

SOCIAL SECURITY - GENERAL

1995

JANUARY - MAY

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By Order

Central to the debate is the effect of the constitution and its Bill of Rights (BoR) on the role of the Industrial Court in determining what forms of discrimination may constitute unfair labour practice

Old Mutual, one of the largest administrators of benefits, advises fund trustees to act now to rectify conditions which are unfair. That does not mean scrapping all rules which relate to gender, age, disability and the other forms of discrimination identified in the BoR. Henk Beets, principal consultant and actuary at Old Mutual, says the issue is unfair discrimination.

Obviously, the life assurance industry must maintain that certain forms of discrimination are not unfair — otherwise the ability to select and price risks would be eroded. Clearly it would not be realistic to price group risks in the asbestos industry at the same rate as the risks calculated for employees in financial services.

Many of the practices which upset minorities, says Beets, are justified by international norms and actuarial principles — “gender discrimination is justified on the basis that females tend to live longer than males and different benefit structures for each group are therefore appropriate”.

The debate on the relationship of the BoR to the Industrial Court — which is a court of equity — is becoming intense. Many of the implications of the constitution are clouded — not least, the relative authority of the various courts and the possibility that the constitution-makers, far from giving clarity, are obscuring existing or entrenched rights in introducing new rights. Next month, attorney Deneys Reitz, which has a large insurance clientele, will stage a seminar on the effects of the constitution on insurance law.

One difficulty is highlighted by Beets, who quotes the Oxford definition of equity “fairness, or a system of justice supplementing or prevailing over common or statute law.” It’s an appropriate definition for the UK but does little to enhance understanding in a country like SA where equity is supposedly an embedded value through the entire legal system; yet where it was found necessary to describe the Industrial Court which flowed from the Wiehahn labour dispensation of 1979 as a “court of equity”.

Beets explains: “There appears to be consensus that the BoR applies only to State action — a vertical relationship exists between the State and its citizens. Therefore, it does not apply to the relationship between individuals or entities — horizontal applicability. So an employee or employer does not have direct recourse to the constitution against another private individual or entity in a court of law”.

Further, he says, the Labour Relations Act is immune from attack by the BoR — so far, at least. The Industrial Court is established in terms of the Act and enjoys the same immunity. And disputes regarding

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employee benefits are generally brought before the Industrial Court.

As a court of equity, the Industrial Court is not bound by legal principles or precedent. “The question arises, what recourse parties to a dispute in the Industrial Court have to the BoR,” Beets suggests. “It is generally accepted that no direct recourse exists. However, the court is obliged to use the BoR as a term of reference — an indirect right of recourse to the BoR therefore exists”.

Beets believes when a retirement fund member takes an issue involving unfair discrimination to the Industrial Court, the court will look to the BoR and international case law for guidance.

So, he recommends, though discrimination on the basis of gender, age and other grounds in retirement funds may not be unconstitutional, some practices could come under attack when the Industrial Court applies the spirit of the constitution. Fund sponsors and trustees should identify

EMPLOYEE BENEFITS Rewriting the rules

Debate over discriminatory practices in the employee benefits industry is likely to dominate the life assurance industry this year. These include issues of gender, age and disability (*Economy* November 11, December 2).

discriminatory benefits which may be considered as unfair — “and embark on a process to address those that are clearly inequitable.”

One aspect of retirement fund practice which will be tested early is the ownership of a pension fund surplus. The concept of reasonable expectations on the part of a pension fund member has been recognised — broadly, as getting value for money. But the ownership of surpluses has been a vexed question which becomes critical as pension funds merge or change in character — often, from defined benefits to defined contribution schemes.

By tradition, surpluses have been carried forward to benefit members who remain in the fund or even to allow employers contribution holidays. The issue is whether part of a surplus which has been created by a retiring member, belongs in fairness to that member and is part of the “reasonable expectation.” The matter is sure to come before an Industrial Court.

Gauteng province approves R2,5bn development projects

THE Gauteng Provincial Housing Board yesterday said it had approved development projects worth R2,5bn, giving significant impetus to the province's mass housing scheme.

Gauteng is one of four provinces which have officially taken over the functions and powers of the former regional housing boards. The others are KwaZulu/Natal, Northern Cape and Eastern Cape.

The Western Cape has an interim board which will be restructured this month. It accommodates some functions of the Eastern Cape board. It has approved projects worth R54,4m. (297)

The Gauteng, Northern Cape and KwaZulu/Natal boards are setting up project committees and their substructures.

KwaZulu/Natal has approved projects and housing

SELLO MOTLHABAKWE

loans worth R193,3m.

Gauteng provincial board chairman Martin van Zyl said the province had little money left to finance the approved projects and housing loans. However, the province's year-end was due in March and the shortfall would be made up by a fresh allocation from the national housing ministry budget.

All provincial board chairmen would, along with civic and industry representatives, make up the National Housing Board which is in the process of being set up.

A spokesman for the Housing Department said a successor to former board chairman Joop de Loor would be chosen as soon as nominations had been finalised by the National Housing Forum. BDB/1/95

RDP in Katorus near to lift-off

Star 9/1/95
297

■ BY CHARMEELA BHAGOWAT

Reconstruction and Development Programme projects could begin in earnest in the Katorus area on the East Rand as soon as next month, the Katorus Task Group said.

Group member Ariel Mabelane said 20 of the RDP action area committees had already been formed and eight others would be in place by January 16. The implementation of the RDP projects would depend largely on the launch of the outstanding action area committees.

Mabelane said the aim of action area committees was to ensure residents participated democratically in the RDP and to help privatise needy projects.

Largest

The Katorus Task Group was formed in February 1993 by Nelson Mandela and F W de Klerk to ensure a peaceful election in the area.

Comprising the police, civic and political organisations, the project was declared a special presidential project last September and is the largest of all the presidential projects.

Mabelane said the aim of the project was to repair homes and return them to their rightful owners, upgrade municipal, social and engineering services and maintain stability in the once war-torn area.

"The next phase will include the appointment of action area managers whose specific role will be to work with the transitional local councils and the action area committees.

"This process will lead to the implementation of the overall development programme which includes repair to damaged houses and upgrading of services in general," he said.

'State land can cut RDP costs'

MAGGIE ROWLEY
Property Editor

(297)

The re-integration of thousands of hectares of under-used state land and structures into the mainstream economy could assist in reducing the financial burden of the RDP on the taxpayer, says Intersite MD Dirk Ackerman.

Intersite is the property development and management arm of the Rail Commuter Corporation and is developing land primarily around the 374 stations in the metropolitan areas of Cape Town, Johannesburg, Durban and Pretoria.

Ackerman said if properly executed, the RDP could see South Africa grow into a proud and strong nation.

CT 11/1/95

Sensitive handling

"But in its haste to give the majority of South Africans what they so desperately need, the government must be sensitive to the resources and technology that are already available."

From Intersite's point of view, this applies particularly to property development which if it was to comply with the spirit of the RDP needs to be handled in a manner which is sensitive to the community and which maximises the use of under-used state land.

"There are hundreds of hectares of under-utilised state land and structures available for redevelopment and their re-integration into the mainstream economy can assist in reducing the financing burden of the RDP on the taxpayer."

"It would be crazy for new land to be acquired before the state and regional governments have taken a closer look at what is already at hand."

Chaos due to 'restructuring'

Staff Reporter

(297)

THE amalgamation of the old race-based state welfare departments and delays in computerisation have been blamed for the chaos in charity subsidy payments.

Regional director of social services Dr Veldie Terblanche said yesterday the payment of subsidies was done manually and it would take "several months" to computerise the system.

City welfare organisations have accused provincial authorities of short-changing them by several hundred thousand rand.

Mr Philip Bam, director of League of the Friends of the Blind, said the department owed the organisation about R880 000 in outstanding subsidies dating back to 1993.

Cape Mental Health director Ms Toni Tickton said they were owed R25 000 from 1992 and were being shortchanged by about R4 700 a month for homes and rehabilitation centres.

Nicro branch director Ms Joan Eastwood complained of waiting up to nine months for funds after the department had given projects the go-ahead.

FPJ given R¹/₂m from SA funders

CT 11/1/95 (297)

By ELIAS MALULEKE
of Sapa

JOHANNESBURG. — Dr Allan Boesak's Foundation for Peace and Justice (FPJ) received more than R500 000 from the South African-based Equal Opportunity Foundation (EOF) of which he was a trustee.

EOF documents made available this week show the FPJ received the grants in 1988 and 1989.

The FPJ also received substantial donations from the Community Education Trust (CET), which was also headed by EOF executive director Professor John Mmotsa Makhene.

The EOF was established by political and community leaders in January, 1986 to raise funds for disadvantaged communities and for the upliftment of black education.

The EOF's main donors were local and foreign multi-nationals which injected millions into its trust account.

Coca Cola in Atlanta, US, alone donated about \$10 million (about R35m).

Other donors were Ford Motor Corporation and International Business Machines (IBM).

Boesak receives 'special treatment'

By CHRIS BATEMAN

THE personal approach to Dr Allan Boesak by Cape Town's city treasurer Mr Eddie Landsberg to secure payment of arrears in electricity bills was unacceptable special treatment, exco chairman Mr Arthur Wienburg said yesterday.

Town clerk Mr Keith Nicol said council policy was that when customers had not been disconnected for 15 months and their arrears exceeded R150, "we give them a call".

This was usually done by their public relations department but Mr Landsberg "handled this one personally".

Dr Boesak was appointed an EOF trustee in 1988 after he had negotiated with Coca Cola for funds.

The Community Education Trust donated more than R200 000 to the FPJ in 1989.

The FPJ is being investigated after one of its major donors, the Danish charity Danchurch Aid, made claims of misappropriation of funds. Danchurch Aid gave more than R2,9m to the FPJ for needy causes.

Efforts to locate Dr Boesak and Prof Makhene for comment yesterday were unsuccessful.

Self-help team calls for backing

(297) Sowetan 12/11/95
By Mokgadi Pela

THE Government is being urged to back an association that has already put 12 development schemes on the South African map.

The Bophelo-Impilo Community Association is seeking funding for its schemes, which will enhance the Reconstruction and Development Programme.

The projects include a private school in Mayfair, a handicrafts club, a garment factory at the Small Business Development Corporation, catering, child care, youth clubs, vegetable gardens, a domestic workers club and early learning clubs.

Executive director of the association Mrs Anastasia Thula told *Sowetan* in an interview at their Johannesburg offices that "we started the RDP long ago and we hope Jay Naidoo will recognise this. Experience has also taught us that allocation of such funds usually depends on who you are".

Thula, who along with Mrs Jeanette Mbaile, Mrs Agnes Gcwabaza and Mrs Roseline Peteni, started the association in 1984, looks back at their achievements with pride.

"We have shown that as black women with commitment and direction, one can do wonders. We were tired of being backyard operators. So we decided to work together and market our products. The response from the community has been remarkable through the years," she added.

In the latest annual report, Bophelo president Mrs Jeanette Mbaile remarks: "Not much is being said about us but those who come into contact with us are amazed at the strides we have made in fighting unemployment, hunger and disease through our numerous community projects."

Thula went on: "When people approach us, whether they come from Tembisa or Orange Farm, and indicate a willingness to do things for themselves, we will provide the skills."

One of the major success stories of the association is its catering service. "Through this scheme we provide a useful service at funerals and weddings. Its importance cannot be overemphasised," Thula remarked.

In its struggle against illiteracy, Bophelo has set up the Domestic Workers Upgrading Classes whose mission is

- To prevent exploitation of domestic workers by teaching domestic skills and techniques,
- To offer household management courses, and
- To run the catering business.

Bophelo's head office is situated at the corner of Main and Kruis streets, Johannesburg. Thula and her associates can be reached on (011) 331-1054 during office hours.

Townships need R60m from RDP

By CHRIS BATEMAN

RESTORATION of basic services to the townships of Langa, Guguletu, Nyanga and New Crossroads would cost the RDP an estimated R60,4 million, Mr Pieter Conradie, Director of Local Government (Finance), revealed yesterday.

Reacting in part to a critical report by the outgoing administrator of the townships, Mr Wallace Mgoqi, Mr Conradie said an ambitious strategic management plan was put before Mr Jay Naidoo's RDP department late last year.

"Basically it's a business plan that provides for the basics of sewerage, stormwater drains, roads — plus community facilities, administration, personnel, financial administration and data processing," he said.

Mr Mgoqi, a Legal Resources Centre lawyer drafted in to rescue the rudderless and corrupt iKapa town council in August last year, reported plummeting living standards. He ended his contract 12 days ago.

Money disappearing

He said it was now "critical" that the strategic management plan be carried out urgently because restoring the practice of payment for rent and services was dependent upon achieving concrete results.

iKapa's expenditure on water and electricity — both of which many residents could afford, he said — was increasing but income was dropping.

Mr Mgoqi also reported that large sums were still disappearing from the iKapa coffers and he recommended "stern measures".

A full report on corruption by the largely defunct former iKapa administration is before President Nelson Mandela.

Mr Mgoqi said iKapa spent R2,482 million up to October 31 last year (which could increase once all costs were through) — but received only R363 000 in payments.

ANC regional chairman and Economic Affairs Minister Mr Chris Nissen promised an aggressive campaign to help restore the culture of payment, focusing on free services the central government was already providing.

DEVELOPMENT ASSISTANCE

Finding its home ⁽²⁹⁷⁾

PM 13/2/95

Until local government structures are in place, the disbursement of the R11bn promised to SA in foreign development assistance could be difficult. And in some cases, time is running out to make use of the aid promised.

Japan, for example, will provide US\$300m official development assistance, a \$500m loan through the Exim Bank of Japan and up to \$500m in government guarantees. But this has to be spent or committed by July 1996.

"It would be better if SA took the aid as soon as possible to implement RDP projects but we can wait until the end of the two years," says Japanese Embassy Charge d'Affaires Satoshi Hara.

The European Union (EU), through the European Programme for Reconstruction and Development in SA, has a calendar year budget and aid has to be committed, though not necessarily spent, by the end of the year in which it has been budgeted for, or it may be forfeited. Its full allocation of \$440m for 1994 has been committed and its 1995 allocation is likely to be committed in time.

Local government elections take place only in October, after which infrastructure must be set up to enable the disbursement of funds to community-based projects.

But the International Development Cooperation Committee (IDCC), appointed by government to co-ordinate aid, is in no hurry to disburse funds. It has rightly been

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fastidious in deciphering packages, completed late last year, and will meet donors early next month to discuss projects accorded priority.

"The mixing and matching is almost complete," says an IDCC source. Various projects have been assigned certain types of assistance — grants or concessional loans — from a variety of donors. Now donor approval will be sought.

Interim measures will have to be in place for the disbursement of funds at community level while local governments get their infrastructures in place.

In the past, donors bypassed government and funded projects through non-governmental organisations (NGOs). Now that government is playing a pivotal role in the disbursement of funds, many NGOs are worried they will fall into oblivion. Nkululeko Sowazi, deputy director of projects and programmes at the Kagiso Trust, believes they will continue to play a significant role for a while as they have "a wealth of experience" at community level. But he acknowledges that most do not have the capacity to deliver on a large scale and will have to work in tandem with government and the private sector.

"The role of the State will be bigger and NGOs will probably receive less funding," he says. "But the State machinery will take some time to effect delivery."

In the past, the EU has directed assistance through NGOs and "will seek direct involvement of these and other community-based organisations in the future," says EU ambassador Erwan Fouéré. He says the organisations will have to adjust their programmes to reconstruction and development and believes the EU's role will be as a catalyst in getting them involved and in improving the quality of their services. ■

Boesak saga harms fundraisers

COLIN DOUGLAS
Weekend Argus Reporter

CONTROVERSY surrounding Allan Boesak's Foundation for Peace and Justice is harming the capacity of the whole non-governmental sector to raise funds

Non-government organisations (NGOs) are being pressured to account in far greater detail to donors for their spending, in the light of allegations of serious financial mismanagement by the FPPJ

"The Boesak saga is probably going to make it harder to raise money," said Lloyd Vogelmann, director of the Centre for the Study of Violence and Reconciliation

"There's a nervousness about NGOs among donors, and this is damaging to the whole NGO sector," said Roy Williams, acting director of the SA Committee for Higher Education (SACHED)

"People are now going to monitor NGOs more tightly and be more reluctant to donate to them
NGOs always have been

Nervous donors stricter about where the money goes

Argus 14/1/95 (297)

looked upon as spending money too freely, and the FPPJ allegations confirm this impression"

Institute for Democracy (IDASA) director Willem James said "There's a growing commitment by NGOs to be more transparent in their financial accounting, especially in the light of what has been reported about the FPPJ

"Our latest financial report is much more transparent than before"

But NGOs interviewed said the FPPJ's reportedly free-wheeling spending policies were the exception in a sector where most senior staff earn far less than their government and corporate counterparts and financial controls are strict

"Loans to employees of R700 000, if the allegations are true, are unique to the FPPJ," said Mr Vogelmann
"Assuming the reports are

true, how on earth did the FPPJ get away with it?" asked SACHED's Dr Williams

"Most NGOs don't pay their employees enough - and there are very few exceptions," said an expert in NGO staffing

"Most of these organisations don't have pension funds or medical aid schemes, and aren't capable of paying enough to retain good staff"

Dr Williams said "SACHED is in the position that all other NGOs should be in - we get cash only if we submit audited reports

"That's tough on us, but if someone's giving you money from 6 000 miles away it's not too much for them to expect
"You can have a viable NGO sector only if it can handle money"

Mr Vogelmann said "Donors are now much more strict and

careful than they've ever been - which is entirely appropriate

NGOs said they feared the FPPJ allegations would accelerate the shift of foreign donor money from NGOs to government

"Donors are beginning to redirect their money to government - which is a mistake if you want a strong civil society capable of criticising govern-

ment," Mr Vogelmann said

A hostile response to Weekend Argus's questions was received from the trade union-linked Labour Research Service (LRS)

Director Gordon Young said in a fax that the LRS did not wish to be linked with "the remorseless campaign which The Argus is conducting against Dr Allan Boesak and the FPPJ

"We shall not lend our support to the character assassination, innuendo, gossip, media sieges and unsubstantiated speculation which have been the features of your columns in recent weeks"

Ex-employee: Elina's firm owes us money



Boesak saga harms fundraisers

Argus 14/15 (297)

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"We shall not lend our support to the character assassination, innuendo, gossip, media sieges and unsubstantiated speculation which have been the features of your columns in recent weeks."

Ex-employee: 'Elna's firm owes us money for salaries'

GLYNIS UNDERHILL
Weekend Argus Reporter

A FORMER employee of Elna Boesak's television production company, Camelot Communications — which closed down amid allegations of misuse of foreign funding — claims he and other staff are still owed money by the company.

Patrick Kensley, 21, of Bellville South, was employed as a technical assistant by Mrs Boesak from July last year until November, when the company shut down. An upset Mr Kensley claims he is owed up to R9 000 in salary back-pay.

"People owed Elna money and she said they never paid her. When she closed down the company she said she would sell her BMW and pay us what she owed us before she left for Geneva. But she never contacted me at all and I cannot get hold of her," he said.

Mr Kensley "worked on a high-budget educational audio and visual democracy programme with Mrs Boesak during his time at Camelot."

The company was thrown into turmoil after the row

about Sweden's grant of around R800 000 to Dr Boesak's Foundation for Peace and Justice to make 12 videos promoting democracy.

The grant to the Foundation was allegedly diverted into a profit-making trust and used to purchase television equipment for Camelot — against the Swedes' intentions. Dr Boesak contracted his wife, a former SABC producer, to make the videos.

Mr Kensley claimed that when officials from the Swedish International Development Agency visited the Camelot offices, a board was erected indicating that six of the videos had been completed.

"The board indicated the dates when the 'completed' tapes had been made. But we knew only one audio cassette had been completed and a second audio cassette was half-finished. We couldn't understand why they had lied to these people," he said.

Mr Kensley claimed four former Camelot staff members were still owed money by the company.

Bosman, legend of SA music, dies

Weekend Argus Reporter

LEADING South African musician and "big band boy" Gerry Bosman has died at 59.

He was a musician of outstanding talent and worked with and conducted every orchestra in the country.

Born in Cape Town, he studied theory and harmony at the College of Music under Ashley Hartley before going to Europe and the United States to further his studies and career.

— There he worked with some of the finest musical exponents in the world and session musicians whose names are credited on the albums of some of the world's superstars.

In 1960 he returned to South Africa and became involved in commercial radio broadcasting, composing, arranging and orchestrating music for feature, documentary and commercial films.

Bosman was appointed assistant orchestra director at the Nico Malan Opera House in

1978 and in 1980 joined the SABC as manager of English variety.

His television successes included the Artes Award presentations and the highlight of his career — his performance as musical director for Juliet Prowse in *Hollywood*, a television variety special shot in Los Angeles.

He put together *The Argus Tonight Show* to celebrate 15 years of *Tonight*. The show starred Judy Page and Leslie Kleinsmith.

But he will always be fondly remembered for his work with the Cape Town Symphony Orchestra (CTSO) in the symphonic pop series. He made the CTSO go pop in the late '70s and continued the tradition until the end.

One of his last jobs was to direct the CTSO and his own combo at the Agfa Amphitheatre at the Victoria and Alfred Waterfront last week.

George Loopuit, general director of the Nico Malan said



Gerry Bosman

the death of Bosman was a great loss to the music world because he constantly contributed to the music life of the country.

"His close association with the Nico dates back years and just last year he conducted and arranged the *Follies Penatché*, which was a huge success."

