic reform programmes are beginning to make an impact and the private sector is increasingly gaining the upper hand.

● In South Africa and Zambia IFC will help finance rose farms. A R3,7 million investment approved for

Carosa Farm will be used to expand a 21-hectare farm in Gauteng.

● IFC will also provide a R7,1 million loan to Ubizane Investments in Zambia to establish a 5-hectare rose farm in Chisamba.

● In Nigeria - An R825 000 loan goes to a tile factory in the Mid-East Nigeria to modernise and expand the company's equipment.

A further R1,1 million loan has been given to Bailey Bridges, an oil service company specialising in prefabricated steel bridges, for access to on-shore oil field locations.

● In Senegal - Financing of R6,2 million for Sert SA will help establish a tuna fishing operation.

The company will purchase two fishing vessels and use a pole and line fishing technique which is not harmful to dolphins for example.

● Tanzanian tour operators Abercombe and Kent Tanzania Ltd have been allocated R2,8 million to help them purchase new mini-buses for tours.

● In Zimbabwe - IFC has approved a R5,5 million loan and a R1,6 million equity investment for Shagelok Chemicals Ltd.

Africa Project Development Facility, an agency financed by the IFC and the African Development Bank, will oversee the implementation of the projects.

Results of crime hunt

Stephen Laufer

SAPS commissioner George Fivaz will be out of the country tomorrow when his deputy, Morgan Chetty, announces the results of the month-long hunt for SA's 10 000 most wanted criminals, launched along with the annual policing plan on June 13.

Fivaz's European trip had been long planned, his staff said. His absence was not connected to the fact that the target appears not to have been reached. Spokesman Supt Leah Shibambo was unable to comment on a Sunday Times report that the majority of the significantly less than 10 000 criminals apprehended since June 13 were "small fry".

Comment was "embargoed" until Chetty's news conference tomorrow afternoon.

Chetty's news conference would be broadcast live to SAPS personnel around the country on the police closed circuit TV network PolTV.

Meanwhile, in an apparent attempt to deflect criticism of the man-hunt, the commissioner's office yesterday released details of recent arrests after the SAPS' internal anti-corruption drive. With 811 cases under investigation, 100 members charged, and the prosecution of 192 members under consideration, the drive was gathering steam.

Bid to rationalise SA welfare budget

(297) BD 15/7/96

Tim Cohen

ERADICATING fraud and managing cuts to SA's "unsustainable" R12bn a year social pensions system were just two of SA's welfare priorities, according to new Welfare and Population Development Minister Geraldine Fraser-Moleketi.

Another major challenge was redirecting the welfare budget away from its current focus on the aged to concentrate on the youth, she said in an interview at the weekend.

She said she did not anticipate real increases in the social pensions budget, which currently absorbs more than 80% of the department's overall spending.

Even though the roughly R430 paid out to 2,7-million people every month was a small amount, the system was not affordable for government to shoulder alone.

Rationalising the system, which was once administered by 14 different systems, had been a major headache, Moleketi said, but the process of rooting out fraud in the system was well under way.

Savings of R140m would be achieved this year because of investigations into the process, achieved mainly by eliminating people who had died and those who had submitted incorrect ages — a figure twice as high as the savings announced by the department just two months ago.

Moleketi said the department was still hoping to save about R1bn per year by eliminating fraud in the system entirely.

She said in the long term, SA would have to move towards a system of enforced pension payments. But SA was not in a position to implement models similar to those in some South Amer-

ican countries, mainly because of the large number of people who operated in the informal sector. Investigations into a new system were continuing.

Until SA could develop a new system, government would be attempting to find ways of encouraging all South Africans to voluntarily save more for their retirement and thereby reduce the pressure on government's social pensions pay-outs.

Moleketi said one of her aims was to reorientate the department from its current emphasis on the aged to a focus on the youth, which would bring the department into line with SA's demography. About 36% of South Africans were youths while only about 6% were aged, but because of past distortions, by far the largest portion of the department's spending went on the aged.

One such project would involve the rehabilitation of youths who had been imprisoned.

However, because the problems of refocusing on youth and the issue of social pensions would only yield results in the medium to long term, the department was developing programmes which would have immediate effects.

One of these would be a new system for training women who had been deserted by their husbands, while at the same time providing child care facilities. Pilot projects would be launched in the Northern Province soon, to be followed by additional projects in other provinces.

On population development, Moleketi said the issue should not be approached in the simple "reductionist" way it had been dealt with in the past, with a simplistic focus on merely reducing population growth.

Population growth was related to social factors, migration, fertility and access to information and clinics.

Court rejects home affairs decision

BD 15/7/96

Deborah Fine

UK CITIZEN David Foulds has won a Rand Supreme Court application for the setting aside of a Home Affairs and Immigrants Selection Board decision not to grant him permanent SA residence.

The home affairs department and the selection board were ordered by the court on Friday to reconsider his application after it was found that their decision to refuse him permanent residence had been "fatally flawed" because they had failed to notify him of information adverse to his application, some of which had been pro-

vided by his former employer.

An expert in electro-magnetic retarder technology — used to provide greater efficiency and safety in the braking systems of heavy-duty vehicles — Foulds was originally granted permanent resident status in 1982.

He lived and worked here until 1986, when he returned to the UK. His permanent resident status expired when he remained in the UK for over five years.

In 1993, he was recruited by SA company IMS Industrial Products as a product manager and returned to SA to import and distribute retarders. He was granted

a temporary residence permit.

While still at IMS, Foulds established a new company, Retarder Technology, to provide installation and maintenance facilities for new and existing users of electro-magnetic retarders.

In 1995 he was dismissed by IMS, which used his establishment of Retarder Technology as the reason. His application to have the dismissal declared an unfair labour practice is still pending in the Industrial Court.

He became involved full-time in Retarder Technology and applied to the home affairs department for permanent resident status.

French boost for RDP

Leading banks sign R200 million low interest credit and loan deal

VASANTHA ANGAMUTHU

Political Staff

PARIS. - French banks have signed low interest credit and loan agreements totalling R200 million to aid South Africa's Reconstruction and Development Programme.

The Development Bank of Southern Africa today signed the agreement with its French counterpart, the Caisse Francaise de Developpement (CDF), Credit National and AFB-Export and 12 French banks.

The agreements were signed on the last day of President Mandela's official state visit to France during which he urged increased France-South Africa trade and economic relations.

CDF has made available a long-term credit facility of nearly R127 million to finance or co-finance basic urban and rural infrastructural projects identified and appraised by the DBSA.

The facility is available for a minimum period of five years with a grace period of three years at a concessional interest rate. It will be payable beginning in October

2000 and ending in April 2006.

Agreements with Credit National and AFB-Export and the 12 French banks provides South Africa with credit line facilities totalling R63 million at concessional rates.

The money is destined for water and sanitation projects and is part of a broader co-operation agreement between the governments of the two countries, signed in October last year.

DBSA chief executive Ian Goldin signed the agreement on behalf of his organisation in the presence of Trade and Industry Minister Alec Erwin. Both men accompanied Mr Mandela on the visit.

French President Jacques Chirac gave an indication yesterday of his support for increased trade by announcing that he had asked a leading industrialist to head investigations of opportunities for French business in South Africa.

But Mr Chirac avoided any public statement on whether his country would support the dropping of trade barriers to grant South Africa full access to the European market.

Speaking at a lunch for President Man-

dela, Mr Chirac said his country had full confidence in the economic models chosen by Mr Mandela's government for South Africa's economic transformation.

"France intends to stand by South Africa on this huge task you have started."

Mr Chirac did not mention the European Union trade talks but they were at the top of the agenda at private meetings between the two heads of state.

Trade Minister Erwin said at a media briefing that the trade talks were going well and there were no obstacles to French investment. South Africa would be ready for negotiations on the limited free trade mandate given to the EU by mid-August, and it expected these negotiations to begin in September.

French farmers are opposed to full access and want an agreement imposing tariffs on certain South African products, particularly fruit and wine. But Mr Erwin said he was pleased with Mr Chirac's announcement of the investigation of South African business opportunities.

Speaking at the University of Sorbonne, Mr Mandela said he believed the French



President Mandela

would not be found wanting in the development of relations between Southern Africa and the EU in ensuring that South Africa attained the market access that the years of isolation had denied.

Slow start for Katorus renewal

Robyn Chalmers

BD 16/7/96 (297)
LESS than R80m of the almost R1bn allocated to the Katorus presidential project had been spent by May this year, latest figures show.

The project — to rehabilitate the region encompassing Katlehong, Tokoza, Vosloorus and surrounding informal settlements — has encountered a string of obstacles since its launch in October 1994.

These include bureaucratic delays, long lead times and lengthy negotiations with community bodies.

However, the figures show that spending was on the increase, rising to R78,2m by the end of May from R35m by end-March.

This was out of R645,1m committed from the RDP and an additional R321,1m approved through business plans over five years.

It was estimated that a further

R2,4m would be pumped into Katorus over five years by other state spending through the departments of health, education and welfare, local authorities, housing and the police service.