"Gerry had the unique ability to identify and rectify musical errors in rehearsals and then control the situation during the final performance with a mixture of authority and innate charm."

"He was a real joy to work with — he was a tremendous man and will be sadly missed by all of us."



COVER STORY: This is the cover of the Camelot Communications/Eleutheria Productions pamphlet which features Allan Boesak's wife Elna and music man Patrick Kensley on the front with the other three members of the organisation featured on the back. It also quotes Mrs Boesak "I therefore intend to use whatever experience and expertise I might have obtained as presenter and producer, to further the struggle to empower South Africans by way of audio-visual communication. Staying in touch with the needs of the people is staying in touch with humanity."

German state to aid SA province

From LINDA ENSOR

STUTTGART — The third-largest state in Germany and one with the second-largest economy, Baden-Wurttemberg, is to assist a South African province in its political and economic development.

After meeting Deputy President Thabo Mbeki yesterday, Baden-Wurttemberg president Mr Erwin Teufel said it had been agreed that a partnership would be established with a region in South Africa.

The federal state of Rhineland-Westphalia has also committed itself to establishing ties and assisting the development of a South African province.

The meeting came towards the end of a week-long series of meetings between Mr Mbeki and German government ministers, the federal president and

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leading bankers and industrialists. Highly placed observers said he had been very well received and had made a good impression.

Mr Teufel said Baden-Wurttemberg would like to build and develop a specific region, adding that the links would include vocational training and ties between universities, technical colleges and research institutes.

He also announced that as soon as possible he would like to lead a delegation of investors from Baden-Wurttemberg to South Africa.

He also wished to have a forum for potential German investors interested in South Africa.

Mr Teufel said he gave South Africa's economic and political development a "good chance".

"It is one of the success stories of the world and I think it will develop in a great way," he said.

Further R58-m for Katorus restoration

■ BY JO-ANNE COLLINGE

The largest special presidential project — the restoration of the war-ravaged Katorus complex — is set to move into a higher gear following the Gauteng government's approval of plans to spend another R58 million of the project's total Reconstruction and Development Programme allocation of R650 million.

This was announced yesterday by Ben Turok, head of the Gauteng RDP Commission.

While phase one of the project, undertaken in the closing months of last year, featured quick, visible improvements — like the repair of main roads, street lighting and sports

fields — the second phase gets to grips with restoring housing and service provision.

Turok said the repair of about 1 150 houses damaged during unrest would begin in earnest.

A total of R26,1 million had been budgeted and a six-member damaged-housing commission would be set up immediately to deal with allocating repaired homes to their rightful occupants.

Stable (297)

Turok said a dispute over home ownership could plunge the area back into bloodshed. It was vital that allocation be done transparently and fairly.

Last year about 100 homes had been repaired in Tokoza at the initiative of the local council, Turok said. The area was sufficiently stable for residents to start reoccupying these homes.

A further R8,7 million would be spent on providing better water supply and sanitation services in hostels and informal settlements.

And another R4,3 million had been budgeted for the rehabilitation of overloaded sewerage and water systems.

The phase two budget made provision for paying former members of self-defence and self-protection units who had received police training and

formed part of a special reserve force. These reservists would each get R900 a month.

The RDP Fund would also bear the costs of setting up 17 satellite police stations in Katorus.

Turok stressed that the massive, phased project "is not a government delivery programme, but a total programme in which all are involved".

He said the Katorus task group had managed to set up committees in 25 out of 28 designated local action areas, and that the provincial government viewed the Katorus RDP Forum as a vital player in the closer planning and implementation of the project.

SLAN # 17/1/95

German state to aid SA development

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STUTTGART — The third largest German state with the second largest German economy, Baden-Wurttemberg, is to take an SA province under its wing and assist in its political and economic development.

After meeting Deputy President Thabo Mbeki last week, Baden-Wurttemberg president Erwin Teufel said a partnership would be established with a region in SA. Another state, Rhineland-Westphalen, has also committed itself to establishing ties and assisting the development of a SA province.

The meeting came towards the end of a week-long series of meetings between Mbeki and German government ministers, the federal president and leading bankers and industrialists. (297)

Mbeki told 700 diplomats and business-

men on Thursday that the late arrival of democracy in SA had enabled it to learn from mistakes made elsewhere.

Teufel said the linkages would include vocational training and ties between universities, colleges and research institutes.

He also said he would like to lead a delegation of investors from Baden-Wurttemberg to SA as soon as possible and thereafter have a forum for potential German investors interested in SA.

It was learnt that the political foundation of the Social Democratic Party, the Friedrich Ebert Stiftung, intended to establish an Institute for International Affairs and that it was considering establishing it in SA.

Govt offers to carry 20% of infrastructure costs in urban renewal

297 BD 17/11/96

GOVERNMENT had offered to bear 20% of an estimated R35bn in capital costs for the rehabilitation and extension of urban infrastructure over the next five years, the Ministry responsible for reconstruction and development said yesterday.

However, this would be conditional on community involvement in delivery and financing of the programme and the installation of interim municipal structures.

The programme forms part of government's five-year, R850m urban renewal plan which also aims to improve the provision of municipal services

Crispian Oliver, who is in charge of the RDP's urban renewal strategy, said that the infrastructure funding would be determined by local affordability.

The proposal was being discussed with the Constitutional Development, Housing and Finance Departments, and provincial and local authorities.

Regarding the R850m, to be spent from March, Oliver said R500m had been rolled over from last year. It had not been spent because mechanisms were being established to allocate it.

The extension of municipal services

WILSON ZWANE

would run parallel to government's campaign aimed at, among other things, ending rent, services and bond boycotts in townships. The plan included extending services to areas where there were none and improving existing ones.

The five-year programme would be discussed at a meeting to be attended by representatives of SA's 10 major cities and the United Municipal Executive in Pretoria on Thursday. It is believed that input will be incorporated into the final report. The first

draft was completed in November and the final document was expected to be completed by the end of March.

The R35bn figure for infrastructure costs is the government estimate. The World Bank put the amount at R27bn. Oliver said the World Bank had not taken certain matters into account -- for instance inner-city development and community facilities such as parks. There was also a need to "leverage" capital markets to deliver the infrastructure. This could be done by opening up bond markets to enable local authorities to raise finance.

Development in violence-hit urban areas such as the East Rand was under way. Seven such projects were in place.

But Oliver said there would be a limited extension of these programmes in the 1995/96 financial year. "Our view is that all provinces should have at least one special integrated programme."

The main concern of the special programmes was job creation. Mechanisms would be set up to develop small and medium-sized businesses involved in housing and urban development by, among other things, providing equity.

R58m plan for rebuilding violence-torn townships

A R58,15m plan to begin rebuilding the violence-torn townships of Katlehong, Thokoza and Vosloorus this year was announced yesterday by Gauteng reconstruction and development commission head Ben Turok.

Turok said the area would receive more than R3bn in funding over the next five years, R645m from RDP fund contributions and the balance from "other public fund contributions". Local businesses would meet government representatives early next month to discuss how they could participate in the scheme.

Immediate plans included the repair of houses destroyed by violence, the supply of emergency services to hostels and informal settlements, sewerage rehabilitation, integrating township security forces into the SA Police, establishing satellite police

ERICA JANKOWITZ

stations and the withdrawal of illegal weapons.

Local builders would be used. Those who could not afford to buy building materials could do so through a co-operative which would sell goods at wholesale rates.

An amount of R26,1m had been allocated to this project, which would be implemented by two non-profit agencies: the Home Loan Guarantee Company and the New Housing Company.

Turok said a damaged housing commission consisting of government and community representatives would be established to adjudicate housing claims in the area.

He said R8,7m would be spent on providing adequate water supply and sanitation facilities to informal settlements and hostels. Sewerage reha-

bilitation would receive R2,1m, water rehabilitation R2,2m and refuse removal R1,75m, with the transitional local councils (TLCs) acting as implementation agencies.

Turok stressed that while government would fund capital costs, running costs would be paid by the TLCs, thus spreading the load of rebuilding the area.

Members of ANC-aligned self-defence units and Inkatha-linked self-protection units who joined the police would receive R900 a month, calling for a budget of R4,5m. Other costs would amount to about R5,5m.

He said R7,5m had been set aside to establish 17 satellite police stations in the area and R150 000 for reducing the number of illegal weapons.

He described the Katarus area as reasonably peaceful except for some taxi routes, with political violence having ended.

'Racial slur' sparked police protest

THE policemen who occupied Soweto's Orlando police station yesterday said they were protesting at a racial slur against one of their members.

Police and Prisons Civil Rights Union co-ordinator Thozanile Tama said the policemen were protesting against a white policeman who called one of his black colleagues a "kaffir".

He claimed complaints had been lodged with the station commander following the alleged racial incident, but no disciplinary action had been taken.

About 100 SAPS members had locked the gates and refused to allow station commander Col AG Leuw and other policemen to enter.

Police spokesman Col Herman Oosthuizen said about 400 policemen had been

BONNIE NGUYA

denied access to the police station by the protesters.

The protesters had opened the gates only after Stephen Nkutha, from the office of Gauteng safety and security minister Jessie Duarte, had been called to negotiate.

Oosthuizen said a delegation of five aggrieved policemen had yesterday met Soweto district commissioner Brig Chris Earle.

At the meeting it was agreed that all grievances would be investigated and, if found to be true, acted upon.

"In the meantime the members who were on strike are under investigation for violating the constitution by depriving members of the public free access to policing services," he said.

Nurses guilty of disgraceful conduct

THE SA Nursing Council's disciplinary committee yesterday found four senior nurses guilty of disgraceful conduct after they failed to report a colleague who allegedly assaulted an elderly patient with a knobkerrie in November.

Five junior nurses were found guilty of improper conduct after they failed to observe and treat the injuries of Daniel Maseng, who sustained facial abrasions, a swollen cheek and bruises to his neck after the alleged assault at the Goldfields Regional Hospital in Welkom, Free State.

DEBORAH FINE

Nursing council registrar Frank Germshuisen said the senior nurses had received sentences of between three and six months' suspension. The sentences were suspended because they had shown remorse, he said. The five junior nurses were reprimanded and cautioned.

Germshuisen said the alleged assault would be investigated in February during the trial of the nurse accused of perpetrating the offence.

London orchestra to perform in S

THE London Philharmonic Orchestra is to arrive in SA on February for an 11-concert tour, sponsors Bank said yesterday.

The 87-member orchestra played to a packed Superbowl at Sun two years ago, setting an attendance record. Venues on this tour include Kirstenbosch National Botanical Gardens in Cape Town, the V&A Waterfront in Durban and Vista United in Soweto.

"We wanted to reach further the SA community that received us warmly on our last visit," said deputy MD David Marcon.

The orchestra had programmed appeal to all types of music including those who did not regularly listen to classical music.

"Since these venues are so accessible to the public we anticipate creating an electric atmosphere."

It will also perform at the Sun Bowl, the Johannesburg, Durban and Cape Town city halls, and the F&E Market Hall in Port Elizabeth.

Concert programmes will include local choirs and soloists including Virginia Davids, Sibongile Khumalo, Gordon Christie and Rafael Villalón.

The first concert, at Johannesburg City Hall on February 7, will broadcast live on NNTV. — Say

Good response to RDP portfolio

SOUTHERN Life's Future-growth, the country's first investment portfolio aimed at uplifting and empowering socio-economically disadvantaged communities, has more than doubled its assets in the past six months, says Adrian Arnott, executive director (employee benefits).

Launched at the beginning of 1994, the fund supports the RDP and has grown to over R200m

The response to the market-ing of Futuregrowth has been

highly favourable, with some of South Africa's leading retirement funds investing in the fund. Recent major investors include the Eskom Pension Fund whilst the Iscor Pension Fund and First National Bank Pension Fund were among the first to participate in Future-growth. A number of other smaller retirements funds have also invested in Future-growth portfolios.

Southern Life believes that the RDP represents a fundamental challenge to all sectors of society. It is not the exclu-

sive domain of the state, nor of any specific group of institutions," said Mr. Arnott. "We also strongly subscribe to the belief that if the government is to succeed, it will need active partnership with civil society and with business and labour in particular. If therefore appears that the initiative lies with retirement fund trustees."

Mr Arnott said if retirement fund trustees consult, as they must, with their members, they will find a groundswell of support for the RDP and will

be confident about investing a portion of their members' savings in Futuregrowth.

"By redirecting a portion of the fund's investments to RDP-related projects via Future-growth, a significant contribution can be made to the quality of life of all South Africans while ensuring sound investment returns. Futuregrowth allows retirement fund trustees to achieve this objective in a professional manner."

According to Futuregrowth co-ordinator Michael Leeman, the endorsements by the coun-

try's leading pension funds reflect a growing confidence in the portfolio.

"Improved economic and political stability has led to a significant increase in the number of RDP investment projects being developed. In particular, the number of equity related investments promoting black economic enablement is increasing rapidly. There is thus a steady stream of projects to meet the large new cashflows being attracted to Futuregrowth," says Mr Leeman.

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CT 18/1/95

Increased demand for RDP fund

CAPE TOWN — Southern Life's Futuregrowth, SA's first investment portfolio targeting socioeconomic upliftment, more than doubled its assets in the past six months, said Southern Life executive director Adrian Arnott.

Asset growth in the first six months after the fund was established in January 1994 was slow, but the pace improved considerably after the elections and the fund had grown to R200m, said Futuregrowth co-ordinator Michael Leeman.

Response to the marketing of Futuregrowth was favourable, with some leading retirement funds investing in the fund. The most recent major investor was Eskom's pension fund, while Iscor's and First National Bank's pension funds were among

EDWARD WEST

the first to participate. (297)

He said the improved economic and political stability had led to a significant increase in the number of reconstruction and development programme investment projects being developed.

He said that the development of RDP-related investment divisions at most of SA's merchant banks could widen the scope of Futuregrowth's investment avenues. The number of equity related investments promoting black economic empowerment was increasing rapidly.

Futuregrowth's investment returns for its first year were likely to be publicised shortly, he said. BD 18/1/95

Rural task team seeks RDP funds

THE reconstruction and development programme's rural development task team is to lobby for one-third of the RDP fund to enable the team to build sustainable and viable economies in rural areas and help stem migration to urban areas. (297)

The RDP ministry's rural and environment director Peter Ngobese said rural areas needed the most attention from the ministry as they had been neglected in the past. "We would like at least one-third of the RDP fund to be allocated to rural projects."

Strong rural economies would help to stem migration to cities, he said.

Ngobese said the rural strategy, whose framework was contained in the RDP's White Paper, would be underpinned by presidential lead projects. These could include such issues as land restitution and land redistribution, he said. BD18/11/95

The rural development task team would begin consultations next month with all stakeholders, such as civic and non-governmental organisations and rural local government structures — including traditional leaders — which were aimed at

WILSON ZWANE

"fleshing out" the strategy.

The task team consisted of, among others, the Water Affairs and Forestry, Land, Public Works and Agriculture departments. Input from these consultations would be incorporated into a second RDP White Paper this year.

He said the focus of the strategy would be on creating opportunities for self-employment. This would have to be done in a way which discouraged "environment-unfriendly industries".

Another of the team's tasks would be to work towards formulation of a national plan on drought. Ngobese said such a plan was required of signatories to the 1994 Paris convention on drought.

It was expected that SA would ratify the convention in the near future.

Asked who would be involved in the RDP's rural strategy in areas where there were no local government structures, Ngobese said water committees, set up by the Water Affairs and Forestry Department, would be used as interim vehicles.

AN extension to the Cheshire Home for severely disabled people in Langa, which will house 13 more patients at a cost of R542 000, will be ready in a few months. It has been paid for by the Independent Development Trust.

The first phase of the project to build a home for seven adults cost R200 000 three years ago. A donation of R100 000 for it was given by the former British ambassador to South Africa, Sir Robin Renwick.

According to Anna van Wyk, PRO for Cheshire Homes, the home will also be used as a base for care service for the disabled living in their own homes in the vicinity. "This requires ongoing involvement

Home extension will house 13 more patients

from the community in managing the project and giving the service."

She said that if anyone would like to help the home with money donations or with skills training — particularly physiotherapy — they would be grateful.

"With money we will be able to train people — whose ages range from 18 to 55 — in carpentry, leatherwork, candle-making, growing vegetables and comput-

er skills."

She said fund-raising remained an ongoing challenge and the next function to raise money for the local homes — there are three in the Western Cape — would take place at the British High Commissioner's Residence next month.

For more information and to make donations call Anna van Wyk or Jeanette Barnett on (021) 685-6066.

RDP funds pile up ⁽²⁹⁷⁾ but few projects exist *slow 19/11/95*

■ BY BRUCE CAMERON

The financial sector is starting to move rapidly to meet what are still mainly anticipated needs of the Reconstruction and Development Programme

One of the early starters in the field, Southern Life, reports in the first year of operating its RDP Futuregrowth fund it has attracted more than R200 million in investments

The money has come mainly from investments made by major pension funds, including those of Eskom, Iscor and First National Bank

The biggest problem for the vehicles being created to channel money into development projects is however the lack of projects available

However Futuregrowth co-ordinator Michael Leeman says that an increasing number of investment avenues are becoming available, although there continues to be a shortage of projects in the private sector aimed at empowering people

He said money was being allocated to different sectors with the bulk aimed at fixed interest stock issued by the utilities, like Eskom, central and local government

Funds would also be channelled through aid agencies and through merchant banks to the private sector

Merchant banks

Leeman said in an interview that merchant banks had nearly all opened departments dealing with RDP-type investments. This would help fund managers like Southern Life, which would stick to wholesale investment

"We do not have the resources or the knowledge to manage individual projects."

Leeman said money would also be earmarked for black-controlled companies on the JSE and for the new RDP sector created on the JSE

About 75 percent of funds invested in Futuregrowth had been allocated to RDP-linked projects. Until more projects for

investment became available the balance was being invested in JSE-listed companies involved in RDP-type work.

Leeman said that after the municipal elections far more RDP projects were likely to come on stream

"Local authorities will become the main driving force"

Southern Life executive director (employee benefits) Adrian Arnott said the RDP was not the exclusive domain of the State or any specific group of institutions

It represented a "fundamental challenge to all sectors of society".

He was confident that members of pension funds would support investing a portion of their savings in funds such as Futuregrowth.

Leeman said investment in the fund would still ensure sound returns but the main target was not only to maximise returns, as it was with traditional portfolios

Some of the investments would be in "unconventional vehicles"

Thugs wrecking RDP

(297) (292)

CP 22/1/95

RDP

KwaNatal construction work plagued by thieves, violence

By SIPHO KHUMALO

RAMPANT crime, thuggery and violence are severely hampering the provision of crucial services and the implementation of RDP projects in townships in the Greater Durban area.

This warning is made in a report by the SA Federation of Civil Engineering Contractors (Safcec) — the representative body of construction companies doing work in the townships.

Safcec regional general manager Ted Brown warned that acts of thuggery and violence were effectively negating efforts to implement the RDP.

"The lives of site personnel are under constant threat, some have lost their lives or have been seriously injured while going about their daily duties

"This is borne out by numerous recorded incidents of attacks as well as the recent and apparently motiveless shooting of persons in KwaMashu and Ntuzuma," said Brown.

Brown said at least one bakke was stolen a day and the thefts of movable property from construction sites were

too numerous to be recorded.

"Quite clearly, Natal civil engineering contractors have reached a state of impasse where their continued existence and ability to implement the RDP is threatened. That is unless the criminal activity and attendant violence can be contained within a very short period," he said.

Brown said even attempts to uplift communities by providing jobs to local residents on construction projects were being undermined by the acts of thuggery and criminal violence.

The South African National Civic Organisation (Sanco) this week said criminal violence and thuggery had to be condemned by the community.

"We need to weed out the unruly elements and our people must begin to join the restructured police force in order to beef it up," said Sanco's regional secretary, Essa Al'Seppe.

SA Police Services spokesman in KwaZulu/Natal, Colonel Bala Naidoo, confirmed vehicles had been hijacked. He said there was just not enough police to patrol these vast areas.



Another R19,4-m heading for the RDP

Cape Town — A Bill adding R19,4 million to an earlier contribution to the Reconstruction and Development Programme by the Department of Posts, Telecommunications and Broadcasting was introduced yesterday.

The Additional Post Office Ap-

propriation Bill added the R19,4 million to an initial R20,6 million transferred to the RDP in June for a total of R40 million. (297)

Introducing the Bill, Minister of Post, Telecommunications and Broadcasting Dr Pallo Jordan

said time was often spent on planning how to find funds instead of how to spend them.

The contribution from the department would play a small role in addressing the country's enormous social and economic needs, he said — Sapa.

Development Bank seeks opinions on its future role

BD 24/1/95
THE Development Bank of Southern Africa had sent a letter to stakeholders asking them to take part in redefining the bank's mandate, chairman Wiseman Nkuhlu said yesterday.

The letter was sent to interest groups ranging from the provincial governments and the Institute of Municipal Treasurers to business organisations such as Sacob, Nafcoc and Fabcos. The SA National Civic Organisation, Cosatu and universities are also on the list, with Development Bank staff and bondholders.

They would have the opportunity to make oral submissions as well from 9-11 March. (297)

The letter sent to stakeholders indicated a complete rethink of the bank's structure and activities. People were asked to say whether the bank should focus only on infrastructure projects in SA, or whether it should be involved in regional co-operation as well. Nkuhlu said two full-day

GRETA STEYN

meetings had been held with government, which included inputs from Minister without Portfolio Jay Naidoo and Deputy Finance Minister Alec Erwin on redefining the mandate. The urgent need to clarify the provinces' borrowing powers had also been discussed.