The figures showed that R16,8m had been spent on repairs to houses damaged during political violence, on emergency services to hostels and on informal settlements and informal settlement upgrading.

Approved

A government spokesman said the problems encountered included a lack of skills, slow delivery by emerging contractors, ongoing negotiations with hostel residents and slow progress in areas such as Phola Park.

More than R40m had been spent on engineering services, and most of the 97 approved projects were now in the implementation phase.

These included water and sewerage reticulation rehabilitation and upgrading, refuse removal services, roads and transport as well as electricity and lighting.

More than R40m had been spent on installing 17 satellite police stations, an emergency communication system, a community safety plan, traffic rehabilitation and a taxi pilot project.

However, only R6,4m out of the R195m allocated to social projects had been spent.

This covered refurbishing of schools and clinics, setting up youth support programmes and upgrading sports, community and family centres.

The spokesman said there had been a slow response to tenders in certain instances and that tenders had yet to be awarded on other projects.

Communities had also expressed concern about the establishment of youth and child and family centres.

IDC gets R3,6 billion

STATE-OWNED loan financier Industrial Development Corporation has received a R3,6 billion grant from United States of America's Trade and Development Agency for its iron project

The project aims to produce two types of iron called direct reduced iron and hot briquette iron for steel production.

The IDC says it will examine the financial, technical, environmental and other critical aspects for the project in the north regions of South Africa such as Northern Province which has high deposits of grade magnetite.

The exact location of the new plant will be decided after a feasibility study is conducted and will be influenced by factors such as economies of scale and

the local demand to export ratio as well as the location of the selected iron ore deposits.

Concurrent with the study a detailed environmental impact assessment will be carried out

The Iron and Steel Corporation (IsCOR) has made available its ore deposits in Northern Province to the IDC for the project

Once approved, the project is expected to commence next year and IDC will control between 30 and 50 percent of it

A preliminary feasibility study has been done to determine how gas can be sourced from a company called Pande Gas from Mozambique

Negotiations are under way with Pande Gas for the supply of the required kind of gas to the IDC.

Give more respect, power to NGOs

(297) CT 17 12 196

SOUTH AFRICA is a richer, more effective and more compassionate society because of the organisations in the NGO (non-governmental organisations) sector. The future of these organisations and the present controversy surrounding them is not a simple debate.

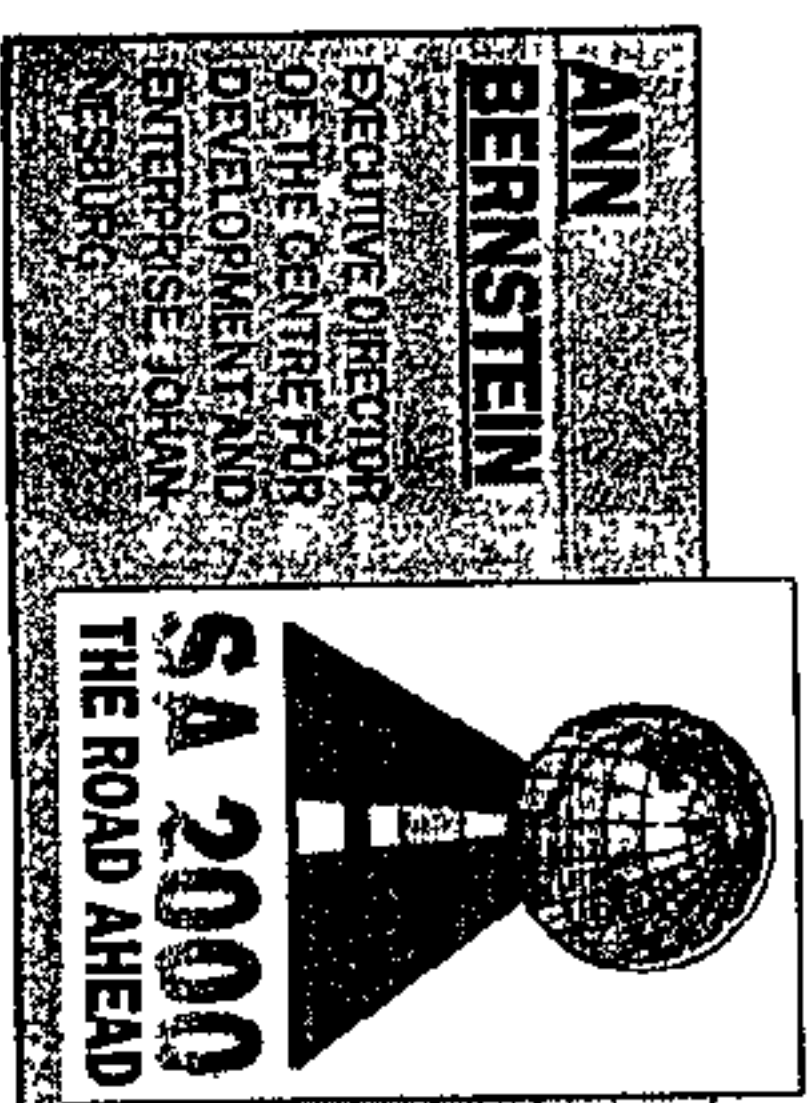
Most attention has focused on two areas — the so called "funding crisis" and the proposed bill on the non-profit sector. These issues, although important, need to be placed within a wider context.

There are at least six important themes that are critical in the South African debate:

- What do we mean by the term NGO? Is it possible to generalise across a sector said to include some 54 000 organisations? Can issues that face a stamp collectors' organisation, a vintage-car club, Operation Hunger, the Bekkersdal civic or the South African Institute of Race Relations be generalised usefully under the heading NGO?

- What role can and should development NGOs play in the now democratic South Africa? The international experience is interesting. In Latin America municipal governments have formed collaborative ventures with NGOs, hoping to emulate NGO flexibility, innovation, client responsiveness and pragmatic effectiveness. In Colombia, for example, NGO-municipal collaboration has become routine in local planning, primary health care, housing, garbage collection and recycling, micro-enterprise promotion, daycare and urban transport.

The problems of state services in advanced industrial countries has led increasingly to the reliance by government on contracted non-profit service provision. It has been estimated that in the US states of



New York and Massachusetts there are more people in the non-profit sector providing social services than there are in the government sector.

Important consequences flow from a closer state-NGO relationship. The issue can be defined as how to protect NGOs from the "fatal embrace of government regulation." When NGOs enter into a relationship with the state they immediately become subject to government rules — accounting procedures, safety regulations etc. In the process the NGOs change and in time many of them actually become government agencies, albeit under another name.

- How should the new South African democracy ensure the best possible enabling environment for the NGO sector? What policies, programmes and attitudes are required?

- Does South Africa need a new legal framework for NGOs? It might be the case that certain legislation or clauses in existing laws should be repealed or amended. But this is a different matter to advocating an entirely new legal framework. The onus of proof here rests on those advocating such a new framework. In the justified future over the provi-



sions in the proposed draft bill, the drafters have asserted their commitment to NGO independence, a process of transparency and consultation.

The test of this — now that they have conceded that it "was clearly a foolish and naive decision to release the draft bill for debate" — is how they will proceed from here. Vigilance will be required.

- Should there be a voluntary NGO co-ordinating council? If so, what should its role be? Why has the government indicated that it wants the NGO sector to speak with one voice? Is this what NGOs themselves want? Is this possible or is it a way for a small (well-connected) group to speak on behalf of the majority? How can such a co-ordinating council prove that it is not self-appointed, speaking on behalf of all NGOs when it only represents a few and not just currying favour

NGO OPERATION: Gasant Emeraan (second from left), trustee of the Thousand Schools Project, at an open day in Mitchells Plain. The project is funded by the Independent Development Trust, an NGO.

for its members among the government?

- What is the role of the democratic state in funding NGOs, if any? On the one hand we see the emergence of a growing and healthy trend — NGOs in service sectors developing a contract-relationship with a government department to provide services. These NGOs will start to change as they expand in this new role and relationship, which could affect their independence. On the other hand we see the recent government donation of R50-million to the Transitional National Development Agency to assist NGOs. How are we to square this pittance with the government's repeated statements of support for the NGO sector?

In a context where the government is unable to spend all the money budgeted for development and when there is under-utilised delivery capacity within the NGO

sector, it is hard to understand this shortsighted state response. Does this indicate a lack of confidence by the state in this particular vehicle for disbursing funds? NGOs should relentlessly push the government for an explanation of this contradictory approach towards the non-profit sector.

The existence of NGOs provides citizens with protective mechanisms and mediating institutions against the most powerful institution in modern society — the state. Through their existence and role in articulating the demands and needs of groups of citizens, NGOs play an important role in revealing diversity and encouraging greater flexibility and pluralism in the political arena.

NGOs are mechanisms whereby a society can test new ways to meet needs without putting the whole system at risk and reach into communities neglected or ill-understood in the larger mosaic of a complex society. By facilitating a separation of the guardian role of the state from the role of direct provider of services, NGOs make social services more effective.

Some words of caution: NGOs are a component of the broader concept of civil society, not synonymous with it. They cannot speak on behalf of "society as a whole" or "the community", but only on behalf of their members. Their leadership is not elected by all citizens and therefore they do not have the right to "interfere with the centrality of democratically elected officials of government".

A sector of innovation, pluralism, diversity and robust individualism, NGOs are an expression of the values and real needs of people in society. Public policy in South Africa should recognise, respect and, where possible, empower these institutions.

Botswana has higher human development than SA

'The poor are getting poorer'

(297) CT (MR) 18/7/96

By James Lamont

INDUSTRIAL EDITOR

Johannesburg — The richest 20 per cent of South Africa's population earn about 20 times more than the lowest 20 percent, the United Nations Development Programme's Human Development Report for this year said.

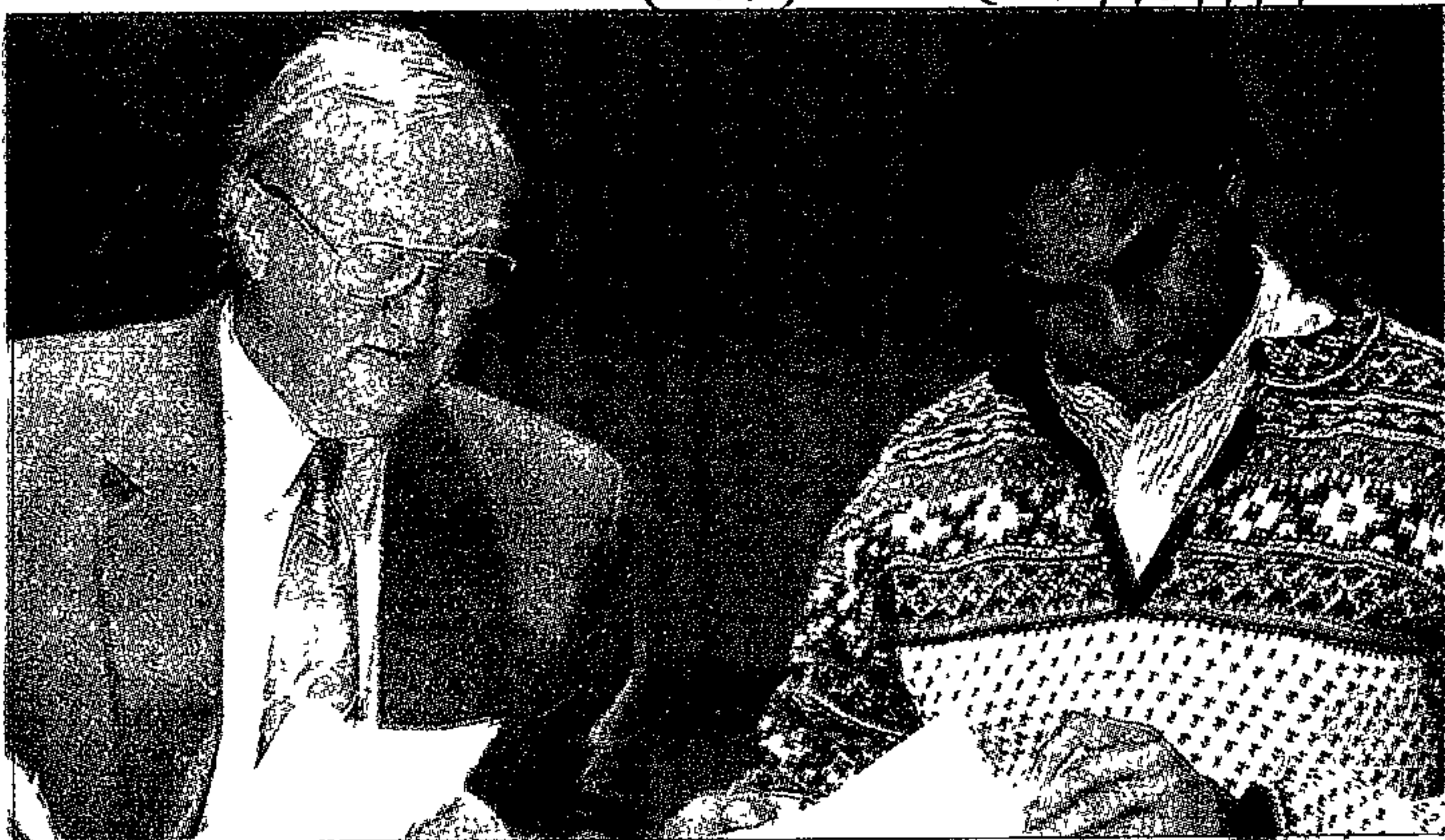
The report, which was released yesterday, ranked South Africa 100th out of 174 countries in the programme's human development index, against a background where the rich are getting richer and the poor poorer.

It found that 1,6 billion people worldwide were worse off than they were 10 years ago.

The index measured life expectancy, education and basic purchasing power and made evaluations on statistical performance until 1993.

In its analysis of South Africa, the report recorded that real GDP per capita was \$3 127. Between 1990 and 1993 gross national product per capita had a negative yearly growth of 0,2 percent. Adult literacy stood at 81 percent, life expectancy stretched to 63,2 years and 11,9 million people did not have access to clean water.

Botswana, by comparison, attained the higher rank of 71st. At the launch, Jayendra Naidoo, the executive director of Nedlac, said



DEBATING DEVELOPMENT David Whaley, the regional co-ordinator of the UN development programme and Nedlac's Jayendra Naidoo

PHOTO: JOHN WOODROOF

"Right here on our borders is a country that has shown remarkable growth and human development. It should be an inspiration to us."

"South Africa is really two countries. The distribution of income, assets and skills are very sharply split between those privileged under apartheid and those excluded," he said.

The trickle-down approach was not going to work in South Africa and the debate over equity and growth should be overhauled, Naidoo said.

The report showed that the situation in poor countries was getting worse. Compared with 10 years ago, 89 countries are more badly off than they were before. Most of these countries are developing countries.

David Whaley, the United Nations Development Programme's resident co-ordinator in South Africa, said that in general, wealth was becoming more polarised between and within countries.

He said that conditions for

many in the developing world were slipping "from the inequitable to the inhuman".

The report observed that economic growth failed to improve conditions for many living in developing countries, where 1,3 billion people live below the poverty line.

It showed that economic growth did not always raise human development because of the unequal distribution of income, neglect of basic needs and the reduction of social budgets.

UN report puts emphasis on 'people development'

Reneé Grawitzky

THE 1996 UN development report has recommended that developing countries with low human development should restructure budgets and divert spending away from the military, to raise skills and educational levels.

At the release of the report yesterday, the UN development programme's SA representative David Whaley said although "we live in a world of unprecedented economic growth", 89 countries faced either economic decline or stagnation. Of 46 countries that did show economic growth, 40% experienced jobless growth, he said.

Whaley said a creation of jobs did not correspond with an expansion of income as there was a growth of low wage, low productivity jobs which implied that people worked harder for less.

This year's report highlighted the fact that there was no automatic link between economic growth and human development. It focused on crucial questions about growth and employment and why growth did not automatically translate into job creation.

Whaley outlined a number of factors which could contribute to ensuring that growth resulted in employment. These included the need for sustained political commitment to job creation, invest-

ment in people's health and skills, retraining, measures to address geographical disparities in job opportunities, access to productive assets such as land and credit and access to basic social services.

The report concluded that more economic growth would be needed as the world entered the 21st century, but more attention had to be given to the structure and quality of that growth which should be directed at supporting human development, reducing poverty, protecting the environment and ensuring sustainability.

Last year's report found, based on information collated for the year 1992, that SA ranked 95 out of 175 on the human development index which looked at average life expectancy, educational attainment and basic purchasing power.

The report found that the privileged white section of the population had, however, attained levels of human development close to OECD countries, Whaley said.

This year's report ranked SA 100 out of 174 countries based on data obtained in 1993. Other information revealed that the lowest 40% of households in SA had access to 9,1% of the income.

Sapa reports South Africans on average earned no more in 1993 than they did in the 1960s. The report showed virtually all African countries declining in per capita

income. However, there was a great disparity within countries, as demonstrated by Northern Transvaal's human development index was 0,450 compared with the Western Cape's 0,791. "Western Cape's per capita income (\$6 000) is five times as high as Northern Transvaal's \$1 190".

At the release yesterday a number of representatives of the National Economic Development and Labour Council (Nedlac) made some preliminary response to the report. Its executive director Jayendra Naidoo said if the country was going to achieve stability, productivity, growth and level of savings attention had to be paid to equity to ensure the distribution of income and skills.

Labour representative Muzi Buthelezi, general secretary of the Chemical Workers Industrial Union welcomed the report and said one of SA's major challenges was how to balance the move towards democracy and the impact of globalisation.

Business SA representative Rudolph Gouws said the report recognised that the new government had inherited huge inequalities which also extended to severe fiscal constraints. He said government's macroeconomic strategy was the best chance the country had of starting to do the things proposed in the UNDP report.