"The bank is ready to help finance the distribution of electricity to households, but the provinces' inability to borrow is holding up the process. We believe government realises the urgency and a move to rectify the situation is expected soon," Nkuhlu said.

It was possible that provisional borrowing powers would be granted to the provinces, he said.

The distribution of electricity was usually funded by local authorities, but since they were unable to play that role, the provincial governments were the next best option.

Costs 'could harm RDP'

THE Western Cape chapter of the SA Quantity Surveyors' Association said projected increases in building costs for the next two years of an annualised 21% could result in fewer houses being built in the reconstruction and development programme (RDP).

Chairman Martin Treadaway said every delay in implementing the RDP resulted in less being achieved. An increase in building costs of about 2% a month could be disastrous for the area and the RDP as a whole.

This could also result in overseas funding organisations withdrawing funds on noting they were being eroded through inflation without being converted into bricks at an acceptable pace. (297) 25/1/95 BD

RDP 'depends on stability'

POSITIVE inroads into the reconstruction and development programme (RDP) would hinge on the control of destructive industrial action and the culture of non-payment for services, Nedcor chairman John Maree said at the banking group's AGM yesterday (29/11/95).

He said SA society needed to be free from political and criminal violence.

Every effort had to be made by government and business to address the needs of the underprivileged and ensure they were brought into the economic mainstream, Maree said.

"For us to be a successful nation, I strongly believe that there is the need for participation at all levels of society in shaping a common long-term vision that will take us through the turn of the century and into the next millennium."

New Age Beverages CE

SAMANTHA SHARPE

Khehla Mthembu told the meeting the banking group could be commended for its RDP initiatives and for its formation of a division which would spearhead RDP activities.

Maree said there were currently many opportunities that would allow the group to achieve economic growth in the year ahead.

EXECUTIVE SUIT



WORLD

Southern Africa to face Western donors

297 (20) BD 26/11/95

HARARE — Southern African nations, facing cash shortages for development programmes, meet Western donors tomorrow to drum up support for fledgling efforts at economic integration.

Officials of the 11-nation Southern African Development Community (SADC) said the group would seek to raise about \$3,6bn during the week-long consultative conference with donors in the Malawi capital, Lilongwe.

The money is to cover development programmes in several key sectors including energy, transportation, agriculture, communications and tourism. But the SADC recognises its members must lessen dependence on donor aid, which accounts for more than half of the region's development funding.

The conference theme document says the meeting will focus on how to create conditions to marshal the region's own resources to support integration.

The SADC said it had secured \$4,3bn of the \$8,5bn needed for the plan. The officials said negotiations with donors for more than \$580m were "at an advanced stage".

"We will be discussing with our co-operating partners if they can meet that funding gap (of \$3,6bn) which does not include the figure under negotiation," SADC chief economist Ted Kalebe said.

"We will review the programme of action for this year, what resources are going into these programmes and financial problems being encountered," he added.

The SADC is comprised of Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia, Zimbabwe and SA,

which joined last August.

Kalebe said the organisation this year would cut back on the 446 projects in the development programme due to lack of funding.

Economic analysts have often pointed at the region's heavy reliance on donor funds as one of the main constraints on effective regional integration and economic growth.

"The European Union would encourage the search for SADC's own resources because I think one of the criticisms of the regional development process within SADC has been heavy dependence on donor funds," said EU delegation leader Michael Laidler.

Karl Larsson, an economist in the aid department of the Swedish embassy in Zimbabwe, said the SADC urgently needed to generate more of its own resources for its plans, in the face of dwindling aid from Western states faced with increasing budgetary constraints.

He noted that Sweden, facing its own financial problems, had cut its financial aid to SADC to \$8,75m for 1995/96 from \$20,63m in 1994/95.

Britain said its expenditure for the SADC, expected to be about \$5,7m, would also be "somewhat lower" than in previous years because it, too, was moving away from large capital projects to technical co-operation.

A Zimbabwean government official handling SADC issues said the group for the first time had invited representatives from the region's private sector to discuss how they could help to promote investment and growth that would boost the regional resource base.

Kalebe said SADC would ask its Western "co-operating partners" to help resource mobilisation by investing in the region. — Reuter

'We know rural areas like the backs of our hands'

Operation Hunger is still relevant

(297) SPAN 26 1195

■ BY SHIRLEY WOODGATE

In a place called Ten Morgen, north-west of Pretoria, there is a humble vegetable garden overhung by a stately "mosselia" tree.

You would never find it unless you were taken, as we were by Operation Hunger's Mpho Mashini, through the capital city, then out to Mabo-pane, Soshanguve, on to the Winterveld, and finally through winding dirt roads to the rural plots demarcated and named in the old British style.

Arrive at Dolphina Mashini's site, House 745, where she has lived since her father bought his 10 morgen in 1939 for 750 pounds, and she will proudly show you the garden at the back.

Fenced by Operation Hunger and supplied with borehole water pumped by hand from 60 m below the surface, it is the place where old women dig and plant and harvest against all odds every year.

"The tree is where we pray, for anything from peace to rain or successful crops of beans, carrots, beetroot and cabbage that the 50 women use to augment their pensions of R390 a month to feed their families.

"That is why we did not remove it when we made our garden," she said.

Prayer is their only hope against the odds — summer heat up to 35 deg, biting winter cold, lack of water, and poverty brought on by a 60 percent unemployment rate. It is just one of Operation Hunger's projects country-wide over the past 13 years linked this year to sponsor-



Feeding the family Mpho Mashini prays daily for rain, and supplements her meagre pension by growing vegetables in her garden in the drought-stricken Winterveld.

PICTURE JODI BIEBER

ship to instal 120 hand pumps in three separate regions

The question is whether NGOs like Operation Hunger are still relevant in the new SA and whether the R20 million budget can be justified.

Mashini watches a gnarled woman working the pump to fill a watering can heave it to the garden empty it, then repeat the process until her vegetable patch is saturated.

She looks 70, she says she is 60 and happy to be alive. But poverty does that to one. "Yes, we are still relevant, firstly to continue acting as watchdogs on the new Government," says Mashini.

"We know the rural areas like the backs of our hands. Now that the Government is playing a role in school feeding, we still have our targeted schemes.

"But mainly we have been freed to change from relief to development of places such as this. "That is our new role — sustainable development. The vote did not remove any of those needs," he added.

Donor countries 'must spread southern African aid evenly'

LILONGWE — The 11-nation Southern African Development Community has urged donor countries to invest equally in the region to counter the exodus of skills to South Africa.

Mr Monyake was speaking ahead of a review of SADC programmes to prepare for an annual conference with donors scheduled in the Malawi capital next Friday.

Mr Monyake said if this happened South Africa would struggle to support a population swollen by an army of foreign workers while seeking to redress apartheid imbalances.

Estimates of the number of illegal aliens already in South Africa range from three million to 12 million, with most from Mozambique, Zimbabwe and other southern African states.

A theme document circulated among SADC members urged southern African countries to pursue their economic reforms to improve conditions for skilled workforces.

"The policy dilemma which the international community will recognise the fact that the region has to develop together, and evenly, in a balanced manner, otherwise countries in the region will have labour problems," he said.

"What we are hoping is that the international community will recognise the fact that the region has to develop together, and evenly, in a balanced manner, otherwise countries in the region will have labour problems," he said.

Farmers warned

On illegal workers
PIETERSSBURG. — "Harsh" steps are to be taken against farmers employing illegal aliens, Department of Home Affairs Northern Transvaal director Danny Adendorff has said here.

"Farmers would be prosecuted mercilessly and those found guilty would face five years' imprisonment or a R20 000 fine, or both," — Sapa

Barlows' RDP feast

BRUCE CAMERON

Business Editor

THE Reconstruction and Development Programme is good news to many companies and has some laughing all the way to the bank.

Barlow Rand Limited chairman Warren Clewlow told members of the Analysts Society of Southern Africa somewhat indelicately this week that the company expects to be feeding off the "carcass of the RDP" for some years to come.

In more delicate terms the group's economist Peter Haasbroek explained Barlows, as one of the country's largest companies with an annual turnover of R12,8 billion and 31 000 employees, is in the modern part of the economy and as such would normally be subject to the cycles in the economy.

But as the RDP hots up Barlows would play a large part in ensuring the success of the plan from the construction of homes to the supply of electricity to the providing of electrical goods that will make everyday living that much easier.

This in turn would buffer Bar-

lows from the cycles in the economy allowing for steady growth in profits.

Mr Clewlow however said it was not the intention of Barlows to push up prices to take advantage of the RDP.

He said its cement manufacturing subsidiary, PPC, had given government an undertaking not to increase the price of cement faster than the rate of inflation until the end of 1996 (PPC has an estimated 45 percent market share).

By that stage there could be a shortage which could affect the prices.

No other cement producer had given this undertaking.

Mr Haasbroek said an important element in the ability of the government to boost the economy would be the growth in the gross domestic fixed investment.

Normally this would be funded by national savings. He believed government dissaving would be controlled with funding for the RDP coming from a reallocation of State spending rather than from additional spending. Private savings would also improve.

But this still would be not suffi-

cient to finance growth. The answer was to attract foreign investment. The recent capital inflows were short-term in nature. What was required was long-term capital investment.

This in turn would be dependent foreign investors, who wanted to see more confidence expressed by the Government by removing exchange control.

Mr Haasbroek said he believed that the first step, in a step-by-step approach, would be taken by Reserve Bank governor Chris Stals in removing exchange control after the Budget in March.

Mr Clewlow was upbeat about the company although he candidly admitted some divisions were underperforming but they were being driven to provide better results.

The troubled overseas investment in Bibby, for which Mr Clewlow said Barlows had paid too much, was now coming right particularly after the sale of the agricultural section of the Spanish-based Finanzauto division.

Mr Clewlow said results for the first quarter were well ahead of budget in most divisions and he was expecting a good year.

Banks vie for RDP account

South African

By JEFFERSON LEGANE

pointment
Bifawu said the ap-
pointment should be
shelved until the banks in
question had shown how
their collective opposition
to unions within the fi-
nancial service industry
qualified them to handle
the 10 000-member
Banking, Insurance, Fi-
nance and Assurance
Workers Union (Bifawu)
to the provincial govern-
ment to suspend the ap-

of the successful bank to-
morrow
The banks vying for the
account are First Nation-
al Bank (FNB), Standard
Bank of South Africa
(SBSA), ABSA and
Nedcor.
Bifawu maintains that
these banks should first
explain their industrial
track record of "union-
bashing and their refusal
to recognise Bifawu"
The union's call drew

support from the SA
Commercial, Catering
and Allied Workers
Union (Saccawu) and the
National Council of
Trade Unions (Nactu).

Saccawu has also tried
- and failed - to negotiate
recognition agreements
with FNB, ABSA and
SBSA.

FNB assistant general-
manager Louis Moll said
his bank had not received

any formal approach
from Bifawu for recogni-
tion.

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"Saccawu has repeat-
edly failed to turn up at
meetings to discuss the
issue but we are having a
meeting in February and
hope they will turn up",
Moll added

No comment could be
obtained from ABSA and
SBSA.

Barlow Rand's Clewlow sees years of rich pickings in RDP

Star 30/1/95 (297)

■ BY BRUCE CAMERON

The Reconstruction and Development Programme (RDP) is good news for many companies and has some of them laughing all the way to the bank.

Barlow Rand chairman Warren Clewlow told members of the Analysts Society of Southern Africa somewhat indelicately last week that the company expected to be feeding off the "carcass of the RDP" for some years to come.

In more delicate terms, the group's economist Peter Haasbroek explained Barlows, as one of the country's largest companies with an annual turnover of R12,8 billion and 31 000 employees, was in the modern part of the economy and as such would normally be subject to the cycles in the economy.

But as the RDP hotted up, Barlows would play a large part in ensuring the success of the plan — from the construc-

tion of homes to the supply of electricity to the provision of electrical goods that would make everyday living that much easier.

This in turn would buffer Barlows from the cycles in the economy, thereby allowing for steady growth in profits.

Clewlow, however, said it was not the intention of Barlows to push up prices to take advantage of the RDP.

Subsidiary

He said its cement manufacturing subsidiary, PPC, had given the government an undertaking not to increase the price of cement faster than the rate of inflation until the end of 1996 (PPC has an estimated 45 percent market share).

By that stage there could be a shortage, which could affect the prices.

No other cement producer had given this undertaking.

Haasbroek said an important element in the ability of

the government to boost the economy would be growth in gross domestic fixed investment (GDFT).

Normally this would be funded by national savings.

He believed government dis-saving would be controlled with funding for the RDP coming from a reallocation of state spending, rather than from additional spending. Private savings would also improve.

But this still would be not sufficient to finance growth.

The answer was to attract foreign investment.

The recent capital inflows were short term in nature. What was required was long-term capital investment.

This in turn would be dependent on the attitude of foreign investors, who wanted to see more confidence expressed by the government by removing exchange control.

Haasbroek said he believed that the first step, in a step-by-step approach, would be taken by Reserve Bank Governor

Chris Stals in removing exchange control after the Budget in March.

Clewlow was upbeat about the company. He admitted some divisions were underperforming, but said they were being driven to provide better results.

Investment

The troubled overseas investment in Bibby, for which Clewlow said Barlows had paid too much, was now coming right, particularly after the sale of the agricultural section of the Spanish-based Finanzauto division of Bibbys.

Clewlow said results for the first quarter were well ahead of budget in most divisions and he was expecting a good year.

He warned that Barlows would defend market share at all costs.

The group would continue to make acquisitions, but he felt the main growth would come internally.

Picket over rates for welfare organisations

■ BY PAULA FRAY

Welfare groups picketed outside the Gauteng administration offices in Johannesburg yesterday morning while a delegation met Social Welfare MEC Sakkie Blanche to protest against the imposition of property rates on welfare groups.

The meeting ended positively with Blanche and Housing and Local Government MEC Dan Mofokeng making an urgent appeal to local authorities not to charge rates on properties owned by welfare groups while the matter was under discussion. (297) 15

"We feel the minister went out of his way to find a solution to the problem. We're very positive about the outcome," said Lobby Against Rates chairman Brenda Taylor.

A joint statement issued by Blanche, Mofokeng and Lobby Against Rates said the amendment of the Local Authorities Rating Ordinance, effective from January 1, meant welfare and charitable organisations in the former Transvaal prov-

ince were no longer exempt from paying rates and taxes.

The welfare delegation, representing a broad spectrum of organisations, highlighted the potential threat facing them if they were forced to pay rates on their properties.

It would, they said, further erode their income and create serious cash-flow problems "leading to the closing down of many non-governmental organisations and community organisations already running at a loss".

"Welfare organisations are currently faced with an adverse economic climate, increasing unemployment, inflation, a reduction in fund-raising potential and an increasing demand for their services," said the statement.

According to Blanche, discussions had already taken place between himself and Mofokeng and they had decided to appeal urgently to the local authorities to place a moratorium on the implementation of the amendment while the matter was under discussion.

Star 31/1/95

Gauteng forum to speed up RDP projects

(297)
A FORUM to look at ways of speeding up reconstruction and development projects in Gauteng was formed yesterday by representatives of central and provincial governments

RDP commission head Ben Turok said. "The new body will integrate all the relevant government departments and ensure that every department works

BONILE NGQIYAZA

with other government structures, thereby speeding up the RDP process."

Turok said earlier implementation could be speeded

up if the economy was de-racialised and socio-economic stagnation in the province was overcome

All sectors of society, especially business, would

have to be involved

He said good progress had been made in implementing presidential projects like the primary school nutrition scheme, urban renewal and the Katorus project.

The workshop was to "identify the location of the 22 presidential projects in relation to the Gauteng government", Turok said

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Belgium gives R50m to RDP

JOHANNESBURG

Belgium will invest R50 million in the Reconstruction and Development Programme over the next three years, visiting Foreign Trade and European Affairs Minister Mr Robert Urbain said in a statement yesterday - Sapa

(297)

CT 2/2/95

RDP-linked unit trust launched

JOHANNESBURG —
The first trade union approved unit trust investing directly in reconstruction and development was launched yesterday by the seven unions which launched South Africa's first socially responsible unit trust in 1992, the Community Growth Fund. CT 2/2/95

Named the Community Income Fund, the new unit trust's investments will be screened by the trade union controlled company Unity — as are those of the Community Growth Fund.

Together with Syfrets, Unity owns the Community Growth Management Company which controls both the CGF and CIF. Old Mutual Asset Managers has been appointed investment manager for the CIF

Citizen's Advice Bureau faces closure

■ BY ZINGISA MKHUMA
CITY REPORTER

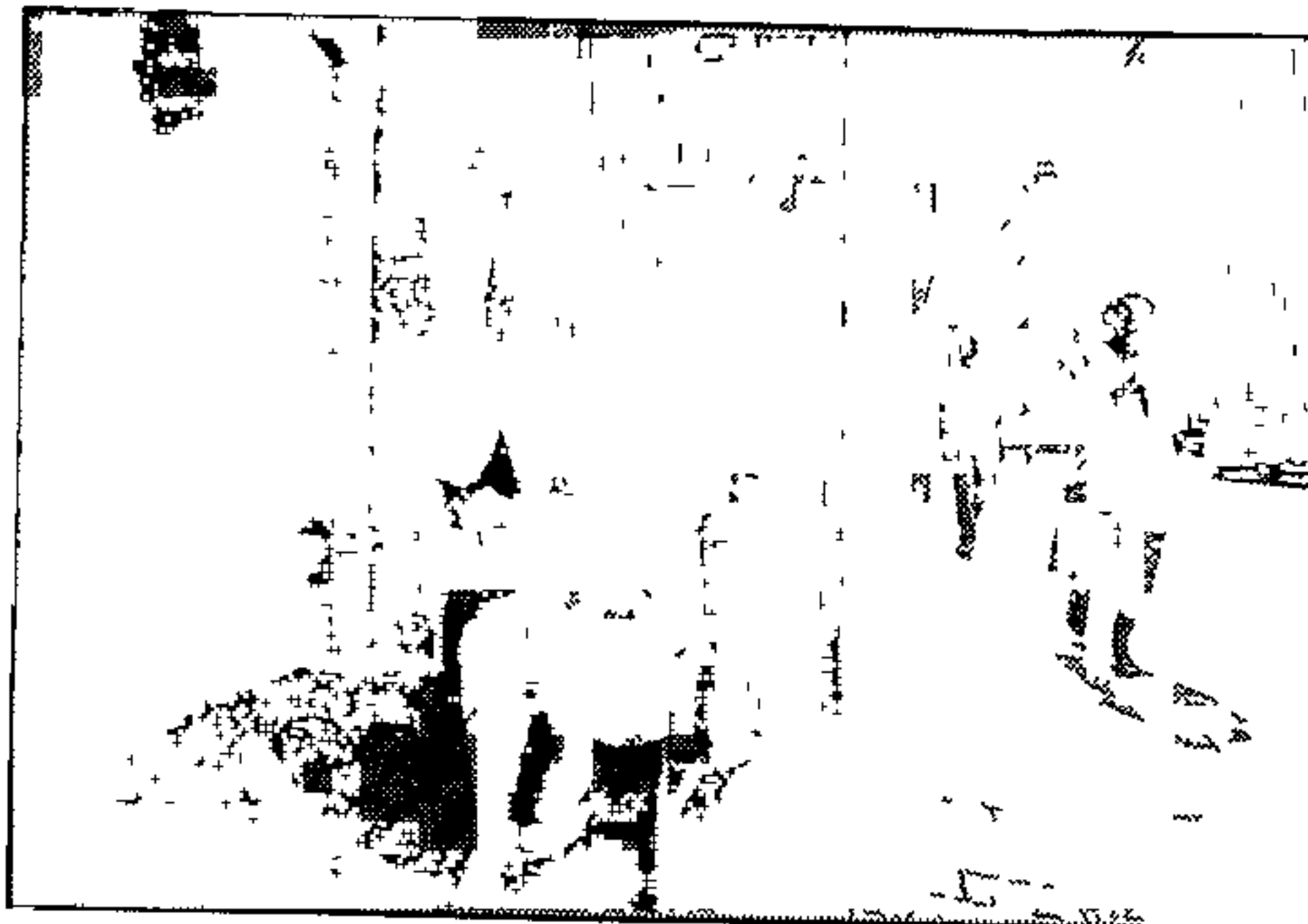
The Citizen's Advice Bureau in Johannesburg, which has been giving free advice to the community for almost 30 years, faces closure because of a lack of funds

Bureau director Miriam Elken said donations from the public and the private sector had been the lifeblood of the bureau since it was established in 1966

However, funds have stopped coming in "Our resources are drying up, and we can only survive until the end of the year unless we start getting donations. It will be a great pity to close down after so many years"

The bureau is not a welfare organisation but it has a fund-raising number. However, it works closely with welfare organisations

The Johannesburg office is the main bureau and occupies council offices free of charge. But its



Free advice . . . Miriam Elken (seated) with two other volunteers outside the Johannesburg Citizen's Advice Bureau.