BD 18/7/96

(297)



David Whaley: Stresses the need for a national approach to economic growth and development

PHOTOGRAPH HENNER FRANKENFELD

Call for a national vision

(297) M+G (Mm) 19-25/7/96

Madeleine Wackernagel

AT the Johannesburg launch of the Human Development Report, the South African United Nations resident representative, David Whaley, stressed the need for a national approach to economic growth and development.

This theme was highlighted by President Nelson Mandela in a special contribution to the report: "We need a national vision to lift us out of this quagmire. If we do not act together in the public and private sectors to develop and implement such a national strategic vision, the danger is that even the modest growth we have attained will peter

out in a matter of a few years ..."

Whaley highlighted the huge income disparities in this country, which presented "the greatest challenge to the normalisation of South African society" and urged the three partners — business, labour and government — to work together to avoid the pitfalls of jobless growth, or growthless jobs.

To this end, the UN is hosting a workshop on July 23, in conjunction with the Enterprise Africa exhibition, organised by the Department of Trade and Industry to promote small, medium and micro enterprises. Business, labour and government, as well as community representatives, will take part.

Key role in helping poor

JOSEPH ARANES
Municipal Staff

ARG 20/7/96

(297)

IMPOVERISHED communities can become both the architects and the builders of their dreams if the correct resources and support are made, says Jacqui Boulle, director of the Development Action Group (DAG).

DAG is celebrating its 10th anniversary of assisting marginalised communities.

Ms Boulle said for the past decade the organisation's ability to continually read the context and changing development needs of marginalised people and decide how to respond appropriately, had kept DAG at the cutting edge of improving the lives of thousands of people.

"Development non-governmental organisations (NGOs) have an important role to play in society but over time the specifics of this role has changed.

"In the early years DAG, like other NGOs, focused on supporting people in their struggle to resist apartheid. People in Lawaaikamp, Noordhoek, Hout Bay, Tambo Square and Marconi Beam were all helped in their battle against forced removals. In the end, all won the right to stay on the land they had settled on.

"For some, like the residents of Noordhoek, Hout Bay and Marconi Beam, their victory marked the beginning of integrated city planning and a challenge to the apartheid planning."

Ms Boulle said with the peoples' victories and changes in government policy, development NGOs were called upon to play a different kind of role.

"More recently, with a democratic government in place, peoples' dreams as outlined in the Freedom Charter are able to be realised. Given DAG's involvement in land and housing, the organisation is ideally placed to assist communities realise their dreams of a home for all.

"Contrary to some perceptions, poor people have demonstrated that they know what they need and can translate this into housing."

She said some residents had used the available resources and had demonstrated what was possible when land was released to them.

"But there is still a lot of work to be done to overcome the country's housing shortage and development NGOs have a duty to support and assist impoverished communities in their lobbying for resources and a change in government policies so all the people of the country can enjoy a better life," Ms Boulle said.

Shut office, not a downgrading

(297) 22/1/96

THE RDP is dead, long live the RDP," is the government's cry in the wake of the closure of the RDP Office and the transfer of Minister Jay Naidoo to Posts and Telecommunications.

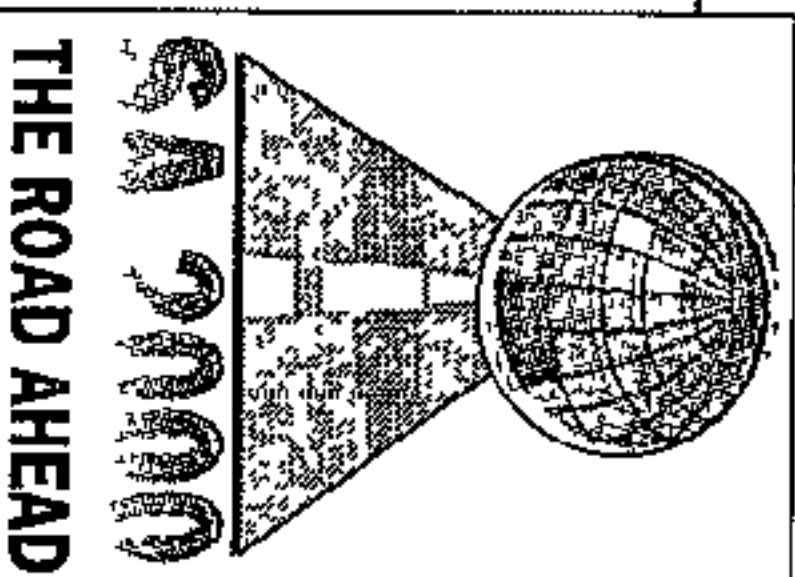
Indeed, there is some truth to this, in that the RDP itself continues via the line departments, with the remnants of the RDP Fund (eventually to be absorbed into line budgets) under the Minister of Finance, and policy and monitoring under Deputy President Thabo Mbeki's office.

There can be little doubt that the closure of the RDP office marks a downgrading of the RDP from its former prominence, accompanied as the programme was by a deluge of rhetoric and a dearth of delivery.

Nonetheless, it would be a grave mistake to underestimate the continued significance of the RDP, both in symbolic terms for the 30%-plus unemployed, and as a central political plank for an ANC bent on redressing the injustices of the past at the same time as it adopts orthodox capitalist economic policies. Take the RDP seriously — it will continue to affect all our lives for at least the next three years.

What of the road ahead? The ambitious targets initially set by the RDP White Paper have been considerably toned down by the dual realities of limited funds and the practical intricacies of

GAVIN LEWIS
INDEPENDENT
EDITOR, WRITER,
AND ANALYST,
AND EDITOR OF
THE RDP MONITOR.



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delivery. The more sober assessment now is focused on practical results, with a much greater involvement of the private sector and of the almost entirely neglected NGO sector.

Joint ventures, public and private, characterise all aspects of the RDP, and this will continue, given the scarcity of resources, human and financial, in South Africa.

Three key RDP fields deserve special attention, as they have the most direct impact on the lives of ordinary people: housing, education and health care.

In all three, the initial RDP ideals have been tempered by harsh experience. Formal housing for all, free education and health services for all, have given way to gradualist approaches. In housing, initial pathetically low delivery is on the increase — to in excess of 4 000

low-cost units a month and growing. Large-scale joint government/private ventures have been launched to address the problems, there is a greater appreciation of higher density (ie walk-up flats) and rental accommodation and, at worst, an acceptance of site-and-service schemes.

Given security of tenure, almost anyone can erect a rudimentary shelter and, in time, improve on it.

In education, the dream of free school education for all by 2000 is a long way off. International experience has underscored the importance of focusing on primary education as the RDP emphasises, but the bald fact is that we don't have the money to provide it free. What we will, and are, getting is a pragmatic fudge, using the voluntary contributions made by parents at former Model "C" schools to eke out a budget strained by rapid population growth.

The same applies to health services, Sarafina 2 notwithstanding. There will be no free comprehensive national health insurance system in South Africa by 2000.

Instead, the focus will be on primary, preventative health care for those most vulnerable — the truly poor, children and pregnant women. For the rest, a combination of private medical-aid schemes will take up the slack for the privileged employed alongside the public sector.

Almost uniquely in terms of RDP goals, electrification seems most likely to meet its targets by 2000.

The problem is, as Telkom is finding with its target of four million new telephone connections by 2000, that electrifying new homes is one thing; expecting those in these

new homes to pay for the cost of usage is another.

More modestly, but not less dramatically, the extension of the supply of clean water within easy access of households is a key success area. It is also one that dramatically improves the lives of our rural population in all sorts of ways, from infant mortality to freeing up the labour of women.

Land reform similarly is proceeding, on a "willing seller-willing buyer" basis, again within very tight fiscal constraints.

In the end, as the RDP White Paper itself stressed, the answer is not charity but self-help. Hence the emphasis now on the Growth and Development Strategy, with its components of job creation, infrastructural investment and crime prevention, in the overall interests of economic growth.

In a sense, the RDP has been a victim of its own propaganda. There is, however, nothing wrong with the developmental principles that underpin the RDP, with their focus on using local resources, on sustainability, on reaching the very poor and the marginalised.

Security of tenure allows collateral for growth on the part of the individual; preventative health care saves curative costs later; education and training lie at the heart of all successful nations.

For business, opportunities abound, particularly if core RDP principles are built into their projects. For NGOs, an end to the long drought is in sight. For the government the most difficult times lie ahead.

But there is no point in having all these things in an economic wasteland, as any healthy, well-educated and well-housed Librarian will tell you. On the other hand, in a society with our history of racially-based injustice, and with our glaring disparities in wealth and standards of living, some visible redress has to occur, and soon.

Social stability and the prospect of a better future for all are the bedrock, not just of a stable democracy, but also of a stable economy. For business, opportunities abound, particularly if core RDP principles are built into their projects. For NGOs, an end to the long drought is in sight.

For government the most difficult times lie ahead.

In every aspect of the RDP, and at every level, from local government upwards, development and growth will depend on a firm insistence on payment for services, an end to boycotts which effectively exclude huge numbers from the formal banking sector, and a tough line on the unions.

Privatisation, not in any ideological sense, but for purely practical purposes, will have to go ahead to inject finance and technology into key RDP fields. Ideals, goals, principles and structures are one thing; action, and with it delivery, depends on effective governance.

Take the RDP seriously – it is alive, well and still significant

Star 23/7/96

(297)



SA 2000 THE ROAD AHEAD

<http://www.inc.co.za/online/star/sa2000>

By GAVIN LEWIS

"The RDP is dead, long live the RDP" is the Government's cry in the wake of the closure of the RDP office and the transfer of Minister Jay Naidoo to Posts and Telecommunications.

Indeed, there is some truth to this, in that the RDP itself continues via the line departments, with the remnants of the RDP Fund (eventually to be absorbed into line budgets) under the minister of finance, and policy and monitoring under Deputy President Thabo Mbeki's office.

There can be little doubt that the closure of the RDP office marked a downgrading of the RDP from its former prominence, accompanied as the programme was by a deluge of rhetoric and a dearth of delivery.

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Three key RDP fields deserve special attention, as they impact most directly on the lives of ordinary people: housing, education and health care. In all three, the initial RDP ideals have been tempered by harsh experience. Formal housing, free education and health services for all have given way to gradualist approaches.

In housing, initial pathetically low delivery is now on the increase, to a figure in excess of 4 000 low-cost units a month and growing. Large scale joint Government/private ventures have been launched to address the problems, there is a greater appreciation of higher density (that is, walk-up flats) and rental accommodation and, at worst, an acceptance of site and service schemes. Given security of tenure, almost anyone can erect a rudimentary shelter and, in time, improve on it.

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In the end, as the RDP White Paper itself stressed, the answer is not charity but self-help. Hence the emphasis now is on the Growth and Development Strategy (GDS), with its components of job creation, infrastructural investment and crime prevention, in the overall interests of economic growth.

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■ Dr Gavin Lewis is an independent writer, analyst and editor for the RDP Monitor.

The focus is now on practical results

Ambitious targets have been toned down

RDP projects must put up or pay back by December

Lukanyo Mnyanda

(297) 23/7/96
THE finance ministry has given planned RDP projects, valued at almost R7,5bn, until December to gain approval before all unused and rollover funds would be returned to the exchequer.

A ministry spokesman said yesterday the department of state expenditure had approved few RDP-related plans since the R7,5bn had been allocated by former Finance Minister Chris Liebenberg's budget.

He said there was no way of telling how many projects would have been approved by December 17, the cut off date for approval, but the different ministries would have to compete for funds through the normal budget process next year.

The finance ministry said yesterday the department of state expenditure had instituted an audit of the RDP fund, to examine its current and future role.

The fund would not be abolished although it would no longer draw funds from the exchequer, it would continue housing all grant finances. Its funds would be integrated into the expenditure budget to be handled by the ministry's financial planning unit.

Government had decided to fund the RDP out of the national Budget of R173bn to ensure the whole Budget, rather than a small slice, was directed to reconstruction and development goals.

Certain responsibilities had been transferred to line departments and provinces and this practise would be carried over to the 1997/98 financial year.

Pay increase for social workers

By PRISCILLA SINGH

For the first time in three years, social workers in the private welfare sector received salary increases of 8,5%.

The announcement was made yesterday by Welfare and Population Development Minister Geraldine Fraser-Moleketi, who said the increases would amount to more than R7-million over nine months until March 31 next year.

The private welfare sector has about 2 400 social workers, who deliver the bulk of the welfare services across the country.

Some of the organisations in-

clude Child and Family Welfare, Sanca, Federation for Mental Health, Deafsa and the National Council for the Blind.

The Government subsidises their salaries by 75% and while Government social workers were receiving increases, social workers in voluntary organisations did not benefit.

The other 25% is covered by donations made by corporate bodies, business individuals and the public.

The salary increases have been backdated from July 1 and will most likely be implemented on October 1.

24/7/96 (297)

Community groups slam Govt plan

Reliance on private enterprises to boost the economy will be at great cost, say leaders

By ADAM COOKE

Community organisations have joined Cosatu and the SACP in condemning the Government's new macro-economic plan, while business has called for the sectors to address their concerns in a structured way.

At a media conference in Johannesburg yesterday, the country's community representatives on the National Economic Development and Labour Council (Nedlac) said the Government's reliance on private enterprises to boost the economy would be at great cost.

"Government needs to kick-start the economy instead of waiting for private enterprise to do the job.

"Without Government action the marginalised will be forgotten, as will the RDP," said convenor of the community sector in Nedlac, George Dor.

The community sector said the strategy did not cater for the socio-economic needs of communities, especially the disadvantaged.

The overall business convenor at Nedlac, Raymond Parsons, said yesterday that there had to be a "single-minded determination" to realise the goals of the RDP.

"If the targets and goals of the macro-economic strategy are to be met by 2000, early implementation is essential.

The scrutiny of investors

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here and abroad remains intense," he said.

The statements come as Deputy President Thabo Mbeki tours the US trying to garner

support and investment for the country.

At the weekend, the SACP added its voice to growing criticism from labour about the Government's new Growth, Employment and Redistribution Macro Economic Strategy. The strategy was announced in early June.

Cosatu's Sam Shilowa said, on Saturday, that the strategy was "unworkable and unwinnable".

Shilowa indicated that if the differences between the Government and Cosatu were not handled correctly, they could lead to a crisis in the ANC-Cosatu alliance.

Head of Sanco's Economics

department, Godfrey Jack, said the community sector wished to set up a lobby group with labour to pressure the Government.

"There is an attitude creeping into Government of a non-consultative culture, especially in the Department of Finance," he said.

He added that increased fiscal spending would ensure that the marginalised would become central to the economy as a whole.

He said coping with the disadvantaged - made up of women, rural dwellers, the disabled, aged and unemployed - was only briefly mentioned in the Government strategy.

Star 24/9/96

(297)

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Star 24/9/96

(297)

8,5pc pay hike for social workers

By McKeed Kotlolo

THE DEPARTMENT OF Welfare and Population Development yesterday announced an 8,5 percent increase in the salaries of social workers in the voluntary welfare sector.

Minister of Welfare and Population Development Mrs Geraldine Fraser-Moleketi told a media conference in Pretoria that the increases for the estimated 2 400 social workers would be backdated to July 1.

She said the last salary increase in this sector was in 1993.

Fraser-Moleketi also said that

(297) Sowetan 24/7/96
Last increase for workers in voluntary welfare sector in 1993

although the increases, which amount to more than R7 million for the nine months ended March 1 1997, were not included in the 1995-96 budget, the department considered the increase because of the "valuable role these voluntary organisations play in the delivering of services to vulnerable people".

She warned that the existing subsidisation of social work posts and administration costs per post

would be phased out in April next year "when the financing of social programmes will be implemented and a new financing formula which will address salaries will be in place".

The voluntary organisations were delivering essential services such as child and family care, work on alcohol and child abuse, rehabilitation of criminal offenders and work with victims of crime, the disabled and the elderly.

Planning 'history' for Woods

Policy goals linked to RDP, Manuel says

(297) (10) ARG 24/7/96

JOHANNESBURG. - The goals of the government's recently released macro-economic framework are directly interrelated with the objectives of the Reconstruction and Development Programme, Finance Minister Trevor Manuel has said.

Mr Manuel yesterday told delegates at a United Nations Development Programme seminar at the World Trade Centre that the government was committed to the redistribution of wealth and had not abandoned the RDP.

In response to comments by Cosatu secretary-general Sam Shilowa at the weekend in which he aggressively criticised the government's strategy, Mr Manuel said the plan underlined the objectives of the RDP.

"There are direct interrelationships between what we (the government) are doing for the economy and the RDP," he said.

The government's strategy committed the economy to the privatisation of certain state assets, trade liberalisation, the abolishment of exchange controls, wage and salary restraint and fiscal discipline.

He declined to directly respond to Mr Shilowa's attack, saying that he was not as yet aware of the specific issues raised by the labour movement.

Mr Shilowa said at the SA Communist Party's 75th anniversary celebrations the government's plan was "neo-liberalist" and a blueprint for profit at the expense of development.

He criticised the intentions to remove exchange controls and the commitment to reducing the budget deficit.

The strategy posed serious difficulties for the working class and was incompatible with the goals of the RDP, Mr Shilowa said. - Sapa.

RDP commitment stays firm

(297) ARG 24/7/96
THE government remains committed to achieving the goals of the reconstruction and development programme, the Finance Ministry says in a statement outlining the management of RDP funding.

The statement said that following President Mandela's March announcement of the closure of the RDP office, RDP funding allocations had all been integrated into departments' line budgets, and this would be the practice for the 1997/98 budget.

The need for a separate RDP allocation had fallen away, and as from next year the treasury would no longer make a specific contribution to the RDP fund.

Although the fund would no longer house a budget allocation, it would continue to receive all grant finance from foreign donors and governments.

The State Expenditure Department had begun auditing the fund to get a clear picture of where it stood.