PICTURE DUIF DU TOIT

offshoots are spread around the country — in Soweto, Pretoria, Durban and Cape Town

The Johannesburg bureau is staffed by volunteers who do not get a salary. The one Soweto

bureau staff member, who works two days a week, is given a token amount for her services

Between 60 and 70 people visit the Johannesburg bureau every day, five days a week, seeking

help of all kinds

The bureau offers advice on consumer, legal, domestic and work problems

"Frequently people do not have the financial resources to seek professional help, or the problem may be a relatively minor one which does not require a full professional consultation"

"This is where we come in handy," Elken said

More and more black people were approaching the bureau for advice, but it was difficult to attract black volunteers because few could afford to work without pay, she added

"Our Soweto bureau operates only two days a week because there is only one volunteer. That leaves only our town office to cover surrounding townships and the city centre"

Elken can be reached at (011) 836-0817 from Monday to Friday between 8.30 am and 1.30 pm

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Star 3/2/95

FEBRUARY 3 1995

R1,2-bn EU loan expected soon

Brussels — Preparations are on line for a R1,2 billion European Union (EU) loan package for South Africa (S.A.)

This was revealed yesterday by Sir Brian Unwin, the president of the Luxembourg-based European Investment Bank (EIB), which is preparing the package.

He said the cash could not come on stream until there was a political signal from EU ministers and the European parliament.

Unwin said he was keen to see the loans released as soon as possible.

"The EIB has a lot of experience in southern Africa, and we are already supporting projects in Zimbabwe, Botswana, Swaziland and

Mozambique," he said.

"Provided the agreements are finalised, we are ready to lend to R1,2 billion," he said.

Unwin said the EIB normally supported large infrastructure projects, such as energy and transport schemes.

"We have already sent a mission to South Africa and have had talks with the South African authorities," he said.

It would make a lot of sense to operate in South Africa. Recently, we made a large loan available to restore the Cahora Bassa transmission lines to Botswana, passing through the Kruger Park.

"It will make sense for us to carry out projects on a regional basis," he said. — Star Foreign Service

Ready for talking:

R1,2bn package

AR 3/2/95

(297)

□ *European loans just awaiting official go-ahead*

The Argus Foreign Service

BRUSSELS. — Preparations are well advanced for a major R1,2 billion European Union loan package for South Africa.

This was revealed by Sir Bryan Unwin, president of the Luxembourg-based European Investment Bank (EIB), which is preparing the package.

He announced that the preparations had been done but the cash could come on stream until there was a political signal from EU ministers and the European parliament.

Sir Bryan, whose father-in-law was a British ambassador to South Africa and whose son lives in Swaziland, said he was keen to see the EU loans re-

leased as soon as possible.

He visited South Africa at Christmas and was impressed by the Kruger Park.

"The EIB has a lot of experience in Southern Africa and we are already supporting projects in Zimbabwe, Botswana, Swaziland, Mozambique — all around South Africa," Sir Bryan explained.

"We have not previously operated in South Africa but we are ready to do so once the final agreements inside the European Union have been reached.

"As soon as they are, we are ready to go.

"I expect the agreements to be reached shortly and we are ready to lend up to R1,2 billion."

Sir Bryan explained that the EIB normally supported large infrastructure projects, such as energy and transport schemes.

"We have already sent a mission to South Africa and had talks with the South African authorities," he said.

"In our view, it would make a lot of sense to operate in South Africa.

"Recently we made a large loan available to restore the Cahora Bassa transmission lines across from Cahora Bassa to Botswana, passing through the Kruger Park.

"It will make a lot of sense for us to carry out projects like that on a regional basis.

"We are providing a loan to link the Zimbabwe grid to the South African grid — again it

would make sense to consider doing both ends of that.

"That is the sort of project we would be very keen to consider.

"What we are good at is the large infrastructure projects — in communications, road, rail, energy, telecoms, civil aviation and so on.

"But we also lend to small and medium-sized enterprises, and I suspect there is a need for that in South Africa too, working through South African banks."

Sir Bryan added that the EIB was the world's largest international financial institution, lending "substantially more than the World Bank."

About 10 percent of its loans go outside the European Union.

CGF ratings motivate clean-ups

ALIDE DASNOIS

Deputy Business Editor

ARL 4/24/98

MAJOR companies blackballed by the union-controlled Community Growth Fund include Johannesburg Consolidated Investments (JCI), Sasol and Absa. Good marks go to Gencor, Engen, I & J, SA Breweries and Sentrachem.

Engen was approved in spite of union reservations about the petrol giant's attitude to fuel deregulation, said Mark Anderson, of the Labour Research Service which vets possible investments in terms of the unions' social responsibility criteria.

The Chemical Workers' Union fears that deregulation will lead to retrenchments of petrol pump attendants.

Sasol has been rejected by the CGF so far because of problems at shopfloor level. "But the unions have met senior management and there have been positive changes," says Mr Anderson.

Absa didn't make the grade because of "old style" management in some of the rural branches — a legacy of the past, says Mr Anderson. "Another problem is that 16 percent of employees are

black but only 3,5 percent of management."

But here again, the CGF is optimistic that problems are being sorted out.

"Our aim is eventually to approve all these companies," says Mr Anderson.

Companies selected by portfolio managers Syfrets are measured by the Labour Research Service against a set of criteria established by the unions, from employment conditions to training to health and safety. The biggest weight is given to the company's job creation record, industrial relations and employment conditions. Race discrimination is assessed separately.

JCI failed on several criteria, becoming the first mining house to be rejected — though the group's industrial interests did not come under fire.

The minimum wage of R762 a month at Rustenberg Platinum is considered low, given the mine's strong financial results. The National Union of Mineworkers (NUM) says dismissals are common, union-bashing takes place at some sections and racism is a problem at supervisory level.

The NUM has reported that unlike most other mines there are no union-recognised safety stewards at Rusplats or at Randfontein Estates and

Western Areas gold mines. Workers complain that they have to buy their own overalls and that the hostels are undemocratically run.

Gencor has been approved, following improvements at Trans-Natal Coal and Impala Platinum. But Gencor's gold mines will be closely watched, the CGF says.

Anglovaal's Hartebeestfontein gold mine is currently being assessed and could be approved soon, Mr Anderson says.

Newcomers to the portfolio in the industrial sector include I & J, Sentrachem and SA Breweries, which has completely reviewed industrial relations since the Labour Research Service started its investigation two years ago.

Sentrachem is praised for innovative practices including the introduction of an internationally-recognised health, safety and environmental programme, disclosure of information to employees and unions, plant-based training and development programmes which include worker-elected representatives.

But retrenchments over the past couple of years have blotted the company's record, says the CGF.

Y 'Debt a legacy of old regime'

ARG 4/2/95
(297)

TSOLO — President Nelson Mandela said yesterday the upliftment of the black majority was being held back by the R220 billion debt inherited from the previous government.

"What I want to tell you is that the previous white government has left a debt, an enormous debt that looks as if it will last forever, a R220 billion debt," said Mr Mandela. "As the present government we will have to pay this. This is not going to be easy, it is going to take years to settle the whole debt. We are trying to solve problems created by the previous government," he said.

Mr Mandela said the debt meant that people would have to be patient as improvements to their living conditions would take years.

Regional officials battled to control the large unruly crowd and Mr Mandela initially struggled to make himself heard.

He also warned the community that if violence in the area did not end the security forces might have to be sent in.

"I am not going to allow people to take away other people's livestock and kill other people."

■ Blacks are being held back by debt inherited from the previous government, says Mr Mandela.

"If this continues I might be forced to send in the army to be stationed here and arrest everybody involved in the violence and stealing, but I do not want to do this," Mr Mandela said.

"I am appealing to people to stop killing each other. If you do not stop the violence and killing each other I will lose patience. The reason I am not using my powers is that if I start taking action a number of people will end up in jail."

Over 150 people have died in violence in the area over the past 18 months. The violence was sparked by conflict between farmers and stock thieves but has since become more widespread.

Mr Mandela met later with traditional leaders, civics and teachers at the University of Transkei. He paid brief courtesy visits to two local kings, Tutor Ndamase and Mpondombeni Sigcau. The president moves to Port Elizabeth today for the final day of his tour — Reuters.

and industrial development

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GROWING FARMERS ... Hannes le Roux, managing director of the Small Farmer Development Corporation, has been inundated with requests for assistance
Picture: AMBROSE PETERS

Millions in foreign aid await small farmers

297
ST(CM) 5/2/95

By JEREMY WOODS

MILLIONS of rands worth of foreign aid is waiting to back development of viable farms for small farmers in developing communities and agricultural workers.

Once the scheme is established in the Western and Eastern Cape, it will be developed nationally

The scheme, which is being developed by the newly set up Small Farmer Development Corporation (SFDC), has the backing of some 40 shareholders, including Sanlam, ABSA Bank, the Rembrandt Group, Unifruco and Kynoch, the fertiliser business.

These shareholders, whose board is led by Mr David Gant of Unifruco, have already raised R10-million to finance the operations of the SFDC.

This sum will be invested and the interest it yields will pay the corporation's costs.

Requests

"Funding is not the problem. There has been enormous interest from overseas funders who want to put millions of rands into commercially based schemes that will further the interest of entrepreneurs from developing communities. Our main problem is finding viable farming operations and the right people to run them," said Mr Hannes le Roux, managing director of the SFDC.

And Mr Le Roux says he has been inundated with requests for help.

"I have more projects than I can cope with. What we have to do is analyse each application and ensure that the project is viable."

Mr Le Roux said the development corporation planned to help individuals with the knowledge and commitment to become farmers, and groups of people from emerging rural communities.

He says the SFDC will act as "facilitator" to a project rather than a banker lending directly to it.

Viability

"Once we have decided on the viability of a project, we will take it to the overseas institutions and local banks interested in financing such deals and let them fund it."

Mr Le Roux, who was previously with the kwa-Zulu Finance and Investment Corporation which currently finances projects worth several hundred million rands, believes that in time the SFDC will build a substantial loan book.

"Once we have established operations, we will move the SFDC on to a national scale by setting up regional boards."

'Sell State assets to help poor'

297

By BARRY STREEK
Political Staff

THE more than R100 billion in assets in state enterprises could be sold to fund a unit trust scheme for everyone earning less than R20 000 a year, Democratic Party leader Mr Tony Leon said last night.

Empowering people with unit trust funds that would increase in value as privatisation proceeded, would give them a stake in the future of the country and enable them to establish their own credit worthiness, he told a DP meeting in Johannesburg.

"For economic liberation to be realised, a much bolder, more radical and more specific plan is required," Mr Leon said.

The Ministry of Public Enterprises had advised the DP that the total market capitalisation value of state enterprises was more than R100bn.

"Coupling privatisation of the more significant of these assets, with a sense of popular ownership of the assets, is the route to placing economic power and future prosperity in the hands of the people.

"The idea is that the unit trust obtains shares in a newly privatised venture so that the ordinary citizen would become indirectly the owner of shares in the state enterprises that are being privatised.

"He or she can use the unit in specified ways and can, after a period of time, dispose of it if so wished"

R590-m boost for SA

Gowetan 8/2/95

THE United States Agency for International Development plans to commit almost R590 million to South Africa this year, a senior official of the US government aid agency said yesterday.

Despite congressional pressures in the US to cut foreign aid, USAID assistance to South Africa is expected to amount to almost R1,3 billion in the next two years.

The lion's share of the aid funds this year — more than R140 million — would be used in providing private sector housing guarantees, USAID assistant administrator for Africa, Mr John Hicks, said in Johan-

nesburg. About R140 million will go towards support for tertiary education and training and basic education while R80 million will help black economic empowerment and integration. (297)

In addition, Hicks said USAID would set up a R356 million enterprise development fund for South Africa and its neighbours. South Africa is likely to receive R71 million from this fund this year and a further R50 million will be made available from the black private enterprise development fund which was set up in 1987 — Sapa.

US aid will exceed allocation, says official

US AID to SA would probably top the budgeted \$181m for this fiscal year, despite threats from the Republican-led Congress to cut overseas donor assistance.

This was said by US Agency for International Development (USAid) assistant administrator for Africa John Hicks yesterday.

The post-election aid programme would be funded through a mixture of development resources and credit guarantees and was centred on government's reconstruction and development programme.

Aid would be channelled through government programmes and the non-government sector as they complemented each other, Hicks said.

Government had been consulted on this decision and had encouraged overseas donor organisations to maintain direct links with non-government organisations.

Hicks, who arrived in SA after attending the Southern Africa Development Community (SADC) conference in Malawi, said SA's participation showed the recognition member states gave to its valuable input.

USAid had allocated about \$300m to regional development through SADC, of which about one-third would be channelled

ERICA JANKOWITZ

into a fund aimed at fostering small and medium enterprise development.

The enterprise fund would seek to provide equity and credit capital in the form of loan guarantees, technical assistance and business advisory services.

Other initiatives were aimed at strengthening democratic and political institutions and education and health delivery.

Hicks said Americans were convinced of a need for sustainable economic development in southern Africa to boost US business, trade and commercial opportunities in the region. "Africa represents strong potential for future American markets. Over time, we anticipate constant growth of US exports to Africa."

It had been calculated that every American family spent \$3 a year on aid to Africa. It was expected that this investment would produce a return of \$50bn in US exports to Africa by 2025. Based on economic growth rates in Latin America and Asia, similar economic growth in Africa could benefit American families to the tune of \$600 each in 2025, Hicks said.

● See Page 6

Denmark gives R1,5m for apartheid victims

ET 10/2/95 (297)
Political Correspondent

DENMARK will donate R1,5 million for reparations to victims of gross human rights violations in South Africa

The donation, which forms part of a R400m transitional aid package over the next five years, will go directly into the President's Fund for reparations awarded by the Truth and Reconciliation Commission. The announcement was made by Danish ambassador Mr Alf Jonsson.

● The Danish government yesterday declined to say whether the Boesak funding row would damage future prospects for aid to needy South Africans.

THE RDP

The eve of destruction (297)

FM 10/2/95

If ever there was an RDP project, it is Baragwanath Hospital. Since 1948, when it was converted from military use into a hospital serving blacks, it has steadily built on its reputation for quality care among poor and disadvantaged South Africans. In theory, Bara (as it is affectionately known) serves the exploding population of the vast townships south-west of Johannesburg; in practice, it attracts patients not only from the rest of SA but also from countries as far north as Nigeria.

Conditions are not ideal; patients often have to stand in queues. But they wait to be admitted to Bara because they know they will be seen regularly by a doctor — and they also know that the care is of a very high standard. As one senior physician puts it: "Just because people are uneducated or illiterate, it doesn't mean they're stupid."

Bara has not only a high reputation among patients. Attached to the Wits medical school, it has long enjoyed a world name as an academic teaching and research hospital, performing all functions except the most specialised, like organ transplants. In short, it offers the best of both worlds in social service: high standards along with accessibility to the poor and disadvantaged.

This, you would think, is precisely the kind of institution which needs to be supported by those administering the RDP. After all, the section on health in the RDP White Paper emphasises primary health care, maternal and child care and prevention of diseases of poverty. These are areas in which Baragwanath has considerable reach and experience, with an established network of primary clinics in the townships and informal settlements. It also provides secondary and tertiary care for the 2,5m Soweto community, and tertiary care for large segments of Gauteng, the North-West province, northern Free State and KwaZulu-Natal.

Yet the Department of Health, in addition to its bizarre plans to nationalise GPs, is implementing a 5% cut in funding for "academic" hospitals, including Baragwanath and King Edward VIII in Durban. That may not sound like a large cut, but for institutions which have been severely underresourced in the past, and where staff are under unusual daily strain, it could be crippling.

The pressures of rationalisation have led to proposals, from within the Wits medical school and the hospital's superintendent, for Bara being reduced from a general teaching hospital to a referral centre for emergency care and trauma only. This plan has been strongly opposed by the senior staff on the hospital's Medical Advisory Committee, essentially on the grounds that Bara is pro-

viding an efficient, cost-effective service that could not be replaced under rationalisation.

But such a downgrading could be unavoidable if funding is reduced, with dramatic effect on the quality of health care for the people it serves — and on the region. No other hospital in the greater Johannesburg area has a functioning primary health care clinic service and referral system; Bara deserves to be a model rather than a target.

This should be where the RDP comes in. The Minister responsible, Jay Naidoo, and his top civil servant, Bernie Fanaroff, should be looking for institutions and projects which are in harmony with the spirit of the RDP and are already functioning.

There is no evidence that they are doing so, or that arrangements between the RDP office and the various government departments are much better than haphazard. Elsewhere in this issue we report on plans for the expansion of Transnet's admirable "clinic train" service, which could save millions of rand by performing the function of primary health care clinics in rural areas: are the Ministers for Health and the RDP aware of this?

To be sure, the inheritance from the apartheid regime is messy. Naidoo and Fanaroff would doubtless like nothing more than to wipe the slate clean and start afresh. But that is what the Romanian dictator Nicolae Ceausescu tried to do — and, in less than a generation, turned the breadbasket of Europe into a haven of misery.

Nobody wants things to stay as they are in every respect, or to stand in the way of progress. But it is much more difficult to build than it is to break down — and there is a great danger that if services which have evolved organically over many years are destroyed, they will not be replaced for many years, if ever.

It is, therefore, the duty of Naidoo and Fanaroff to check the more impetuous designs of their Cabinet colleagues and

seek what is valuable in what we already have. Otherwise they will all stand accused of the dangerous naivete which Edmund Burke perceived among certain French revolutionaries:

"They have no respect for the wisdom of others, but they pay it off by a very full measure of confidence in their own. With them it is a sufficient motive to destroy an old scheme of things, because it is an old one. As to the new, they are in no sort of fear with regard to the duration of a building run up in haste; because duration is no object to those who think little or nothing has been done before their time, and who place all their hopes in discovery."



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Sunday Times BUSINESS

RDP to get tough on urban reform

297
22

ST(BT)12/2/95

SWEEPING market-led reforms for urban areas have been proposed by the RDP Ministry, which warns that "an acceptable level of civil responsibility and behaviour" is a prerequisite for RDP funding.

The draft urban infrastructure and investment programme (UIIP), completed in November for the RDP Ministry, quantifies the rent and services boycott at an annual R4-billion.

It says an acceptable level of performance in meeting service charges, rates, rental and instalments to mortgage lenders is also a prerequisite for RDP funding.

The UIIP will be used by the RDP Ministry to implement its programme in the urban areas, the "fulcrum of the country's economic base"

By KEVIN DAVIE

Payments to former black local authorities (BLAs), including the former TBVC states, by government total about R1,4-billion a year.

The UIIP says BLAs could collect about R4-billion annually but "current levels of collection are almost negligible".

BLAs collect about R200-million annually compared with the R12-billion which the former white local authorities (WLAs) were budgeted to collect in 1993/4.

The draft report says that a monthly account of R100 for municipal services, including water and electricity, would not be feasible for many BLA households.

"Collection of a substantial proportion of the possible R4-billion thus implies a

payment system sensitive to individual household income.

"The government is planning a campaign (the Masakhane project) which links improvement of services in the BLAs with payment for such services."

Crispian Olver, national development planning director for the RDP Ministry, says government intends tabling its proposals for reconstructing the urban areas in March ahead of an investor's conference in April.

The World Bank, which estimates that a 1% increase in the stock of infrastructure generates a 1% increase in GDP, quantifies the urban infrastructural backlog at R29-billion.

But the RDP Ministry believes the correct estimate is at least R37-billion.

Dr Olver says the role of the RDP is to provide incen-

tives for investment in infrastructure and to ensure redistribution through a one-off, direct subsidy on the capital costs of infrastructure.

Community involvement is emphasised.

The RDP Ministry has set five criteria for areas to receive funding:

- ☐ An acceptable level of civil responsibility and behaviour.
- ☐ An acceptable level of performance in meeting service charges, rates and rental payments.
- ☐ Only local authorities established in terms of Local Government Transition Act (1993) may participate.
- ☐ Effective exercise of primary local government functions takes place.
- ☐ Budgets for the amalgamated local authorities are managed in an integrated manner throughout the jurisdiction.

MEC pledges to use cash well

(297) CP12/2/95

By KHANGALE MAKHADO

THE over R6-million donated to the Free State Province by the British government would go a long way towards the development of rural and disadvantaged communities.

This was said by Premier Patrick Lekota after receiving a R6,3-m aid package from Baroness Linda Chalker, UK Minister for Overseas Development.

The money, which is part of the whopping £100-million (R560 million) three-year pledge by the UK towards the development of South Africa, would serve as technical funds for the Free State Rural Strategy Unit (RSU), charged with the formulation of rural reform and development policy.

Among the projects to benefit from the donation are scores of agricultural co-operatives, building and other artisan groups as well as small farming projects.

Shortly before making the donation Chalker said the British High Commission supported the way in which the province was tackling the rural development programme.

She said after her visit that there was a wide range of areas in which the British government



DIGGING IN... UK Minister for Overseas Development Baroness Linda Chalker turning a sod at the Free State Rural Strategy Unit.

■ Pic: TLADI KHUELE

would lend support to the province and South Africa in general.

She announced that in addition to the aid in the Free State, she had signed a memorandum of understanding on Friday morning with Jay Naidoo fulfilling a R11-million aid package to the Reconstruction and Development Programme (RDP).

They had also pledged

bursaries and loans to 1 200 students from the disadvantaged sector of society for studies at tertiary institutions country-wide.

Chalker said that during her visit she was struck by the remarkable level of co-operation between communities and the provincial government.

The Overseas Development

ment Administration (ODA) in South Africa always made sure that resources were spent properly by constantly keeping in touch with projects, she said.

In his reply, Premier Lekota said Baroness Chalker's visit had also afforded them a chance to show her further areas of need.

Assuring Chalker that

the funds were in capable hands, Lekota said his government had always had a clean slate and they would make sure there were regular consultations and accountability.

"People should bear in mind that communities themselves would be involved and I can assure you that we will build something that the British will always be proud of," said Lekota.

Trust will train local leaders

THEO RAWANA

THE Community Development Trust is offering a comprehensive training programme to enable community leaders in Gauteng to implement the reconstruction and development programme in their areas.

A non-governmental organisation, the trust provides training, advice and consultancy services to community organisations with the aim of helping leaders of community groups to develop management skills needed to better serve their people, says the trust's national RDP training co-ordinator Lennox Garane.

He says the programme, which comes in seven two-day residential workshops, introduces the trainees to the RDP and its structures, and teaches them how to create a community development forum.

"The trainees will be taught how to prioritise community needs, focusing on areas such as health, housing, education, job creation and their requirements," Garane says.

More information can be obtained by faxing (011) 783-8387.

Sapa reports that UK Overseas Development Minister Baroness Lynda Walker said it was important to get to the "real" SA to see how provincial structures and development would be implemented when she presented about R6,3m to Free State premier Patrick Lekota in Bloemfontein on Friday.

The money will provide funds for implementation of Free State rural reform and development.

Turok's 'arrogant office' under fire

GAUTENG provincial reconstruction and development programme (RDP) commissioner head Ben Turok came under fire on Friday from frustrated East Rand businessmen who said they wanted to help government rebuild the war-torn townships.

After hearing complaints, Turok decided to set up a delegation representing top business interests in the East Rand to facilitate the progress of government's R3bn Katorus (Katlengong, Tokoza and Vosloorus) project.

Among the complaints made by the angry businessmen were claims that Turok's office was difficult to contact and never returned their calls.

Turok invited them to partner government in developing the area and repairing railway lines, schools, sports fields and street lights, and rebuilding more than 1 000 houses destroyed in violence.

He said it was important to form a tripartite relationship of the government, business sector and the community for a "holistic development approach", particularly because the East Rand was the biggest industrial area in the country.

There were strong social, political and economic reasons for starting on the Katorus project, and it was up to the East Rand business sector and community to join in.

Businessmen said they were keen to take part in the Katorus RDP. But they said talking to the Gauteng RDP office was

NOMAVENDA MATHEANE and ROBYN CHALMERS

Frustrating because their telephone calls were never returned.

An irate businessman said the provincial government was "a discourteous, arrogant government".

Turok said the situation was impossible. Government could not deal with the problem because it was understaffed.

"The government is not properly established yet, but we have the enormous desire to move things," he said.

People at the meeting resolved to use the East Rand economic development forum to act as a channel between the East Rand business community, Katorus and the office of the RDP.

The committee to be set up would represent white and black business organisations. Turok said a single, co-ordinated group representing a broad range of business interests was the one way in which government could communicate with the myriad companies wishing to offer their assistance on projects.

The Katorus scheme — one of 22 presidential projects being implemented to launch the RDP — was evolved to stabilise, rebuild and develop Katorus.

"We need business to assist by examining how it can outsource its activities, train residents and form joint ventures with smaller companies as well as providing goods, services and sponsorship," he said.



Gauteng provincial reconstruction and development commissioner Ben Turok addresses businessmen on the East Rand about taking part in the development of the Katorus region.

Picture: NICKY DE BLOS

subsidary of MCHC had merged with Premier

Court last week following claims the company was unable to repay Premier Group a debt of more than R11m

for attempting to return R2m in "secure" of R2m on Friday.

Star 13/2/95

Bosnia got aid meant for SA

(297) ~~297~~

■ BY JOHN FRASER
STAR FOREIGN SERVICE

Brussels — A total of R30 million of European Union aid earmarked for South Africa last year was diverted to Bosnia, according to an official EU document on the management of European aid.

The report shows that of the R440 million for the EU's Special Programme on South Africa in 1994, only R410 million was committed. The remaining R30 million was reallocated for emergency aid to Bosnia.

An EU spokesman played down the significance of the diversion of the aid to the embattled European region.

"It is just an accounting matter, and the balance of the money will be paid this year," he said.

He pointed out that Brussels had pledged help last year above the official total of R440 million.

In fact, projects totalling R546 million had been approved, although not all the money had been handed over yet.

The report says "the balance shall be committed in 1995".

The EU's aid budget for South Africa will be boosted this year to around R500 million.

The report gives a breakdown of the recipients of EU aid, but does not give a project-by-project analysis.

It shows that, for the first time, the EU financed projects through the Pretoria government.

Previously, all aid had gone through non-governmental organisations, as the EU did not want to work with the minority apartheid regime.

Bellville to lay groundwork for RDP forum

297
CT14/2/95

BELLVILLE is preparing to meet the challenge of the Reconstruction and Development Plan head-on by holding a workshop to facilitate laying a sound foundation to work from.

Mr Greg MacMaster, chairman of a steering committee formed at a public meeting in November last year, said. "The workshop is intended as an opportunity for all the communities of Bellville to discuss the format they would like to see the Bellville RDP Forum take."

Final composition

The forum would have representatives from all sides of the community, like education, sport and health.

"The key aim of the forum will be relationship-building, which, once established, will allow the community to tackle issues like job creation and housing," he said.

"Nation-building is the number one principle of the RDP and the way to achieve this is for all communities involved to meet and gain confidence in one another with the ultimate aim of sharing a common destiny along with a shared responsibility," said Mr MacMaster.

He said the formation of forums at metropolitan level was in keeping

with the new form of democracy which stressed accountability to the community.

The workshop, sponsored jointly by the Bellville Municipality and Sanlam, will be held on February 25 from 8am-4 30pm at the Civic Centre.

Steering committee

Its objective is to provide more information about the RDP. In particular it will aim at establishing a time scale for setting up an inclusive and representative local RDP Forum for Bellville, as well as deciding on the size of such a body.

Written invitations were sent to 240 organisations whose addresses were known to the steering committee.

Any organisation not having received an invitation should contact the organisers, said Mr MacMaster.

Each organisation was requested to send two delegates and, should there be a women's or youth branch, they could send a further two delegates.

In order to set a date for the inaugural meeting of the Bellville RDP Forum as well as determine its size, delegates must have a mandate to vote on behalf of other members.

'Govt should play an interventionist role'

BD 14/2/95

(297)

JOE HLONGWANE

NOW that the struggle for democracy and majority rule has been won, the biggest challenges confronting the government of national unity are to improve living conditions for historically disadvantaged people and to implement a programme of black economic empowerment.

The reconstruction and development programme (RDP) to a large extent addresses the first challenge.

The National African Federated Chamber of Commerce and Industry (Nafcoc), made up of more than 150 000 members within 12 regional and six sectoral chambers, has drafted a business manifesto which addresses many concerns facing the black business community in SA.

Nafcoc believes central and provincial governments should play a limited interventionist role through legislative, administrative and regulatory measures to facilitate implementation of a programme of black business empowerment.

The chamber fully supports the sociopolitical and economic philosophy of the RDP. However, so that discrimination, exclusion and marginalisation of black business can be reversed and the playing fields levelled, Nafcoc proposes that, where appropriate, government requires that at least 40% of equity in companies which take part in RDP projects must be held by blacks.

Also, the provision of goods and services by tender to the Public Works Ministry and other national and government departments should be subject to at least 40% black equity participation.

Furthermore, government should help with compilation and dissemination of information on goods and services for which state and parastatal tenders will be required.

This information and the tender procedures to be followed should be simplified and made accessible to black business.

Concerning state and parastatal institutions, the Independent Development Corporation, Small Business Development Corporation, Independent Development Trust and other government financing agencies should be restructured to meet the needs of black business and address their lack of capital and finance.

In particular, the granting of loans and finance from these and other state financing agencies and the ability of the applicant to provide collateral and other forms of security should not be determinative in granting a loan.

Nafcoc believes there should be substantial black representation on the boards and management of state and parastatal financial institutions.

Nafcoc agrees with the proposal in the small, micro- and medium-sized enterprises discussion paper from the Trade and Industry Ministry that "in order to encourage financial institutions and other organisations to become active in the sphere of financing emergent enterprises, consideration will be given to the appropriateness and feasibility of tax incentives and other indirect measures, including steps to facilitate the interaction between traditional savings and investment schemes and conventional institutions".

Regarding corporate unbundling, government should encourage domestic and multinational companies which unbundle to do so, in the first instance, with mass-based black business organisations like Nafcoc. Unbundling should result in broad black participation and empowerment; not solely in the enrichment of a few black businessmen. The unbundling legislation recently introduced should be appropriately amended to encourage implementation of this policy.

Nafcoc believes that, in line with its

proposals on unbundling, privatisation of state and parastatal assets should in the first instance be offered to representative black business organisations like Nafcoc. Agricultural and commercial land held by state and parastatal bodies should also be sold at reasonable prices to people from historically disadvantaged communities.

Where appropriate, Nafcoc believes trading and other business licences should be issued subject to the licensee having meaningful black equity participation.

Nafcoc reaffirms its commitment to its 5-6 programme for black economic empowerment. The programme sets out the time by which 30% of seats on boards of companies quoted on the Johannesburg Stock Exchange should be occupied by blacks, 40% of equity should be held by blacks, 50% of inputs should be sourced from black enterprises and 60% of managerial posts should be held by blacks.

Appropriate legal measures should be introduced to break up monopolies and abolish anti-competitive practices. Nafcoc supports the statement in the RDP White Paper that "a credible competition policy is crucial to the proper functioning of the economy".

It is also important that the legislative framework which enables the Competition Board to promote competition be reviewed and strengthened.

Nafcoc believes state training and educational institutions should be restructured to provide appropriate technical, business and entrepreneurial skills.

The chamber therefore recommends that business training programmes intended to develop personnel in parastatals, non-governmental organisations and the private sector be encouraged and funded by the state.

Government should investigate introducing tax and other incentives to encourage foreign investors to form partnerships and do business with blacks. In private and on public platforms, government officials should encourage foreign investors to do business with black business. It is imperative that as part of the establishment of these joint ventures, skills, technology and expertise is transferred.

The dual currency system and exchange control regulation should be relaxed gradually and ultimately, when the appropriate economic environment and level of business confidence prevails in SA, repealed.

A differential tax rate should be encouraged to promote development of small and medium-sized enterprises. Nafcoc has proposed the appointment of a minister, deputy minister or commissioner to promote and develop such enterprises.

The chamber welcomes the view in the the Trade and Industry Ministry's discussion paper that government will "consider steps to motivate the big business sector to expand systematically its links with small enterprises".

Nafcoc is committed to promoting the goals and objectives of the RDP and to contribute to the empowerment and upliftment of all South Africans. However, the development and growth of the economy cannot be maximised if historically disadvantaged people and black business in particular continue to be excluded from the mainstream of the economy.

The empowerment of black business can be achieved only if the national and provincial governments play a limited interventionist role to level the playing fields.

□ Hlongwane is president of Nafcoc.

Mandela: SA needs 'Marshall Plan' aid

(297)

JOHANNESBURG — President Nelson Mandela urged international investors yesterday to help build a Marshall Plan-type reconstruction programme in South Africa "to eradicate the mess created by apartheid".

He reaffirmed his government's commitment to investor-friendly, growth-oriented and disciplined economic policy.

Mr. Mandela's remarks were in an address prepared for delivery to a dinner for delegates attending an annual investment conference organised by a stockbroking firm.

He said foreign investor opinion was shifting from an attitude of cautious interest to practical investment. CT 14/2/95

He urged local business to rise above the years of protectionism that isolation under apartheid had fostered.

He also laid down a challenge to international investors.

"Given our common vision of a prosperous future, we would urge investment not only in our equity and capital markets, but also in those ventures that will provide longer-term growth opportunities — a kind of Marshall Plan to eradicate the mess created by apartheid," he said, referring to the US-funded recovery programme for Europe after World War II.

Sapa-Reuter

US visit signals support for RDP

(297) CT 14/2/95

AN American delegation to Parow has paved the way for further interaction and a trade mission in March will be looking at ways in which to support the Reconstruction and Development Programme.

Mr Bill Campbell, the Mayor of Atlanta, will lead the trade mission to South Africa in March.

Development Officer of Parow municipality Mr Andre Human said. "Various projects and business opportunities within Parow were discussed with the delegation. We see the Americans as being able to play a roll in our economic development in terms of business and social investments as well as possible joint ventures," he said.

Mr Human foresaw a special relationship between Atlanta and Cape Town since the former was hosting the next Olympics and the latter bidding for the Games in 2004.

Mr Human said the visitors' experience would be invaluable in the hosting of major international events.

JOBS

January 2, 1985

NGO funds dry up as cash flow changes course

297

ST (61) 5/2/85

A SWITCH by donors away from supporting NGOs coupled with leading problems in setting up aid delivery systems at provincial and local level, have meant that less development is taking place than a year ago.

While some projects in the reconstruction and development programme are already under way — notably school feeding and medical care for pregnant women — the \$122 million National Economic Forum job-creation programme is coming to a halt.

A \$250-million public works programme was launched to improve the living standards of the poor but delays in setting up structures to implement the programme are contributing to the problem.

Spokesmen for the NGO sector say many NGOs, including those which have built up effective delivery systems, are suffering from a severe cash crisis. Some have already folded and others are expected to close their doors within days.

One Nepali-based NGO

employed 400 people on community projects last year. It employs a core of 100 people and expects to lay them off soon.

The Urban Foundation closed its doors last week. A new organisation will be set up to replace it.

Government officials acknowledge the crisis and insist that NGOs play a vital role in development.

Mr. Meadell says that NGOs are doing a lot of good work but that the government must do more to support them.

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FRANK MEADILLS



DIGGING DEEP

projects such as this road-building drive in Mameleoff may have to look elsewhere for funds

Picture DBSA

there have been high-profile cases where NGOs in the reconstruction and development programme have been forced to shut down.

Public Works has made a major contribution to the reconstruction and development programme but it is not enough.

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Development institutions' restructuring is mooted

JOHN DLUDLU

THE restructuring of SA's development finance institutions could increase their capital base to nearly R50bn, which would help government finance the reconstruction and development programme (RDP), the Development Bank of Southern Africa's Wiseman Nkuhlu said yesterday. **BD 15/2/95**

He told delegates at a business, development and RDP conference in Sandton that the three institutions — the Independent Development Trust, the Small Business Development Corporation and the Development Bank of Southern Africa — with a combined capital base of about R12bn, were under-borrowed. A fundamental restructuring could see them increase their capital to R48bn.

However, he warned that "cosmetic changes" to these development institutions — replacing old officials with new ones — could produce "overcommitted but very inefficient" institutions.

The institutions had to be changed to improve their accountability and efficiency in the use of limited resources.

He was less optimistic that the proposed reorientation of budgetary resources would free up more funds for the RDP.

On the planned merger of the Kagiso Trust and the Independent

Development Trust, he said government believed there should be one grant-making institution. However, this body should be separate from government, he said.

European Union ambassador to SA Erwan Fouéré said the EU would commit about R560m to SA through the European programme for reconstruction and development. A memorandum of understanding detailing the priorities to be financed by the aid package — including health, education, rural development, economic and investment co-operation and good governance — would be negotiated with government soon.

Fouéré said the EU believed in partnership between government and non-governmental organisations, and for this reason would push in talks with government for their inclusion.

Econometrix director Azar Jammie said potential pitfalls in the implementation of the RDP included crime, industrial relations tensions, inadequate training and an obstructionist public service.

Government's approach to financing the RDP through incremental spending and its determination to control public service growth was sound.

Aid agencies urged to tap private sector

(297) BD 15/12/95

NOMAVENDA MATHIAHE

NON-governmental organisations risked becoming "hostages to the state" because government funding constrained their independence, but an alternative was to tap the private sector and invest in viable projects, a conference heard yesterday.

The four-day Johannesburg conference, attended by African non-governmental organisations, was organised by Environmental Development Action in the Third World. It served as a preparatory meeting for the UN World Summit on social development to be held in Copenhagen next month.

The relationship between government and non-governmental organisations, shrinking resources and the repositioning of these organisations in emerging democratic societies were discussed.

There was concern that northern hemisphere governments, which previously funded non-governmental organisations were now giving money directly to governments, as this had resulted in competition for money between the two.

The conference discussed the crisis of social disintegration in African

cities, improving the status of women, youth, the disabled and deteriorating physical and social environments.

Strategies for dealing with the adverse effects of structural adjustment policies, mounting debt, unfavourable terms of international trade, weak states and economies were emphasised.

An Egyptian delegate advised delegates to bypass governments and seek business community funding.

"Are we working for the people or are we hostages of the state?" a delegate asked. "We have to find mechanisms for financial self-reliance that will link people in organisations to find alternatives to funding."

Violence and crime was another issue dominating the conference. Crimes against old people and children were debated and suggestions for educating people to "self-manage their lives and protect their flats, streets and villages" were made.

Delegates argued for "valorisation" of ancient methods to preserve nature.

SA frustrated by Lomé delay

BD 15/12/95

LINDA ENSOR

LONDON — SA is frustrated by the prolonged delay in finalising its application for inclusion under the Lomé convention and is hoping a decision taken in Brussels this week will expedite proceedings.

Foreign ministers representing 85 African, Caribbean and Pacific (ACP) and European countries will meet to approve the mid-term review of the convention. This will provide the financial framework for the inter-regional trade and aid agreement for the next five years.

However, SA should not hold out hopes of extensive trade benefits from talks on "associate" membership of Lomé for 70 African, Caribbean and Pacific nations, a European Union (EU) official said. He said SA could gain easier access to the EU through a free trade zone with the 15-nation market or an extension of the generalised system of preferences.

SA's ambassador in Brussels, Neil van Heerden, said while recognising the extensive consultation required, SA felt its application was proceeding too slowly. "There is a reticence to come clean on where people really stand about SA's application. Given the euphoria about SA, nobody wants to say no and so their response is usually 'why not?'"

'Govt won't probe Ministers'

JOHANNES NGCOSO

THE government of national unity would not probe any Ministers who might have criticised it in public, President Nelson Mandela's spokesman, Parks Mankabana, said yesterday.

He was reacting to an appeal by ANC Youth League acting deputy secretary-general Themba Kinana that government make Ministers consult before addressing public gatherings to ensure that if there was any misunderstanding, that Minister would have the backing of government.

Meanwhile the youth league had offered to mediate in the ANC Women's League crisis.

Youth league president Lulu Johnson said the resignation of 11 national executive members from the women's league signalled deviation from an ANC call for unity, which the ANC had insisted on in the past.

Johnson called for all structures not to allow sentiments and emotions to defeat the league's objectives.

On Saturday, the 11 members resigned from their elected positions over "undemocratic practices" within the organisation.

Women's league deputy-president Thandi Modise said yesterday no resignation letters had been received by herself or league president Winnie Mandela. The league's constitutional structures remained in place, she said.

Grievances against Mandela, reportedly involved the Road to Freedom tourism venture between the league and actor Omar Sharif, her criticism of the Rolling Stones band for employing a white promoter, and her role in daughter Zinzi's promotion company

NTV

Pakistani aid for E Rand

CT 15/2/95
(297) (298)
JOHANNESBURG — A development organisation that received R500 000 in Pakistani aid money from the ANC Women's League works only in the Phola Park squatter camp on the East Rand.

The cheque, given to ANCWL president Mrs Winnie Mandela by Pakistan Prime Minister Ms Benazir Bhutto last year, had been issued to the Co-ordinated Anti-Poverty Programmes, of which Mrs Mandela is chief executive — Sapa

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5/21/95
**African
NGOs see
eye-to-eye
on broad
issues** (297)

■ BY JO-ANNE COLLINGE

A landmark gathering of non-governmental organisations from 24 African countries has increased the prospect of the continent's NGOs presenting a solid front at next month's United Nations summit on social development.

Kam Chetty, co-chairman of the five-day workshop held in Johannesburg, said on Tuesday that the 78 delegates had found common ground on broad issues rather than on specifics.

"What we can take jointly to the Copenhagen summit is what we understand the crucial issues to be in Africa and what we understand as social development," he said.

In addition, all participants were convinced it was necessary to lobby governments to win universal recognition for the legitimate and vital role which NGOs fulfil and to win conditions which would allow them to operate effectively.

Services

The NGOs insist that "active citizenship" is a key ingredient in social development.

Rather than stressing the supply of specific services, they argue that it is important that all people — and the poor especially — are granted access to opportunities and resources; and that they be entitled to organise and to have an impact on decision-making in their communities.

The Senegalese co-chairman of the workshop, As Sy, remarked that the newly forged links between African NGOs working in similar sectors laid the basis for ongoing co-operation well beyond Copenhagen.

Although South African NGOs have participated in other Africa-wide meetings, this was the first gathering of its kind on South African soil.

The final day of the workshop was opened to a reasonably wide range of local NGOs to increase the opportunities for future co-operation across borders.

The workshop was by no means representative of the NGO sector in South Africa or elsewhere — and excluded NGOs were not shy to point this out. However, the positions agreed by the core of participants will be canvassed with other NGOs in the three weeks leading up to Copenhagen.

Welfare MEC asks for help in draft plan

Welfare agencies and community organisations can help shape the Gauteng welfare policy by making written comment on the draft policy document and by taking part in a summit on March 10 (297)

The draft welfare plan has already been distributed to various organisations, according to a statement by the team of experts advising MEC for welfare, Sakkie Blanche.

Organisations which have not received copies are urged to contact the Gauteng welfare department *Star 16/2/95*

All written comment on the document must be submitted to the department by March 3.