The statement said the staff of the RDP office had been assigned to various government departments and provinces to give support in drawing up business plans and implementing and monitoring projects.

For this financial year these spending agencies would submit their plans to the State Expenditure Department for approval. - Sapa.

8,5% pay rise for private sector's social workers

PRETORIA. - An 8,5-percent pay rise for social workers in State-subsidised posts has been announced by Welfare and Population Development Minister Geraldine Fraser-Moleketi.

This was the first increase for social workers in the private sector in three years, she told reporters in Pretoria.

Ms Fraser-Moleketi said the increase, amounting to more than R7 million, would apply from July 1 to March 31 next year.

State subsidisation of "voluntary" or private-sector social work posts would be phased out in April next year. The government subsidised their salaries by 75 percent.

"From April 1997 welfare financing will be on the basis of programmes, not posts."

Ms Fraser-Moleketi also announced a one-off R1-million grant for pay rises for the country's 933 child-care workers in state-funded children's homes.

The increases did not apply to administrative or support staff in voluntary welfare organisations or children's homes.

Ms Fraser-Moleketi said the voluntary welfare sector, which employed 2 340 people, delivered the bulk of social services in the country.

"Although the salary increases were not included in the 1995/96 Welfare budget, the department decided to increase the remuneration of social workers, considering the valuable role these voluntary organisations play in the delivery of services to vulnerable people."

She said the increases would help address the looming crisis in the private welfare sector, which had a serious salary backlog compared to the public sector.

"Social workers are suffering from burnout, are disillusioned and are leaving the profession."

Ms Fraser-Moleketi said the pay rise would especially bring relief to social workers in Gauteng, KwaZulu-Natal and the Western Cape, where most welfare services were required.

The R7,018-million grant included R2,019 million for Gauteng, R1,521 million for KwaZulu-Natal and R1,648 million for the Western Cape.

She said the voluntary welfare sector had to raise 45 percent of its budget from the corporate sector.

She appealed to donors who had been directing their finances elsewhere to reconsider this and perhaps consider the welfare sector as a possible beneficiary. - Sapa.

RDP 'needed for growth and jobs'

Patrick Wadula

FINANCE Minister Trevor Manuel said yesterday growth, employment and redistribution of wealth could not take place without the RDP, which had not been abandoned by government.

Sapa-AP reports he told the UN Human Development Programme seminar at the World Trade Centre government was committed to the privatisation of certain state assets, trade liberalisation and the abolishment of exchange controls.

"However, there are direct interrelationships between what we the government are doing for the economy and the RDP."

The minister was responding to criticism launched on the government's economic strategy by Co-satu secretary general Sam Shilowa at the weekend.

Shilowa said the government's macroeconomic strategy would force the country "in a direction diametrically opposed to economic growth path outlined in the RDP".

Manuel said government recognised that it might have "erred" in its first two years of power by establishing the RDP

BD 24/7/96 (297)
fund has a "type of chairman's fund" of R7,5m.

The government had now moved the RDP into the Budget.

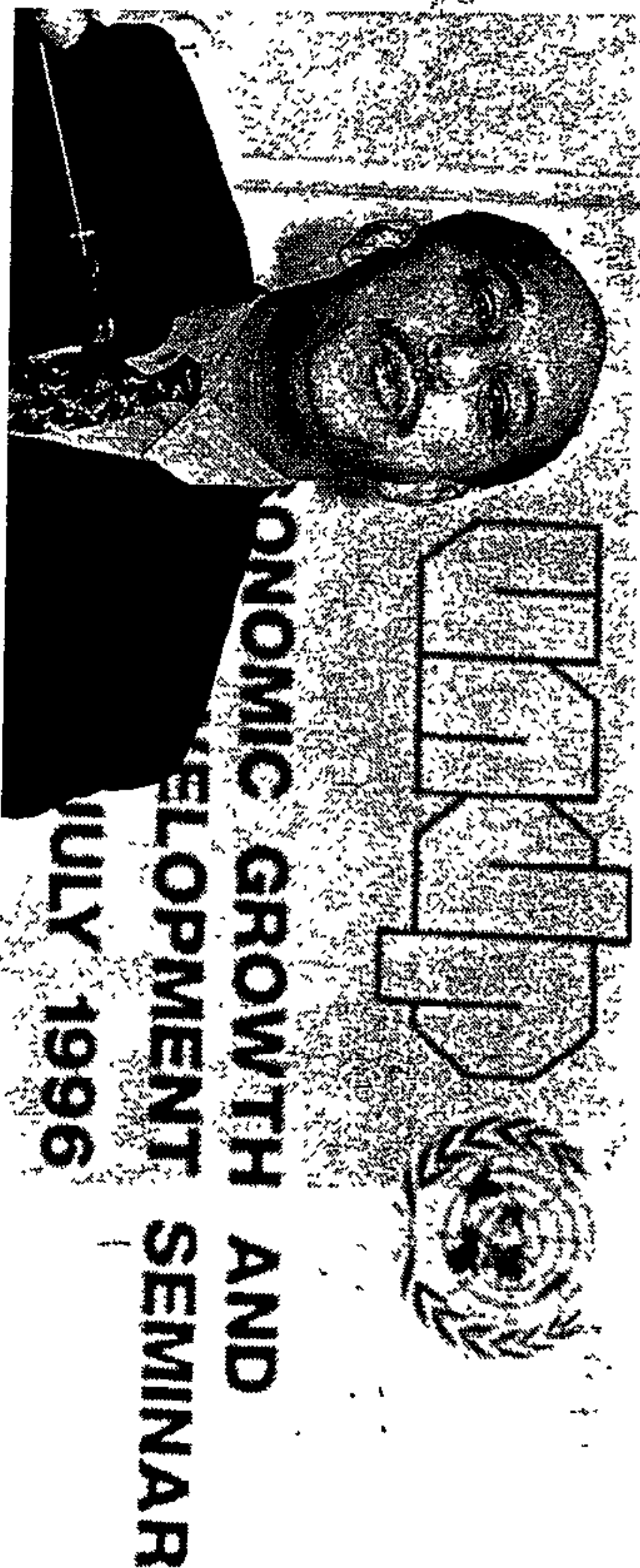
Manuel said he did not believe the labour movement was opposed to privatisation. The debate not over whether, but how the restructuring would take place.

He said the move to privatisation was being addressed by all the major union bodies and government was looking into an exercise to determine a proper value for state enterprises to be put up for sale.

The proceeds of the restructuring of the state assets would be used to fund the reduction of government's budget deficit to 3% by 2000 and the R170bn needed for infrastructure investment.

He said the growth strategy was a commitment to transform the quality of life in SA and in particular to lift the quality of life of the poor.

The intention to significantly raise the level of public investment through infrastructure and sanitation development was a clear indication of the government's commitment to improve living standards, Manuel said.



Finance Minister Trevor Manuel, top, addresses the UN Development Programme seminar on economic growth and human development at the World Trade Centre yesterday, while Liberty Life vice-chairman Dorian Wharton Hood, bottom centre, looks on.

Pictures: ROBERT BOTHA

Social workers sniff at 8,5% increase

Star 25/7/96 (297)

By PRISCILLA SINGH

Social workers in the private welfare sector, although welcoming their 8,5% salary increase, say their first increase in three years will hardly be noticed on their pay-slips.

Welfare and Population Development Minister Geraldine Fraser-Moleketi announced the increase this week after negotiations with department officials, the executive councils of the nine provinces and role players in the welfare sector.

The increase affects about 2 400 social workers, who perform the bulk of social services for government-subsidised organisations such as Child and Family Welfare, Sanca, Deafsa and the National Council for the Blind.

Paddy Sheridan, superintendent of the out patients' clinic at the Johannesburg branch of Sanca, said yesterday that they had not yet been informed of the increase but were pleased the Government was at last paying attention to the plight of social workers.

"The 8,5% increase means a very, very fractional impact on the salary of a social worker. The starting salary for a social worker with a four-year degree is R2 100, and this increase means less than R200.

"A lot of social workers have quit their profession because of the poor salary and

the indifference showed by the Government to review the salary scales. The Government has got to come up with better figures to keep social services running," said Sheridan.

Jackie Loffelle, social work consultant for Johannesburg Child Welfare, agreed with Sheridan, saying that the national and provincial welfare budgets needed to be increased to look after the needs of the social services sector. The increase would provide some relief, but the pay cheques of the social workers would remain at a low level.

"For years, the Government put a freeze on increases for social workers and now that an increase has been approved, it is not a substantial one," said Loffelle.

The organisation had been weakened by the loss of many social workers who were fed up with the poor pay, she said.

Marcelle Christian, acting national executive director for Sanca National, said the increase was a result of direct pressure exerted on the department because the voluntary welfare sector felt they had been neglected by the Government.

"While the increase is welcomed, it was nowhere near our demands which was to get a better deal for subsidised organisations and all its workers, not just social workers, in order to run better services," said Christian.