The summit, expected to be attended by 70 representatives, will provide an opportunity for live debate on the plan.

"The final plan will be based on the outcome of the summit as well as on the written contributions and comments received," said a member of the advisory team. — Staff Reporter.

United front for African NGOs

Special Correspondent

JOHANNESBURG — A landmark gathering of non-governmental organisations from 24 African countries has increased the prospect of the continent's NGOs presenting a united front at next month's United Nations Summit on Social Development.

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The positions arrived at in the workshop will be discussed with other NGOs in the time leading up to Copenhagen.

CT 16/2/95

(297)

Winnie 'did give cheque'

ET 16/2/75
Special Correspondent
(297)

JOHANNESBURG —
The organisation to which the Pakistani government pledged a donation last year has confirmed it received a cheque that was given to Mrs Winnie Mandela.

Dr Sydney Gata, a director of the Co-ordinated Anti Poverty Project (CAPP), said yesterday it was the only big donation the organisation had ever received.

Mrs Mandela is a custodian and founder member of the organisation, but Dr Gata said she was no longer involved in running it.

He said CAPP was involved with "zero-income" groups.

NGOs reel under Boesak's blows

(297) (297)
WM 17-23/2/95
Justin Pearce

SOUTH AFRICA'S non-governmental Organisation (NGO) community is reeling from the shockwaves of the allegations of theft and fraud made against Dr Allan Boesak's Foundation for Peace and Justice (FPJ)

Last week's revelations of the scale on which money disappeared undetected from the FPJ have prompted NGO trustees to re-examine their roles and duties seriously

Trustees of various organisations who spoke to the *Weekly Mail & Guardian* agreed that they had failed to keep an adequate watch on the books of their various organisations

~~We need people who are there because of their financial skills, and~~

such people need to share their skills," said Mary Burton, who announced her resignation from all trusteeships after R423 000 disappeared from the Children's Trust of which she was a trustee

Burton said accounting skills were not the first priority for donors when selecting trustees: "There is a desire for people who are known to the donors and can give them confidence"

In the case of Boesak, many observers have remarked that this blind confidence in someone with the right political credentials was what enabled the disappearance of FPJ money

Former Pan Africanist Congress vice-president Dikgang Moseneke said there was a limited number of "pet names" — figures who were approached again and again to give credibility to charitable projects. These people were already over-

loaded with work and could never do justice to their duties as trustees. Moseneke, who is now chairman of the board of Telkom, said he received one or two requests each month to serve on the board of a business or charity

Archbishop Desmond Tutu is one person who is much in demand as a trustee. His secretary, John Allen, said it was important to distinguish between the roles of a trustee and a patron. If Tutu does not have time to play an active role as an organisational trustee, he will allow his name to be associated with the trust as a patron if he endorses the aims of the organisation

Others criticised the separation between organisational trustees, who are ultimately responsible for the organisational funds, and the management which takes the day-to-day decisions

Turok loses job in RDP revamp

■ POLITICAL STAFF

In a radical overhaul of the management of the Reconstruction and Development Programme in Gauteng, Professor Ben Turok has lost his job as head of the RDP Commission.

The commission itself has been scrapped and, in future, political responsibility for the RDP will be vested in a Gauteng cabinet subcommittee convened by MEC for Economic Affairs and Finance Jabu Moleketi.

Spokesman Chris Vick said yesterday the cabinet had for some time been exploring ways of more effectively integrating the RDP into the work of government as a whole

Moleketi's new role would create more direct lines of accountability for expenditure on RDP projects and for their effective administration, said Vick. "His (Moleketi's) office will be the command centre for what is essentially an administrative co-ordinating mechanism."

No dissatisfaction

Turok is a member of the provincial legislature and will resume his duties within the House.

Officially there has been no hint of dissatisfaction with Turok's performance.

However, it is understood that his highly academic approach

did not always gel with the more pragmatic style of some of his colleagues in the executive.

Vick said Turok had seen the province through a difficult phase.

The commission had stepped in to make up for the lack of mechanisms to administer the RDP after its launch in the new province.

Vick added that it had not really been desirable to have a member of the legislature performing executive functions as head of the RDP Commission.

This arrangement contradicted the principle of a separation of powers between the legislature and the executive arm, he said.

Stan 17/2/95

Moleketi in Turok's post

NOMAVENDA MATHIANE
GAUTENG finance minister Jabu Moleketi yesterday took over the responsibilities of the provincial reconstruction and development programme from commissioner Ben Turok.

Informed sources said Turok had been stripped of his position because of his inability to sell the RDP to ordinary people and for not accounting to the cabinet.

Yesterday the Gauteng government agreed it was most appropriate for the RDP cabinet subcommittee to be headed by a minister, who could constitutionally take responsibility and account for the RDP as well as administrative and accounting procedures.

"Jabu Moleketi was identified as the appropriate minister to handle this portfolio and for convening the cabinet RDP subcommittee. His office will be the political command centre for what is essentially an administrative co-ordinating mechanism," the government said.

Sapa reports the Gauteng executive had asked premier Tokyo Sexwale to discuss allocation of provincial funds with Finance Minister Chris Liebenberg or his deputy, Alec Erwin.

Allocation has been left to committees in government departments. The Gauteng government believes committee officials who may be biased will decide on allocations.

(297)

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SOMETIMES IT IS

Holistic approach needed to ensure RDP's success —

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Mandela

CAPE TOWN — President Nelson Mandela, who will chart government's plans today, indicated yesterday that boosting domestic savings, improving labour costs and developing infrastructure were critical to ensure the success of the reconstruction and development programme.

In an interview the day before delivering his opening of Parliament speech, Mandela said wages in SA were "a bit high" compared with other parts of the world, but it would be a grave mistake to focus on this aspect. A holistic approach, was needed because of the large gap between black

and white workers

Nevertheless, government was addressing these concerns. Some of the issues would be dealt with by the National Economic Development and Labour Council (Nedlac), to be launched tomorrow.

Government, organised labour, business and development agencies would use Nedlac to devise a joint strategy to reduce imports and increase exports.

Mandela indicated that the reluctance of investors had to be understood against the background of comparatively low domestic investment. Although government wel-

TIM COHEN

comed investment from abroad, investment should primarily materialise through domestic savings.

The level of domestic savings was very low — about 17% of GDP for 1993, compared with 32% in Botswana, 33% in Malaysia and 25% in Brazil and Hungary.

However, Mandela said the 6.4% annualised growth rate in the fourth quarter last year was very encouraging, mainly because one of SA's biggest problems was that economic growth lagged popula-

tion growth.

He suggested the improvement would endure, saying government had created a friendly environment for investment. "We now have a situation where everyone is participating in nation building."

The level of crime remained a problem. He repeated government's commitment to reduce import tariffs in a phased way to enable SA to compete internationally.

"We have to consider the social and economic disruption that would occur if we did not act cautiously, but these tariffs must go," he said.

Only 21 000 jobs were created every year, but there were 300 000 new entrants to the job market.

On tax issues, Mandela said it was common knowledge that it was impossible to create real investment, especially foreign investment, if tax levels were very high.

"Our population is one of the most highly taxed," he said. But it did appear that with a few improvements in tax collection, the situation would improve. Government would consider these issues carefully in the light of the Katz commission.

Charities waiting for Whitney's money

■ A promotions company run by Nelson and Winnie Mandela's daughter Zinzi has promised to distribute R1 million donated by Whitney Houston to local charities, which are desperate to receive their hand-outs.

GLYNIS UNDERHILL
Weekend Argus Reporter

STRUGGLING charities in South Africa are still waiting anxiously for promised grants from the R1 million Whitney Houston donation after the pop star's tour last year.

The donation is administered by a commercial promotions company run by Zinzi Mandela — daughter of Nelson and Winnie Mandela.

Enver Minnie, Zinzi's personal assistant, said the distribution of the funds would probably be concluded by the end of next week.

Mr Minnie said he was overseeing the administering of the funds at promotions company Zee-Zee Universal. The delay in allocation of the funds had been "explained" in a letter to beneficiaries, he said.

Beneficiaries contacted by Weekend Argus were reluctant to give comment as they were expecting the funds to be deposited in their accounts in the next few days, they said.

A spokesman for one of the beneficiaries, who asked not to be named, said she believed the delays in payment had resulted from "administrative mix-ups in New York" and not in South Africa.

Claims that the money was deposited in a local bank in late October could not be clarified.

"No comments" would be given until a Press statement was released, said Mr Minnie, who refused to spell or give his full name to Weekend Argus.

His identity was established in further inquiries.

Mr Minnie said the involvement of the company in the administration of the funds had come about after Zee-Zee Uni-



FLASHBACK: Whitney greets young children at the start of her three-week visit here last year.

versal handled some of the publicity on the Whitney Houston tour.

Further explanations surrounding the delays would not be given until a Press statement had been issued by the company, he said.

A spokeswoman for the Kagiso Trust — which funds development projects around

the country — said that the trust had been told it would be paid out this week.

"We are not talking to the Press until the matter is resolved," she said.

In January the Kagiso Trust claimed that it had been promised R200 000 but officials were concerned when they received a letter from Zee-Zee Universal stating that it would receive only R20 000.

This week a spokeswoman said the matter had now been cleared up and the Kagiso Trust was expecting R200 000 to be deposited in its account shortly.

The grant would go towards assisting pre-schools in rural areas, including the Western Cape.

Mr Minnie confirmed the Maskhule Children's Home in Crossroads, which was visited by Whitney Houston amid great fanfare, would be one of the beneficiaries.

The Twilght Children's Centre in Johannesburg said the R100 000 had been "definitely promised" by Zee-Zee Universal.

Jane Prichard of the Twilght Children's Centre said she

had been told the money would be deposited in their account. The money would keep the centre going for another month and other funds were expected to provide longer-term assistance, she said.

Earlier this month Mrs Mandela became embroiled in an entertainment industry row involving her daughter, local entertainers and American promoters from the Whitney Houston Foundation.

Entertainment industry representatives claim Mrs Mandela used the banner and resources of the government of national unity to stage a party for the launch of Simunye, a joint venture between Zinzi Mandela, her husband Zwelli Hlongwane and two members of the Whitney Houston Foundation.

The Deputy Minister of Arts, Culture, Science and Technology denied she was giving her daughter's promotional company preferential treatment.

Mrs Mandela was accused last weekend of "undemocratic behaviour" when 11 ANC Women's League national executive committee members, including treasurer-general Adelaide Tambo, resigned.

JOBS

US aid always too much but never enough

(297 SITE) 19/2/95

PRESIDENT Nelson Mandela's recent remark that US aid flows to South Africa amounted to "peanuts" coincides with mounting pressure in the US to reduce aid flows to the developing world.

The US and community is fighting a rear-guard action to fend off attacks, notably from Senators Jesse Helms and Mitch McConnell, both of whom are preparing legislation to cut back aid flows, possibly by as much as 20%.

The pro-aid lobby argues that US aid is low as a proportion of gross domestic product. "Among western countries, the US contributes only 0.2% of its GDP in aid," says Donald Payne, chairman of the Congressional Black Caucus.

"This ranks far behind Canada, France, Germany, Japan, the Netherlands, Scandinavia and Britain, in some cases by as much as 100%." Aid to Africa is a "meagre" 0.053% of the US Budget.

The US government — South Africa's largest aid provider — is accused of parsimoniousness by its aid recipients and over-generosity by its taxpayers, writes **KEVIN DAVIE**.

Prominent in attempts to pre-serve aid flows, particularly to Africa, is Brian Atwood, administrator of the US Agency for International Development. "Our aid to Africa is not welfare, nor is it charity. It is an investment we make in other people for our own self-interest."

Mr Atwood argues that every US family invests an average \$3,00 annually through aid programmes in Africa. Based on current growth rates this will produce "something like \$50-billion worth of American exports a year to Africa in 30 years."

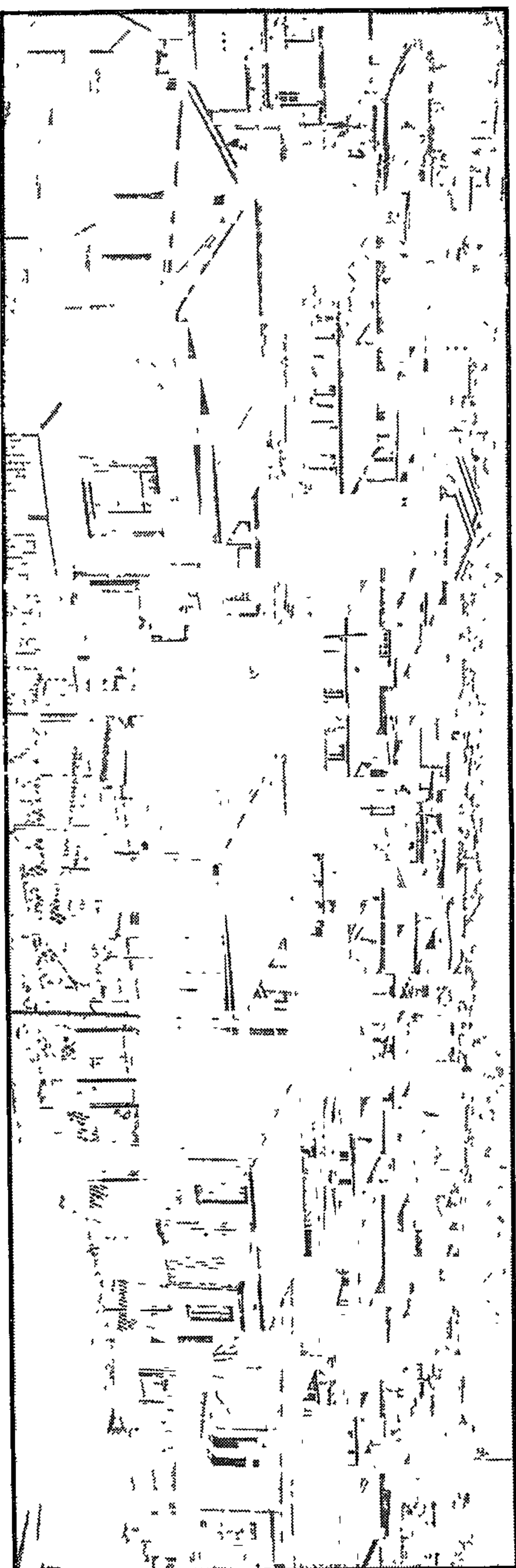
US grant aid to, sub-Saharan Africa for development assistance last year amounted to about \$828-

million. Humanitarian, emergency and loan guarantees puts total commitments at about \$2-billion.

The US has announced with some fanfare that it will support the new SA democracy with USAid assistance of \$543-million (R1,9-billion) between 1994 and 1996.

Disbursements last year amounted to about \$75-million, says Cap Dean, USAid's director in South Africa. He says total commitments for fiscal year 1994 stand at \$211-million, but much of this money will be disbursed during 1995.

Mr Dean says \$133-million of the \$211-million is "grants and contracts". The latter include technical assistance supplied by US firms. US-based organisations received



ACCOMMODATION WANTED

47% of USAid money for SA last year SA organisations received 51% and the SA government 2%

White-controlled SA organisations handled 34% of the aid projects, black-controlled 51%

During 1994 there were 503 individual commitments, mostly to the NGOs and private companies which implement its programmes

The biggest budgeted item last year was \$75-million in guarantees for private-sector housing loans

FNB agreed to take up \$30-million of the guarantees and Nedcor \$45-million. Nedcor's Mark Parker says Nedcor has complied with

private-sector housing loans, at \$75-million in guarantees, account for the biggest slice of USAid's \$543-million package for South Africa

USAid's requirements and can take up to \$30-million

But housing provision remains dependent on ending boycotts and putting the final parts of former Housing Minister Joe Slovo's housing plan, such as the building war-ranly scheme, in place.

Mr Dean acknowledges that housing "depends on local demand". He says "funds will be drawn down fairly quickly once all the pieces are in place."

USAid aims to promote black economic empowerment, assist with housing and electrification, promote good governance and support health and education

Political development and governance programmes were budgeted in 1994 to receive \$59.2-million, including \$2.5-million for trade union training and \$47.2-million for the community outreach and leadership development programme

Educational programmes have a \$39-million budget to support training, basic reconstruction and tertiary education. The largest share of this money provides bursaries for disadvantaged South Africans to study here and in the US

Black private enterprise support was budgeted to receive \$15-million, shelter and urban development \$15-million, and a small busi-

ness loan guarantee \$3-million

An enterprise fund, with Andrew Young as chairman, will be up and running within the next few months. The fund will have capital of \$100-million for disbursement in southern Africa between 1995 and 1998. Half of the fund will be disbursed to emergent entrepreneurs.

Mr Dean says USAid hopes to fund projects valued at \$20-million from the fund during 1995.

Government quantifies the aid packages made available since last April at R11-billion. But government spokesmen also say when the aid packages have been "unpacked" there is little grant money

with no strings of one form or another attached

Aid comes from foreign taxpayers. That governments issue guarantees subject to certain conditions and extend credit, for example, to boost their exports, should come as no surprise.

Shortage of funds is not at present the major impediment to development. Market failure associated with apartheid policy is

Aid may help but won't fix the problem. Government now recognises that it must promote markets through effective governance, civil responsibility and efficient delivery and payment for services.



Registrar's ultimatum to poverty relief body

By NICOLA KOZ

WINNIE Mandela and her poverty relief organisation, the Co-ordinated Anti-Poverty Programmes, have been given less than a month to submit financial statements to the Registrar of Companies in Pretoria after falling foul of the Companies Act.

A Registrar official confirmed on Friday that the development organisation had failed to abide by the Act, which stipulates that all Section 21 companies — companies not for gain — must submit financial statements.

The Registrar's office posted a letter to the organisation on Friday demanding the statements.

The organisation has to lodge the relevant documentation within 14 days of receiving the letter. If it fails to do so, the Registrar will hand the matter to the police for investigation.

Mrs Mandela set up the poverty relief programme in 1992 "to contribute to the process of development and empowerment of disadvantaged communities".

The organisation appears not to have kept records of donations, but it is believed Mrs Mandela has

received at least R426 000 from foreign embassies and local businesses.

For the past two-and-a-half years, the organisation has concentrated its energy on a housing project in Fhola Park on the East Rand.

The Registrar official said the organisation should have been audited "at least once" since it was officially registered in January 1993.

The organisation's auditing firm, Pema Lakha and Associates, has refused to divulge any details about its client's finances on several occasions, on the grounds that such information is confidential.

But an employee at the firm said in December that the organisation had never been audited.

It was also established this week that R360 000 donated by Pakistan Prime Minister Benazir Bhutto, which Mrs Mandela says she gave to the poverty relief organisation, was intended for a number of South African women's organisations.

Mrs Mandela invited several women's organisations to her Orlando, Soweto, home to meet

Mrs Bhutto in May last year.

According to those present, Mrs Bhutto said the money was to be channelled through the ANC Women's League and that all interested organisations could benefit by applying to the league for a portion of the funds.

One of the women present at the meeting, former director of Operation Hunger Ina Perlman, said on Friday she had been under the impression that "the cheque was to go towards women's development in South Africa".

She said her recollection was "vague" but she was certain the cheque was to be given to the league "on the assumption and in the hope that the money would become available to other groups". (297) 25

A former member of the league's executive, Baleka Kgositile, said this week that the donation had not been handed to them.

However, Mrs Mandela's office said the money had been given to her "to be used at her discretion for the development of underdeveloped communities", and she had decided to give it to her poverty relief organisation.

ST 19/2/95

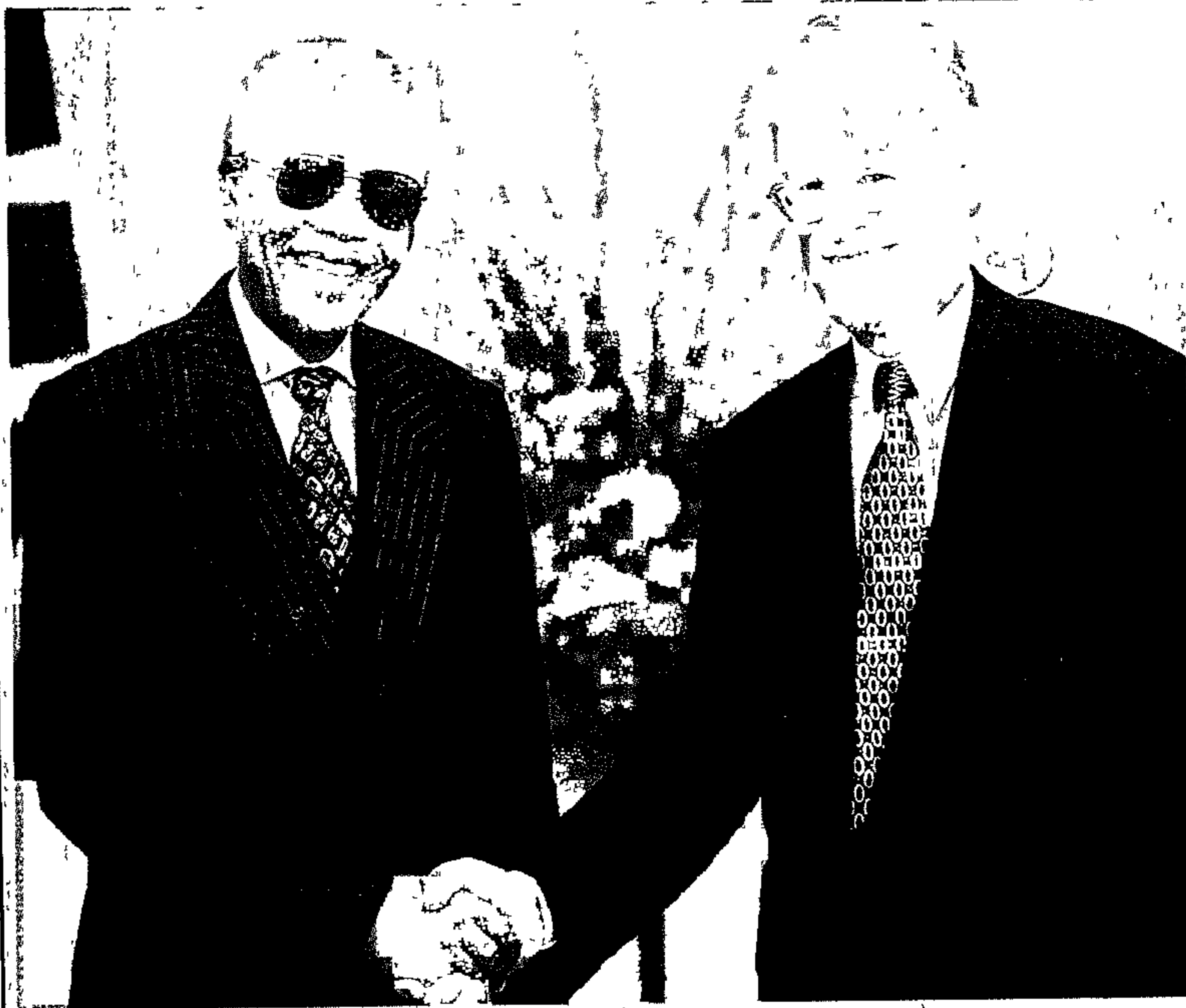
R170m in Swedish aid

Diplomatic Correspondent

(297)

SWEDEN is to grant South Africa aid amounting to R170 million until the end of next year under an agreement signed in Cape Town today by President Mandela and Swedish prime minister Ingvar Carlsson. *ARG 20/2/95*

During talks with the Swedish leader, Mr Mandela stressed the need for help to provide the country's basic needs for jobs, houses, schools, hospitals, electricity and clean water. ● See page 7



Picture LEON MULLER, The Argus

SWEDISH VISITOR: President Mandela and visiting Swedish prime minister Ingvar Carlsson at Tuynhuys today before Mr Carlsson addressed a joint session of parliament.

Swedish R170 m boost for RDP

297

ARG 20/2/95

□ *Visiting PM addresses parliament*

CLIVE SAWYER
Political Correspondent

THE world must work together to end the culture of violence in everyday life, Swedish prime minister Ingvar Carlsson told parliament today

He addressed a joint sitting of the national assembly and senate shortly after signing an agreement for his government to provide R170 million in development aid to South Africa

"This is a limited contribution to your overall budget, but by building on our earlier co-operation and by targeting sectors where we can contribute knowledge, we hope to extend the value"

Mr Carlsson traced Sweden's long history of support for the liberation movement, having been the first western country to aid the freedom struggle in southern Africa.

He paid tribute to the spirit of reconciliation in South Africa.

"People I meet in the streets,

in suburbs and townships all express the same desire to make this country work.

"The abolition of apartheid means liberation not only for the black people but also for the whites"

Parliament was an example to the rest of the world of democracy working

Noting that South Africa would soon hold its first democratic local government elections, Mr Carlsson said local governments would have a crucial role in implementing reforms and development programmes

He said the reconstruction and development of a new South Africa was not taking place in isolation "We are all neighbours in a global neighbourhood"

An important consequence of the shift of focus from states to people in the global neighbourhood was the need for greater security for people.

"The traditional focus on the security of states must be broad-

ened to include the people and the planet.

"For the global neighbourhood to be secure, we as its inhabitants must be secure"

This meant the world had to address the culture of violence in everyday life

Mr Carlsson, who co-chaired a Commission on Global Governance, said the commission's report would be presented in Cape Town today

The report proposed reforms to improve international co-operation by the United Nations and other institutions

"Our report presents one way in which we can develop a common vision of how the world can leave the Cold War era and enter the 21st century"

Earlier, in her welcome to Mr Carlsson, national assembly Speaker Frene Ginwala, paid tribute to Sweden's role in supporting liberation movements and hosting political exiles, among them late ANC president Oliver Tambo.

R170m Swedish aid

CT 21/2/95

(297)

Supporting transition to democracy

SWEDISH Prime Minister Mr Ingvar Carlsson signed a R170 million aid package for South Africa yesterday and promised to continue to support the country's transition to democracy

President Nelson Mandela said he would take measures to ensure donor funds were not misused

Mr Carlsson said the Swedish government's support for civil society to strengthen democracy would to a considerable degree be through non-governmental organisations (NGOs)

In an address to Parliament, he also said there was strong will in the international community to support development in the new South Africa

The largest recipients of this aid had been the ANC and the trade union movement

Parliamentarians gave Mr Carlsson a standing ovation before and after his address and loudly cheered his reference to Swedish help to the ANC during its years of exile

"You, the elected representatives of South Africa, are showing the world a good example of working democracy. Your challenges are enormous, but so are your resources, human and otherwise," Mr Carlsson said

"We want to support the transformation of the public administration. We also want to support key activities which facilitate economic reconstruction and development."

The Swedish prime minister leaves for Johannesburg this morning to meet South



SHAKE ON IT ... President Nelson Mandela with Swedish Prime Minister Mr Ingvar Carlsson yesterday after they signed a deal in terms of which South Africa will receive a R170-million aid package from Sweden

Picture BENNY GOOL

African and Swedish business people before leaving for Namibia tomorrow

Parliamentary Speaker Dr Frene Ginwala said in an introduction Sweden had been one of the earliest and most generous countries in its support of the ANC during the fight against apartheid

The new aid agreement signed by Mr Carlsson and Mr Mandela is part of a R220

million aid programme for the next eight months

The 170m is to be devoted to development assistance for the less privileged citizens of South Africa

Speaking to reporters after the signing, Mr Mandela said he would take action to allay any fears donors might have about how their funds were used - Reuter

**Sweden's
(297)
premier signs
aid package**

Cape Town — Swedish Prime Minister Ingvar Carlsson signed a R170 million aid package for South Africa yesterday and promised to continue to support the transition to democracy.

He told the National Assembly and Senate that Sweden would try to bolster social, political and economic transformation in the wake of apartheid.

"You, the elected representatives of South Africa, are showing the world a good example of working democracy. Your challenges are enormous, but so are your resources — human and others."

Carlsson visited President Mandela for talks before his address and signed the new aid deal, part of a R220 million aid package — Sapa.

Govt to purge RDP of red tape

CT 21/2/95
From BRUCE CAMERON

THE government plans to bulldoze red tape and other obstacles frustrating the Reconstruction and Development Programme as part of a R5,6bn initiative to improve living standards this year.

RDP Minister Jay Naidoo told a media briefing in Cape Town that the government was moving on a wide front to improve delivery systems to ensure there was not a repeat of last year when the R500 000 of a budgeted R2,5bn was left unspent.

And while moving on previously defined targets the RDP is now also to play a role in improving safety and security.

Plans for this year include:

- A project called Masakhane, which among other things is aimed at overcoming the rent and service boycotts, as well as resuscitating local government in areas which were previously made "ungovernable" to bring down the apartheid regime.

- Introducing legislation to sweep away a myriad of regional and local government red tape, which has been preventing such things as the demarcation of land for housing projects. The government intends to have Parliament approve a Development Facilitation Act and a Development Planning Act during the current session of Parliament.

- The introduction of a strategic management system to ensure co-ordination between government departments and ensure commitments are met.

- An information management system to combine data bases to consolidate information allowing for the RDP to be monitored on an on-going basis.

- A second RDP government policy white paper, which will spell out a national development strategy as well as provide details of a five-year spend-

ing programme

- The restructuring of the Development Bank of Southern Africa and the Central Economic Advisory Service.

Naidoo gave an indication of his frustrations when, in reply to a question, he said he was unable to give any idea of how many homes had been built under the RDP so far.

Of the money to be spent this year Naidoo said more than R1bn would go to housing and urban and rural infrastructure with another R1bn on health.

Significant amounts would also be spent of "special integrated projects". This would include upgrading five areas — Katorus, the Cape Flats, Botshabelo, Ibhayi and Bruntville (Mooi River).

Other major RDP priorities included road safety and upgrading of roads.

Bridging finance would be provided to transform services such as health, the police and water affairs.

Naidoo also announced that a major investment conference of the local pension and provident fund industry would be held in May and agreements with donor countries in the international aid programme would be finalised.

In the Masakhane campaign local activists and structures will be mobilised to put the previous "ungovernable" campaign into reverse gear with the establishment of representative local government playing a substantial role.

The government will work at replacing the culture of entitlement with one of self respect.

A sense of responsibility for the payment of services, bonds and rents would be fostered while encouraging participation in the RDP through local economic development forums and the management of specific projects.

RDP to get over R6bn this year

(297)
ET21/2/95

Political Staff

MORE than R6 billion will be spent on RDP projects in the current financial year, Minister without Portfolio Mr Jay Naidoo said yesterday.

This included R500 million in roll-over RDP funds from the 1994/5 financial year, R2,4bn in roll-over funds for presidential projects, R2,6bn in new programmes and R1bn in international aid, he said.

Major allocations included over R1bn for housing and infrastructure in urban and rural areas and over R1bn for health.

Mr Naidoo said new priorities included road safety and upgrading roads.

He admitted there had been "blockages" in implementing RDP projects, including having projects co-incide with business plans and enabling provincial and local governments as well as community groups to implement projects.

A campaign, called Masakhane, will be launched soon as the culture of entitlement had become a problem. It would promote self-respect and focus on rights, obligations and responsibilities.

Mr Naidoo said ways for accelerating RDP projects had been agreed upon, including a Development Facilitation Act to speed up the implementation of housing and other development projects.

Obstacles in way of RDP targeted

■ POLITICAL STAFF

Cape Town — The Government plans to bulldoze red tape and other obstacles frustrating the Reconstruction and Development Programme as part of a R5,6 billion initiative to improve living standards this year.

RDP Minister Jay Naidoo told a media briefing in Cape Town the Government was moving on a wide front to improve delivery systems to ensure there was not a repeat of last year when R500 000 of a budgeted R2,5 billion was left unspent.

The RDP will now also play a role in improving safety and security.

Plans for this year include:

- A project called Masakhane, which, among other things, is aimed at overcoming the rent and service boycotts, as well as resuscitating local government in areas which were previously made "ungovernable"

- Introducing legislation to

sweep away much regional and local government red tape, which has been preventing such things as the demarcation of land for housing projects

- The Government intends to have Parliament approve a Development Facilitation Act and a Development Planning Act during its current session.

- Introduction of a strategic management system to ensure co-ordination between government departments and to make sure commitments are met.

Strategy

(297)
Star 21/2/95

- An information management system to combine databases to consolidate information, allowing the RDP to be monitored on an ongoing basis

- A second RDP government policy White Paper, which will spell out a national development strategy as well as provide details of a five-year spending programme.

- Restructuring of the Development Bank of Southern Africa and the Central Economic Advisory Service.

Naidoo said he was unable to give any idea of how many homes had been built under the RDP so far

Significant amounts would be spent on "special integrated projects" to upgrade five areas — Katorus, the Cape Flats, Botshabelo, Ibhayi and Bruntville (Mooi River)

Naidoo also announced that a major investment conference of the local pension and provident fund industry would be held in May and agreements with donor countries in the international aid programme would be finalised

And a sense of responsibility for the payment of services, bonds and rents would be fostered while encouraging participation in the RDP through local economic development forums and the management of specific projects.

Social workers demand 'gravy'

By YVETTE VAN BREDA

ABOUT 250 academic and practising social workers marched to Parliament yesterday to chants of "We want gravy" and demanded improved salaries and working conditions from Welfare Minister Mr Abe Williams.

The group, all members of the Concerned Social and Allied Workers Association, handed a memorandum to Mr Williams, calling for a 100% state subsidy

for non-government welfare organisations.

Some of the marchers claimed that social workers were the "lowest paid professionals".

Mr Williams promised to respond to wage and working conditions demands within a month

Group spokesman Dr Mandla Tshabalala, a senior lecturer in social work at the University of Cape Town and newly-elected deputy mayor of Pinelands, said the

march highlighted the plight of welfare workers

Dr Tshabalala described Mr Williams' response as "positive", but warned that further mass action would follow if their demands were not met.

In a statement, Mr Williams admitted that service benefits for social workers were a "reason for dissatisfaction". He also noted that welfare organisations were "subjected to enormous financial strain".

Restructuring the course of welfare

By Betsy Spratt

THE Social Work Council in its current dispensation could be a thing of the past if a working group of social workers have its way

The group met at the JISS Centre in Mayfair on February 16 to — among other things — examine the Social Work Act of 1978 (Act 110) which governs the workings of the council

The meeting also discussed proposals for the election of a more democratic and representative interim council that would replace the Social Work Council at the end of its term in August, said Ms Diane Fine of Family Life Centre

The working group was formed in September 1994 during a meeting of 250 social workers who met to discuss issues affecting their profession and

■ INTERIM COUNCIL Social

workers discuss professional issues:

(297) *somefan 22/2/95*
express negative sentiments about the council. The council governs the functions of the social work profession. It establishes its entrance guidelines and determines the standards of training and service delivery

"By the end of 1994, several other working groups had sprung up in a number of provinces," said Mr Berto Lombard, registrar for the council

"We got opinions from social workers in the provinces and some of them completed questionnaires"

The council compiled the information and recommended that elections be held in each province

"At present the Minister of Welfare

makes four nominations to the council eight are elected democratically by the social workers," Lombard said

The Department of Welfare will soon submit a bill to Parliament for the redrafting of the Social Work Act, Lombard said. However, Fine said the working group's proposal would be more democratic

Both Fine and Lombard said they hoped the dilemma could be solved quickly in order for the council to take its true role in the changes occurring in the country

Fine added "The council will play a crucial role in the restructuring of welfare in the New South Africa"

Big march planned

By Betsy Spratt

THE Social Service Workers Action Group will march on Gauteng's Department of Welfare in Johannesburg today to protest against salaries they call "abysmal" and "abhorrent" working conditions

The march is part of a national campaign planned with social service organisations in Natal and the Cape, said Ms Trudy Low, a representative for the group

The social workers aim to highlight the need for higher wages and improved working conditions in the profession

Natal and Cape Town social workers

marched yesterday

"Traffic regulations and the fact that another group had scheduled a march in Cape Town for Wednesday prevented us from having our marches on the same day," Low said "But our issues are all the same"

Follow-up march

The national march is a follow-up to 1991 protests in which the workers picketed and demanded wage increases

"The five and seven percent increases we have received since then have not even kept up with inflation," Low said

"Many social workers leave the field and go into other professions,

like private practice, industry or marketing, because they can't live on a social service provider's salary"

To be deemed livable, the salaries of social service providers must increase substantially, said Low. Salary increases will be one of the proposals submitted to Mr Sakkie Blanche, Gauteng's MEC of welfare, at the end of the march. Increased subsidisation of welfare agencies is among the suggestions included in the proposal

"I hope the march will be the first step toward meaningful negotiation," said Low, who emphasised that it was not meant as a strike but as the beginning of collective action

"I hope it will unite workers throughout the nation," she said

Southern's RDP fund beats inflation

SOUTHERN Life's reconstruction and development programme fund, Futuregrowth, posted a 26,1% gross return for its Balanced Fund and a 3,2% return for its Income Fund in the year to December, the first annual report said yesterday.

Southern Life executive director Adrian Arnott said the Balanced Fund had comfortably exceeded an inflation rate of 9,9%, with the Income Fund well ahead of the targeted all bond index, which provided a return of -9,1%. "But the key measure of Futuregrowth's success is its impact on the quality of lives of disadvantaged South Africans," Arnott said. **BD 22/2/95**

"The fund provided electricity to 40 000 households, housing finance for 5 700 peo-

SAMANTHA SHARPE (297)

ple and convenient shopping facilities for 660 000 township residents"

Twenty retirement funds had invested in the fund in the past 12 months including the Eskom, Highveld, Sappi, Mondi, Anglo American and De Beers pension funds, with the Iscor and First National Bank funds among the first to take part.

Futuregrowth co-ordinator Michael Leeman said the endorsement of the fund by leading pension funds reflected a growing confidence in the portfolio and an increasing realisation of the need for support for RDP project funding.

RDP trust has good first year

(297)

Jan 22/2/95

■ BY CHARLOTTE
MATHEWS

Futuregrowth, Southern Life's retirement fund portfolio aimed at RDP-orientated investments, made a 26,1 percent gross return in its Balanced Fund in its first year of operation and has grown its assets to R250 million

Commenting on Futuregrowth's 1994 annual report, released this week, co-ordinator Michael Leeman said the philosophy for the fund was to make a return of inflation plus four percent over a five-year term.

This is consistent with the actuarial liabilities of defined benefit funds while for defined contribution funds it would provide a real rate of growth.

Futuregrowth's Income Fund made a 3,2 percent return, ahead of the all-bond index's negative 9,1 percent

Leeman said the key measure of Futuregrowth's success is its impact on the quality of life of disadvantaged households

It has channelled funds for electricity for 40 000 households, housing finance for 5 700 people and shopping facilities for 660 000 township residents.

Recently it took a stake in Real Africa Investments and forged links with Franchise Opportunities Limited which aims to create mid-sized black-owned businesses through franchising

Since its launch a total of 20 retirement funds have invested in Futuregrowth, including the Eskom Pension Fund, Anglo American Corporation Pension Fund and De Beers Pension Fund.

The smallest fund is contributing R710 a month. Futuregrowth aims to attract R1 billion by March 1997.

Ancient keys and locks are displayed in the foyer leading to Public Works Minister Jeff Radebe's Victorian-designed offices in central Pretoria.

The keys symbolise the central role Radebe's department has to play in converting the Reconstruction and Development Programme from a mere document into reality for millions of South Africa's indigent

"My goal, and that of the ministry, is to return their lives to normality," the 42-year-old Kwa-Zulu/Natal-born, foreign-trained advocate, said

Although he said it simply, Radebe has no illusions about the magnitude of the job

His ministry, he said, has a crucial role to play in converting the Reconstruction and Development Programme from a document to reality for ordinary South Africans

Among his many tasks, Radebe has to provide or facilitate the provision of rural and urban infrastructure, millions of jobs,

MINISTER Jeff Radebe aims to transform the lives of ordinary people. He spoke to Jovial Rantao

schools, training and recreational facilities, water and access roads.

To achieve his goals, Radebe has embarked on a major restructuring and reorientation process among his staff.

"We have to reorientate the department from being a service provider to the Government to a service provider/facilitator to the people. Instead of concentrating on building new Government buildings, the emphasis has to be on providing houses and

other community infrastructure," he said.

Radebe said with the inherent technical skills within the Public Works Department, it could easily operate as the implementing arm of the Government and thus play a pivotal role in the delivery of the RDP

The minister exudes confidence and pride when he talks about the multifaceted National Public Works Programme (NPWP), which he described as the flagship programme of the Public Works Ministry.

The NPWP is currently being co-ordinated by a National Public Works Task Team, which was adopted to enable the harnessing of skills, located largely outside Government

Using R250 million allocated from the larger RDP fund, the

NPWP's objectives are:

- To reduce unemployment and create labour-absorbing jobs.
- To create, rehabilitate and maintain physical assets which serve to meet basic needs of the poor communities and to promote broader economic activity.
- To educate and train those in the programme as a means of economic empowerment.
- To enhance the capacity of communities to manage their own affairs.

Catalyst

"The NPWP is a programme that aims at simultaneously generating assets, incomes and developing functional, administrative and productive skills," Radebe said.

He told the Star that the Public Works Ministry saw itself as

a catalyst of change, and has embarked upon several initiatives aimed at positively impacting on the transformation of development within the building environment

The initiatives are:

- Redirecting the State's procurement and tender process to facilitate the participation of small emerging contractors
- Reviewing the procedures adopted by the PWD in appointing consultants
- Statutory councils for engineers, architects, quantity surveyors and land valuers were established in this country to regulate the manner in which professionals executed their task ... "we have embarked upon a thorough evaluation and a restructuring process, to ensure that these councils repre-

sent and protect the interests of wider society"

■ Considering the development of a registry for all contractors. Also in consideration is an institutionalised contractor training programme for emerging contractors, "similar to the Malaysian model"

On affirmative action, Radebe spoke of the need to change the face of the ministry. Presently, white males occupy both the upper and middle management positions.

At what stage would he say that his objectives have been achieved?

"As long as our people still live in squalor. As long as we have marginalised youth and rural communities with no capacity, I feel obligated to continue working hard."

Bringing reality to RDP dreams

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Jeff Radebe ... his ministry has a key role to play in converting the Reconstruction and Development Programme from a mere document into reality for millions of South Africans.

Turok outlines problems with RDP projects

BD 22/2/95 (297)
JOHN DLUDLU

THE 22 reconstruction and development programme projects announced by President Nelson Mandela last year had had financial and planning problems, provincial MP Ben Turok said yesterday.

Tabling a report to the Gauteng economic development forum, Turok said the problems in implementing the presidential projects included the failure by central government to allocate money and a lack of progress on formulation of business plans, a condition for finance by the national RDP office.