PERMISSION REFUSED TO HOUSE STREET CHILDREN

Pastor, Welfare Dept cross swords

(297) (297) or 25/7/96

EFFORTS by a lay preacher to house street children in an unused rehabilitation centre are being blocked by the Welfare Department.

CHRIS BATEMAN reports.

AN UNDECIDED provincial Welfare Department is refusing a Kraaifontein lay preacher permission to house 26 street children in a section of a rehabilitation centre which has stood unused for 4½ years.

The De Novo Rehabilitation Centre was officially abandoned over four years ago for new premises. It can house 350 people with beds, toilets, bathrooms, kitchens and hot and cold running water plus electricity.

Pastor Louis-Piere Avenant, of the Lofdal Christian Centre in Kraaifontein, said he was "at his wits end" after running into a wall of bureaucracy which has seen him go as high as President Nelson Mandela to get permission to use



PICTURE: ALAN TAYLOR

SHELTER NEEDED: Pastor Louis-Piere Avenant with some of the streetchildren.

the facilities.
"These kids sleep unwashed on the streets at night and we have this facility abandoned and on

their doorstep — it makes no sense," Avenant said yesterday. The pastor, who threatened last week to occupy the premises unless

he was given a "sensible reason" why he could not use one block, was served with a notice by social delivery director Ms Sharon Follen-

him entry.
In the notice, Follenline says the premises have not been hired or granted to "any person or instance for any use or purpose", adding that a committee was recently appointed by Health and Social Services MEC Mr Ebrahim Rasool, to probe its future use.

Welfare director Ms Virginia Petersen said the committee would report to Rasool by September and that any moves prior to this would be "unwise and premature".

"We've been overwhelmed with requests for funding for facilities of this nature, but probes have found these efforts to be of a dubious nature based on self-interest as opposed to a concerted effort to deal with this highly emotive and complex issue," Petersen said.

She said her approach was to focus on providing shelter but in the context of alleviating family break-up, dysfunction and poverty. Encouraging "an industry of setting up these facilities" would be counter-productive, she said.

RDP FUND, OFFICE AND STAFF

297
THE FACTS

PM 26/7/96

A statement on the closure of the RDP Office in March was published by the Ministry of Finance this week. Coming at this point, it seems an attempt to dispel perceptions that government is not sticking to its original developmental objectives (see *Current Affairs*).

It explains that the R7,5bn budget is still earmarked for RDP objectives but funding allocations have been integrated into departmental line budgets and the need for a separate programme allocation has fallen away.

It also corrects a mistake in the appendix of government's recently published Growth, Employment & Redistribution Strategy. The RDP Fund has not been abolished. It will house grant finance and its funds will be integrated into the expenditure budget.

And it sheds some light on the way government is attempting to monitor and contain expenditure.

Staff of the dissolved RDP office have been "assigned to spending agencies to support the accounting officer and team in planning, drafting and approving business plans, implementing and monitoring projects.

"For this financial year, spending agencies will submit their approved business plans to the Department of State Expenditure." Submissions will be co-ordinated, evaluated and prioritised.

"If they are approved, allocations will be earmarked for them by December 17.

"After that, unused earmarked RDP allocations and rollovers will be returned to the Exchequer." ■

Messy end to long struggle partnership

(297) Sowetan 26/7/96

By Rafiq Rohan
Political Correspondent

AFTER years of moral and financial support for the anti-apartheid radio station, Radio Freedom, the main Dutch donor organisation ended its relationship with the station this year in bitterness.

Claims of poor internal organisation and failure to meet objectives to equip the disadvantaged with radio skills flew thick and fast.

At the centre of the furore is African National Congress stalwart Mr Walter Sisulu and current director of the Radio Freedom Institute Mr Tom Seeta.

In an exclusive *Sowetan* investigation it was also discovered that last-minute interventions by a foreign embassy prevented Sisulu, Ms Gertrude Shope and former journalist Mono Badela – all trustees of the board of directors of the institute – from appearing in court as defendants in a claim of close to R1 million.

Flashy offices

Seeta, as the scenario unfolded, was the thorn in the flesh of the Dutch donors. They wanted him out.

The fallout between Omroep voor Radio Freedom, a volunteer body based in Amsterdam that coordinated funding for the station, and the Radio Freedom Institute occurred soon after flashy new offices were built last year in Johannesburg.

Letters, in the possession of *Sowetan*, reveal the last-ditch efforts that Sisulu made, as he put it, not to "allow this project to die".

Chairwoman of Omroep in Amsterdam Ms Maartje van Weegen wrote Sisulu a "confidential and very urgent" letter on November 7 last year – a copy of which was sent to Ms Cheryl Carolus – detailing "very painful conclusions".

Omroep's main concern was Seeta's style of management of the Johannesburg institute. The focus of the institute was to train budding



ANC stalwart Walter Sisulu.

broadcasters.

Van Weegen said Omroep staffers who had worked with Seeta concluded that his style put the project in jeopardy. He had a "negative effect on the atmosphere" and staff members "are constantly demotivated".

In the letter Seeta is also accused of "gross public misbehaviour" during the opening of the institute last September.

Omroep said that it would assist the institute in its financial woes only if Seeta were removed from his position. He was not removed.

Court action

Court action against Sisulu, Shope and Badela came about after they took out a series of loans from First National Bank to service the bond of the building during the course of the year.

Papers were served on the three following failure to repay the bank R767 672,02.

Sisulu, in a letter to Omroep, said: "It would be a great pity if I, in my capacity as the chairman of the board of trustees, and my colleagues appear in front of a court for failing to service the bond."

He said that "in an attempt to avert this embarrassing situation" he had to approach the Dutch Embassy for financial assistance.

The institute was built with money from the Dutch government after it set aside an amount of R2,8 million.

The building cost R1,5 million.

In a final letter a clearly frustrated Van Weegen told Sisulu that Omroep had been dissolved and concluded: "In our opinion the lack of plans, activities and as a result of that lack of income, is the real cause of the present crisis."

Seeta was dismissive of Omroep's conclusions, calling them "half-truths and half-lies".

Disgruntled

He said that the donors were disgruntled because they wanted to "impose their new management structure" using their own people.

He argued that agreed commitments were not honoured by Omroep.

Radio Freedom, a pioneering venture in the struggle against apartheid, was established in 1961 with the first illegal broadcasts made from inside South Africa by Sisulu.

Thereafter it moved its base from country to country. It previously broadcast from Zambia, Tanzania, Ethiopia, Madagascar and Angola.

When launched the station presented programmes that highlighted the iniquities of apartheid and, for the first time, people inside South Africa were able to listen to speeches by banned leaders.

The South African authorities at the time did everything in their power to block the Radio Freedom signal and were able to do this.

To combat this, efforts were made to purchase a stronger transmitter. It was agreed that the new transmitter would be positioned in Madagascar but these plans fell through after the February 1990 announcement that unbanned political organisations

Sowetan will carry more detailed text of the letters between Omroep and Sisulu in Monday's edition.

Development of rural areas 'vital'

BD 26/7/96 (297)
Patrick Wadula

DEVELOPMENT of rural areas was crucial to economic growth, and small businesses in remote areas should be helped to take part in the tendering process, Trade and Industry Minister Alec Erwin said yesterday.

He said at the close of the three-day Enterprise Africa Expo '96 that different government ministries had to issue policy statements on their commitment to procurement reform. This would include guidelines on procurement as well as the inclusion of small businesses from remote areas in the tendering process.

A number of rural entrepreneurs had been provided with the opportunity to gain access to corporations and government departments.

"The government has a very important role to play in the procurement process," Erwin said. "As demonstrated in the rapidly developing economies of the world, governments have been central in stimulating the development of the small business sector."

He said questions were raised on how Stella Sigcau's ministry of public enterprise would use its influence to convince the parastatals of the importance of linking up with small business.

These questions would be addressed urgently, he said.

Interest and enthusiasm shown by parastatals, government departments and small business was evident at the exhibition.

The wealth gap widens as Africa is left behind

(297) (123) ET 29/7/96

SOUTH AFRICANS, on average, earned no more in 1993 than they did in the 1960s, according to a recently released United Nations Development Programme report.

The 1996 human development report examines the links between economic growth and human development around the world.

It found that over the past 15 years almost a third of the world's people, or 100 countries, became poorer. Growth did not automatically result in human development, and proper policy management was necessary to strengthen links between the two.

While the proportion of the world's population whose annual income increased by more than five percent grew from five to 18% between 1980 and 1993, those who earned less jumped from 12 to 27%.

Virtually all African countries saw a decline in per capita income.

Globally, the ratio of income of the richest 20% to the poorest 20% grew from 30:1 to 60:1 over the last 30 years.

The report ranks 174 countries according to a human development index, which attempts to summarise as many aspects of human development as possible. The 1993 figures include such factors as GDP, life expectancy and literacy.

South Africa was ranked 100 with an HDI of 0,649. Canada scored highest with an HDI of 0,951, followed by America (0,940) and Japan (0,938).

Botswana was ranked 71st, Swaziland 110th, Namibia 116th, Zimbabwe 124th, Angola 165th and Mozambique 167th.

The report stresses that these rankings are averages and that human development levels can differ greatly between different groups and regions within countries. It highlights the case of South Africa, where the then North-

ern Transvaal's HDI was 0,450 as compared with the Western Cape's 0,791. It said: "Western Cape's per capita income (R26 400) is five times as high as Northern Transvaal's (R5 236).

The report contains "balance sheets" of human development, on which sub-Saharan Africa figures particularly badly.

About 23 million children in the region are malnourished, while 16% of

babies are underweight. More than 10m people are infected with HIV and about 170m people, nearly a third of the region's population, do not get enough to eat.

On the positive side there has been an increase in average life expectancy,

and the number of people with access to clean water has nearly doubled. Education levels are also improving and there have been significant moves towards multiparty democracy in a number of countries.

Funding an improvement in human development would require the redirection of resources, the report said, highlighting the amount spent on the military.

The report said: "For sub-Saharan Africa it totals nearly R35,2 billion, enough to achieve universal primary education and provide basic health-care, nutrition and family planning."

The report's chapter on growth and

employment also includes a contribution from President Nelson Mandela, who called for the world to unite in "a new patriotism to achieve the goal of creating a new society."

He said: "Despite the welcome growth, very few jobs have

been created. In fact, against the backdrop of new entrants into the job market, there has been a shrinkage in opportunities."

The government's task was to harness the energies of the people into a material force for growth and development, he added. — Sapa

Funding an improvement in human development would require redirection of resources, the report said.

Globally, the ratio of income of the richest 20% to the poorest 20% grew from 30:1 to 60:1 over the last 30 years.

R560-m aid for SA from European Commission

Brussels - The European Commission yesterday announced the allocation of grants totalling 99-million ecus (about R560-million) for 10 projects aimed at boosting development and supporting democratic reform in South Africa.

The grants account for the bulk of the EU's 130-million ecus annual budget for aid to SA.

Among the grants was one of 1,95-million ecus to the Truth and Reconciliation Commission, which is attempting to draw up a comprehensive picture of human rights abuses under apartheid.

The list of approved projects includes:

- A programme to develop the management of public services, making them more representative, transparent and effective (19,2-million ecus).

- Technical support for the ministry of education to increase the state's capacity to provide training to children and adults (17,2-million ecus).

- A programme to support Parliament (16-million ecus).

- Electrification of rural schools (15-million ecus).

- Assistance in reforming the police in the Eastern Cape (9-million ecus).

- A programme to develop trade and investment for small and medium-sized enterprises (8,9-million ecus).

- An EU-NGO Mvula Trust Programme, aimed at carrying out 100 small rural schemes to supply water and provide sanitation.

- Support for the South African trade union movement through training for staff in policy issues, including negotiating technique (4,3-million ecus).

- *Soul City II* - a project designed to promote public health through the mass media (2,35-million ecus) - AFP.

Misuse of funds inexcusable, says Marcus

JOHANNESBURG. - Misuse of public or donor funds is "absolutely inexcusable", Deputy Finance Minister Gill Marcus has said here.

Replying to a question at a Centre for Development and Enterprise meeting, she said there could be no excuse for such misuse. *ARG 30/7/96*

There had to be clear reporting mechanisms and structures in South Africa so that there was no ambiguity in the use of funding.

Overseas donors and the auditor-general should have full access to the information they required on the spending of funds by the government.

Referring to the health ministry and the funding row over the Sarafina 2 Aids play, she said: "Ultimately the buck stops with the minister for whatever happens in a ministry."

But ministers played a policy role and relied on their directors-general for the running of the ministries.

Admitting that the state's accounting systems and organisational capacity were weak, Ms Marcus said the situation was being exacerbated by voluntary civil service severance packages. *(297)*

Saying the nature of the civil service had changed during the past two years, she urged accounting articulated clerks to gain two to three years' in-service experience in government.

Another weakness of the government was in communicating the right message to the world.

South Africa had problems "because we are working towards a goal".

But the country had the talent and ability to succeed, she said. - Sapa.

EU grants announced

BRUSSELS — The European Commission announced yesterday the allocation of grants totalling 99-million ecus for 10 projects to boost development and to support democratic reform in SA. **297**
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The grants account for the bulk of the EU's 130-million ecu annual budget for aid to SA.

The projects which benefit from them have goals ranging from increasing black representation in the public service, to provision of electricity in rural schools.

The projects include:

- ☐ A programme to develop the management of public services, making them more representative, transparent and effective (19,2-million ecus);
- ☐ Technical support for the education ministry to increase its capacity to provide training for children and adults (17,2-million ecus);
- ☐ A programme to support parliament (16-million ecus);
- ☐ A project for the electrification of rural schools (15-million ecus);
- ☐ Assistance in reforming the Eastern Cape police (9-million ecus);
- ☐ A programme to develop trade and investment for small and medium-sized enterprises (8,9-million ecus);
- ☐ The EU-NGO Mvula Trust Programme, aimed at 100 small rural schemes to supply water and provide sanitation;
- ☐ Support for the trade union movement by training staff in policy issues, including negotiating techniques (4,3-million ecus);
- ☐ Soul City 1996 — a project designed to promote public health through the mass media (2,35-million ecus); and
- ☐ Truth and Reconciliation Commission assistance (1,95-million ecus). — Sapa-AFP.

Govt begins probe of R10bn RDP Fund

(297)
Robyn Chalmers

BD 30/7/96
GOVERNMENT was auditing the R10bn RDP Fund to identify potential discrepancies, Deputy Finance Minister Gill Marcus said yesterday.

Marcus told a Centre for Development and Enterprise debate last night that the audit would seek to determine what had been allocated and what had been delivered from the fund.

There was no evidence of abuse of funds, but discrepancies could exist, she said. "It seems in some cases that there were expectations of funds which will not be forthcoming." The audit should be completed by mid-August.

The fund's activities have been curtailed amid closure of the RDP as a separate ministerial function.

Marcus said the closure was a positive move as it allowed for concise decision-making and made line departments accountable. A major challenge facing government was how to divert the R36bn used to service SA's debt — expected to rise to between R41bn and R42bn next year — into the RDP.

Mixed feelings on new consumer Bill

Ingrid Salgado

BD 31/7/96

CONSUMER unions welcomed the Gauteng Consumer Affairs (Harmful Business Practices) Bill at public hearings on the Bill yesterday, saying the legislation was a "godsend" to consumers as it allowed for the establishment of a consumer affairs court.

The Bill, which forms part of uniform provincial legislation in the nine provinces, provides for the establishment of an office to investigate harmful business practices and consumer advice offices through which the public can lay complaints against offenders.

Complaints not resolved through dispute resolution mechanisms can be referred to the consumer court.

Consumer journalist Isobel Jones told Gauteng's economic affairs standing committee that consumers received an unfair deal at the hands of big business and unscrupulous small businesses. The consumer had the right to expect transparency in business dealings, fair enforceable laws and speedy and affordable recourse to legal action.

Consumers' knowledge of their rights was "pathetic and pitiful" and they had to be educated from a young age to protect them from being ripped off. Jones called for heavy community service as punishment for those who transgressed the law.

The Legal Resources Centre said the common law did not protect consumers sufficiently because it was based on the assumption that parties negotiated as equals in arriving at the terms of a contract.

The centre recommended that the consumer court base its decision on whether a business practice was harmful on both law and fairness.

It said consumers should at least be entitled to approach the consumer court directly should the investigating office decide not to proceed with action in the court. It also recommended that only end-user consumers be protected in the Bill—the office could otherwise be swamped with business disputes, draining its limited resources.

The Advertising Standards Authority (ASA) said the Bill in its current form would lead to "untenable and inequitable" treatment of various players in the advertising industry.

The Bill should instead allow for complaints relating to advertising to be referred to the ASA for adjudication and enforcement of the authority's codes and procedures. Where there was non-compliance with the ASA's decision or where consumers sought compensation, the authority would refer the matter to the consumer court or its investigative arm.

This approach would allow self-regulation to co-exist effectively within a statutory framework, the ASA said.

The Association of Marketers said devolution of the national Harmful Business Practices Act to provinces would lead to misinterpretation, confusion and "undue harassment" of ethical businesses due to competitor and consumer vendettas. The provinces should instead have a monitoring function linked to the National Harmful Business Practices Board.

Funds earmarked for nine projects

Business Day Reporter

BD 31/7/96

THE welfare department has earmarked R3m for nine projects—one in each province—to fund programmes aimed at providing unemployed mothers with economic opportunities.

More than 1 000 women will benefit from the initiative and each project will provide an opportunity for about 120 to 180 women in a targeted area.

Projects, designed to improve self-reliance and thus remove the need for state grants, will include activities such as farming, garment making and home building.

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Profits will be reinvested in the community. The first project—a vegetable farm—was launched yesterday in Northern Province in collaboration with the province's health and welfare department.

In order to provide an integrated approach, the department has set a key performance indicator with the involvement of stakeholders including nongovernmental organisations and other government departments.

They will assist in planning and monitor progress. Projects will be operative in all other provinces within the next three months.