In some cases plans were at differ-

ent stages of being developed, while in other instances there were none in place. Although there had been teething problems in the presidential school feeding scheme, such as difficulty in involving small business, there had been some progress.

Two clinics were being built as part of the presidential initiative.

Commenting on the government's flagship project for urban renewal in war-torn East Rand townships, Turok said the provincial government had approved a R58m housing

plan for the area. Approval from the national Housing Ministry was expected next week.

Though progress had been slow, the Katorus project had the potential to be a "development success story". About R3bn was expected to be spent on the project over the next five years to rebuild infrastructure.

The economic affairs department's Mandla Tshabalala said the department would unveil RDP priority projects next week. The department was last week given the additional responsibility of co-ordinating the RDP provincial commission.

Drive to further RDP

CT 22/2/95
(297)

Special Correspondent

JOHANNESBURG — The government is expected to announce details today of a major campaign to resuscitate local government and foster a culture of payment for services, bonds and rents.

The campaign, dubbed "Masakhane" (building together), is a major element of the management programme for the implementation of the Reconstruction and Development Programme, Minister without Portfolio Mr Jay Naidoo said yesterday.

In a briefing to the parliamentary committee on the RDP, Mr Naidoo said implementation of RDP programmes was being hamstrung by weak local government.

Provincial and local government structures would play a major role in the delivery of RDP projects, to which R6 billion would be allocated this year, Mr Naidoo said.

The Masakhane campaign, an inter-departmental initiative, is expected to remedy structural capacity problems facing the RDP, he said.

Campaign

The key objectives of the campaign are to resurrect local government, create a climate of efficient delivery of services at local level, and foster a culture of payment for services, bonds and rents, mobilising local activists and organisations.

The campaign will also initiate "days of action" to clean up townships, fix schools and clinics, and effect the participation of the youth in community activities.

Mr Naidoo said the Masakhane campaign should not be interpreted as a "crackdown" on boycotters, but rather as an initiative to obtain the participation of communities in development projects. He said delivery of RDP projects would be further speeded up by a Development Facilitation Act to be tabled in Parliament this year.

Peanuts' remark could affect US aid package

BD 23/2/95

(297)

PHILIP TUFANO

PRESIDENT Nelson Mandela's recent statement about US aid to SA amounting to "peanuts" could not have come at a worse time for SA's attempt to secure larger aid concessions.

With increased pressure from senators such as Jesse Helms and Mitch McConnell, who are in the process of preparing legislation to cut aid to developing countries by as much as 20%, the statement was seen by many Americans as a slap in the face.

"I'm confused about President Mandela's statement, especially since the US is the largest provider of aid to SA," said private New York venture capitalist Thomas Colt.

"He should really consider the ramifications of making such a statement at a time when the US is looking to cut back on aid to developing countries. SA might be seen by many Americans as being uninterested in receiving future aid."

Colt's reaction is common and is expressed by many American business people looking to invest in SA, as well as unofficially within the US diplomatic community.

"How many other countries provided \$212m in direct aid to SA in 1994? That was the actual amount, and not just the \$100m which was what Mandela referred to in his 'peanuts' statement," said Colt.

The idea was to provide \$100m initially in aid, with the provision that more aid and investment would follow as soon as the ANC clarified its political intentions.

SA received \$212m (R750m) from the Agency for International Development for the fiscal year ending September 30 1994, according to a source at USAid/SA.

Colt said the major goal of the USAid/SA programme was to promote the political, economic, cultural and social empowerment of SA's majority population. US assistance to SA had expanded dramatically from \$14m in 1986 to \$80m in 1993 and \$212m in 1994, making the US the largest single donor country working

in SA.

"Over the US fiscal years 1994 to 1996, USAid will commit \$528m (more than R1,6bn) to consolidate democracy in SA and help meet the most pressing needs of the majority community," said the source at USAid. "That was before the current mood to cut aid to developing countries, and before Mandela's statement."

Prof Nick Ross, an expert on African politics and economics at Northeastern University in Boston, said some African leaders in the past had abused American aid packages by circumventing funds to various accounts. "Sometimes money never even reached the people who needed it most, and who it was intended for."

"That is not to say it would happen in SA, but Americans have a difficult time forgetting such things."

But the US does have good reasons for wanting to see SA survive and prosper. It offers the potential for the US to expand its global markets throughout the African continent. It has the infrastructure and established markets to provide the necessary foundation for trade expansion into southern Africa and beyond.

But before this could happen the new government would have to begin an aggressive policy of introducing various incentive programmes to attract foreign investment. They should be actively involved in ending the unproductive and costly worker strikes, which could easily turn off international investors.

Shortages of skilled labour, and the difficulties involved in introducing new potential investors to a market whose service sector is virtually non-existent, is another area which needs to be addressed.

Foreign investors and especially Americans expect efficiency and speed in their business dealings. Try getting an American businessman to understand that he must wait four weeks to get a phone line installed by Telkom, and he will be on the next plane back to New York.

"Helping make SA a more productive, consumer-oriented, competitive society may be the best thing America could do to get SA moving ahead," said US Secretary of Commerce Ronald Brown in a speech last July.

He went on: "The single most productive way the US can help SA is to encourage economic growth and stability through increased commercial trade opportunities with America."

That means projects sponsored through USAid, private business missions such as the one last August from the Overseas Private Investment Corporation, and the delegation to promote the financial services industry in southern Africa, which held its annual meeting in Johannesburg early in February.

There is a view in SA that Mandela's statement was taken out of context and was meant mostly to direct attention to the disparity between American aid to the Middle East and that to sub-Saharan Africa, and specifically SA.

"Obviously the objective is to get as much aid as possible, but more in the direction of international development which would lead to job creation and increased economic activity," said Andrew Feinstein, a Gauteng legislator and chairman of the economic standing committee.

SA could benefit from American assistance in three specific areas

- Technical expertise, which would assist in developing new markets;
- Financial assistance leading to job creation and international investment; and
- Measures to encourage not only international investment but SA expansion into global markets.

The issue of American aid is due to be addressed by US Ambassador Princeton Lyman today. He may shed some light on what the US aid package will look like for the next fiscal year.

□ Tufano is a Boston-based trade consultant. He has a two-year lectureship on international business at the Witwatersrand Technikon.

NEWS FOCUS

NICK TAYLOR

IN RESPONSE to government calls for greater private sector contributions to the human resource aspects of the reconstruction and development programme, business is faced with two principal options, quite apart from training its own workers.

First, it can channel resources — both finance and expertise — directly to the public sector. Such support — for example, in the form of assistance towards the rehabilitation of schools devastated by township violence — will certainly be forthcoming.

Important as such initiatives are, they are only half the requirements. What is to be done about those priorities government has submitted in its recent White Paper on education and training and does not have the resources to develop? These include ensuring a higher rate of adult literacy, expanding early childhood development programmes, improving teachers and developing the kind of vocational capacities necessary for a high growth economy.

In these sectors it is unlikely business will give money directly to the state. Donations of this kind would contribute to the growth of big government and the problems attendant on such developments. This leaves the funding of non-governmental organisations through corporate social responsibility programmes and other development agencies as the more important longer-term vehicle for business involvement in the RDP.

This conclusion raises the question: what mechanisms and processes are needed to bring together the imperatives facing business, non-governmental organisations and government? More specifically, how should the following

concerns be addressed:

- The need for business to be assured its funds are being utilised optimally;
- The need for non-governmental organisations to become more effective in delivery of services; and
- The need for government to bring private sector funds and expertise, and non-governmental organisation delivery capacity and experience, into complementary relationships with public resources and policy goals.

Over the past year or two development agencies such as the Joint Education Trust have made considerable progress in finding solutions to all three concerns. The following lessons are emerging.

First, government has a central role in creating the kind of environment necessary for partnerships to flourish. Elements would include acknowledgment of the contributions of business and non-governmental organisation sectors to expand these activities, participatory policy formulation processes and a qualifications framework for relating programmes in one another and to the development needs of the country and individuals.

Second, given the enormous task of reorganising the civil service, government has begun to give full attention to these tasks. Nevertheless, partnership arrangements have begun to develop between the private sector, non-governmental organisations and state institutions.

Third, certification of learners and accreditation of delivery institutions are important elements of many such partnerships. They ensure services are delivered, quality standards are achieved, skills

learned are relevant to national and individual development priorities and learners receive qualifications with currency in other parts of the education system and the workplace.

Fourth, evaluation is important for measuring the effect of innovative programmes. It is all too easy for mechanisms like certification, accreditation and evaluation to slip into heavy handed, formalistic regulation.

For this reason it is essential that they follow two principles. First, these mechanisms should focus on outcomes rather than inputs; and on the knowledge and skills learners have acquired, rather than on prescribing curricula, textbooks and teaching methods. And second, the details of these mechanisms are best formulated in a participative manner. So, for example, business, labour, non-govern-

mental organisations, public servants and teachers are collaborating in establishing a certification system for adult basic education. Without such a system there is no way of knowing how many adults achieve literacy through the hundreds of programmes in operation, what the standards of that literacy may be, whether the knowledge acquired meets the needs of the nation, the economy or the individual.

Development agencies and non-governmental organisations have come some way in forging the kinds of partnerships needed to realise the ideals of the RDP. As the machinery of government begins to roll, it needs to get to grips with its role in expanding these relationships to meet the enormous development tasks facing the country.

□ Taylor is acting director of the Joint Education Trust

How the private sector can aid

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reconstruction
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'Peanuts' aid package reflects US success story

MARK ASHURST

IN A response to President Nelson Mandela's description of the US aid package to SA as "peanuts", US Ambassador Princeton Lyman yesterday told businessmen: "Peanuts are an American success story."

The US bilateral aid package to SA was the largest of any country and grant aid was more than three times that of any other bilateral donor, Lyman told the annual general meeting of the American Chamber of Commerce. (297) BP 24/2/95

He said the US peanut crop evolved into a \$200m industry in the first half of this century: "I am sure it was the ubiquitousness, the diversity, the high value and the contribution to economic growth of this particular product that President Mandela had in mind when he likened our aid programme to peanuts."

The three-year, \$600m aid programme announced by President Bill Clinton last year excluded normal trade and agricultural credits. Including these in the final total would bring total US aid to over \$1bn, he said.

It was unrealistic to expect massive aid on the scale of that included in the Middle East 1979 Camp David Accords. These had stabilised an area thought to be a likely flashpoint for the Third World War.

But per capita, US aid to SA was nearly twice that granted to Russia and three times that given to the Ukraine — although both held nuclear stockpiles which made their transition critical to world peace.

Unlike much other US aid, where much spending was on importing skills and expertise from the US, these were mostly available in SA. Development problems stemmed from the disproportionate allocation of resources to a small part of the population.

About 500 US companies were in SA, of which about 300 were new to SA or had come back.

This occurred despite much faster growth in emerging markets such as the Pacific Rim, and at a time when the SA government had yet to present its budget or detailed policy on exchange controls, investment, taxation and the parastatal sector.

US aid to SA not peanuts, says envoy

■ BY ROSS HERBERT

United States aid to South Africa is not "peanuts", US ambassador Princeton Lyman told the American Chamber of Commerce yesterday, rebutting President Mandela's recent assertion that the US had given little to South Africa in aid.

Mandela, who used the word "peanuts" to describe US aid after returning from the US last year, apparently stung US officials who also dislike Japanese claims that it is South Africa's largest donor.

Lyman said the American business community was interested in countering the public perception that the US had let South Africa down.

Chamber spokesman Patrick McLaughlin said Lyman had made his speech because of a feeling that "South Africans are a bit simplistic about aid".

Through agreements with Nedcor and First National Bank, the US had created an R800 million pool for low-income housing loans and aid for education.

Charitable amendment

(297)
Inge Ruigrok Wm 24/2-23/95

THE Greater Johannesburg TMC this week granted welfare organisations a reprieve until June from the death blow of having to pay full municipal rates on their properties.

The move was in response to pressure from the "Lobby Against Rates" — a delegation of Gauteng-based welfare organisations — and took the form of an immediate moratorium on the March 1994 amendment to the Local Authorities Rating Ordinance.

This may be the first step towards repealing the amendment, which reversed welfare and charitable organisations' exemption from paying rates on property, and would have seen a 47 percent increase in their rate bills over the next two years.

The issue is expected to be discussed in parliament within two weeks, after almost a year of lobbying.

If the amendment is not reversed, a medium sized agency will face a rates bill of R30 000 in 1995, increasing to over R90 000 by 1997. In Greater Johannesburg alone, welfare organisations would have to pay an additional R3,5-million to the TMC.

The "Lobby Against Rates" fears that such an amount would cripple those welfare organisations who are already hamstrung by a tough economic climate, diminishing government subsidies and donor fatigue.

The amendment of the ordinance will also have an adverse effect on the reconstruction and development programme.

"If organisations have to close down it will effect the programme," said lobby spokesman Brenda Taylor.

(297) WIM 24/2-213/95

The cruellest months for NGOs



Hugh McLean of the Liberty Life Foundation, and treasurer of the Southern African Grantmakers' Association writes on the funding crisis in NGOs.

I was Mark Twain who said "October. This is one of the peculiarly dangerous months to speculate stocks in. The others are July, January, September, April, November, May, March, June, December, August and February."

Something similar might be said about this January, last April and South African non-profit NGOs if the prevailing attitude among donors, particularly corporate donors, is to set in The early 1990s saw a real rapprochement between significant sections of the South African business community and a wide range of NGOs, community groupings, and "democratic structures" now loosely tumbled into what has become known as the development sector.

Most of these organisations were then tied into recently unbanned political organisations, unused to courting from a sector they had mistrusted. A real space opened up in business in the first part of the 1990s. The change in business attitude was reflected in its discourse: words such as accountability, grassroots, capacity building, empowerment, development partnerships, and social involvement, rolled as easily off the corporate tongue as they did off the tongue of any township youth.

This space was marked by a growing sensitivity to social reconstruction which called for the forging of

relationships and partnerships between sections of society which had been bitterly opposed for so long. There were varied reasons for this *toenadering*, some companies wanted marketing advantage in a changing environment, others wanted to establish relationships with the status quo elect.

Enlightened corporate thinkers understood that a stable and prosperous society requires a healthy democracy, and this is best built through facilitating vibrant, varied, and autonomous civil sector initiatives. In a country with a highly monopolised business sector, the legacy of a strongly centralised state, and a tendency to regional and national one-partyism, there would be much to fear from the withering of independent civil vitality.

The flowering of civil activity, in the form of NGOs, community-based organisations, and the rapid growth of small and medium enterprises in the 1990s has been a social development of vital importance. It represents a maturing of the political resistance phase of the 1980s and it underpins the new social order.

The uncertainties around the election period understandably resulted in a "holding back" by corporate donors in the first half of 1994. Nervousness about a stringent tax regime held off funding for the second

half of 1994.

However, the successful elections and the essentially favourable fiscal policy (along with repeated reassurances by the ANC to business) has not lead to business redoubling their financial commitment to development and civil society.

A few too many companies have displayed an indecent haste in taking advantage of the conciliatory new order to enrich only themselves.

Other companies are genuinely confused as to exactly where and how they are expected to make a contribution, as the government has been slow in coming forward with clear guidelines and incentives.

The business stand-off casts a shadow on business's perceived commitment to development; raises questions about its reliability as a development partner; and is damaging to the working relationships that have been established with community groups and NGOs.

The current development discourse is to be noted for its increasingly strident and often illogical criticism of NGOs — much of which, quite paradoxically, originates from some of the many brains that drained from NGOs into government, and which has subsequently been taken up enthusiastically by funders of development.

Of course there are many valid criticisms of NGOs. They readily admit these themselves. Unwarranted criticisms range from misconceptions that sustainability must somehow come to mean commercial viability, to the belief that NGOs are the only

organisations to have demonstrated confusion, ineptness and corruption.

The Boesak debacle has certainly dealt another severe blow to confidence in the development sector and NGOs. However, corruption is appallingly widespread, and there is not a sector without a mess of bones in a fling cabinet somewhere.

While ready excuses are made for the incompetent bumbling of the state for several decades and key corporations which have posted smaller and smaller real returns annually, NGOs are bashed uncereemoniously and sanctimoniously from all sides.

The truth is, NGOs have contributed more to developing leadership for the new order than any other sector; have tackled the daunting tasks that everybody else ignored, were responsible for considerable inflows of foreign exchange through-out the sanctions era, and have implemented inventive and worthwhile ideas in development and education. In short, they have changed the way we think about civil society.

The hesitance to fund NGOs and civil society in South Africa, is in fact incongruous given trends elsewhere in the developing world, and is out-of-kilter even with World Bank funding. There is surely no sense in enabling organisations to collapse now, just to have to rebuild them later.

The corporate world can demonstrate its forward thinking and long-term vision, as well as its commitment to the goals of the RDP, by ensuring that the many worthwhile NGOs survive, and that their ability to innovate and to develop critical leadership is improved.

US aid to SA 'not peanuts'

The Argus Correspondent

JOHANNESBURG — United States aid to South Africa was not "peanuts," US ambassador Princeton Lyman said in a speech rebutting President Nelson Mandela's recent assertion that the US had given little to South Africa in aid. *ARG 24/2/95*

Mr Mandela, who used the word "peanuts" to describe US aid after returning from his US visit last year, apparently stung US officials.

The RDP looks good on White Paper, but

ST(BT) 26/2/95 (297)

THE White Paper of the reconstruction and development programme is a strategy for human empowerment. However, its implementation is slow and will stretch over decades.

Those who are critical about the pace at which the RDP is being implemented underestimate the magnitude of the task of redirecting the state machinery.

The slow progress being made with the implementation of the programme cannot be attributed to the inertia of the civil servants of the previous regime. In fact, more rapid progress could have been recorded had the management and implementation of the RDP been entrusted to them.

The RDP represents an important landmark in the history of this country. It signifies a decisive shift in policy towards dealing with socio-economic backlogs and empowering the disadvantaged to participate in the political, economic and social transformation.

The success with which the RDP is implemented will have an important effect on the destiny of this country.

JAPIE JACOBS, economic adviser to Deputy President F W De Klerk, reflects on problems facing the reconstruction and development programme, as outlined recently in its White Paper form.

The RDP will remain the dominant theme for decades to come, but we should be reminded that without supporting economic growth generated by the private sector its ultimate success will be precarious.

We should therefore foster a business climate and pursue macro-economic policies that will enable the private sector, in conjunction with labour, to catapult the growth performance of the economy into higher gear.

Apart from these broad themes the RDP has other, more detailed, shortcomings.

It ignores the necessity of devising and implementing a population development strategy. High and unsustainable population growth is compounded by the flow of illegal immigrants.

The government lacks the resoluteness to tackle these problems, compounding the task which has to be shouldered by the RDP.

Developing countries that have been successful in improving living standards have successfully implemented policies to reduce population growth. However, many elements of the RDP will in fact tend to increase rather than reduce population growth.

One would expect organised labour to be at the vanguard to provide support for the RDP. However, the sections in the White Paper dealing with the labour market and human resource development give the impression that organised labour regards itself as a beneficiary rather than a part of the process of generating resources and opportunities to support it.

Higher productivity hardly gets a mention and there is no indication that labour will make a positive contribution to economic growth.

The White Paper commits the government to maintain fiscal discipline by limiting the increase in government spending, gradually

LOYAL CRITIC

Japie Jacobs, who says the RDP could make more rapid progress if it was entrusted to civil servants of the old regime

The successful implementation of the RDP will depend on the maintenance of law and order and on the ending of the culture of non-payment for rates, taxes and mortgages.

These non-payments are often ascribed to discriminatory policies, but they are in fact largely caused by social instability.

Many people may currently find it impossible to meet their financial obligations, but the question has to be asked whether different criteria apply in respect of whites and non-whites in the enforcement of law and order and the honouring of contractual obligations.

It is of little avail for politicians to resort to appeals to non-payers if they are not prepared to act if these appeals are ignored.

The RDP can be described as a programme by the people for the people and it is essential that the communities should contribute towards the RDP, but what is more important is that the support of the communities should be harnessed to restore the functioning of the markets.

The real test concerning the affordability, feasibility and macro-economic consistency of the RDP will arise when the sectoral and regional White Papers become available.

The RDP Fund serves a useful purpose, but it may be advisable to allocate funds to the provinces and to give them greater scope in the selection and management of their own projects.

Crucial to the implementation of the RDP will be the recently

formed National Economic Development and Labour Council (Nedlac).

A fourth chamber, the Development Chamber, has been added to the old National Economic Forum's three-tier structure to deal with RDP-related issues.

The representations in the Development Chamber will, however, largely be drawn from the SA National Civic Organisation and its affiliates.

Will this change the tripartite character of the NEF and impede the consensus-seeking capacity of the new statutory body? This certainly is a matter of concern for organised labour and business. A number of questions arise.

How can the civics be mandated to participate as "equal partners" in the consensus-seeking processes?

Why should Sanco be allowed to become a separate party in Nedlac and what should its role be? Is it not the function of the government to look after the interest of the civics?

The civics will be represented on Nedlac's executive council, where all the inputs of the four chambers will be debated. It does not have the powers to veto any of the agreements negotiated but could refer matters back for further debate.

Only time will tell how effectively this arrangement will work, but my experience with the National Economic Forum prompts me to conclude that the interests represented in the executive council will find a way to manage this process.

Excerpted from the annual report of the Northern Transvaal Chamber of Industries

'Lack of clear plans may turn RDP into a fetish'

LONDON — The reconstruction and development programme (RDP) risked becoming a fetish and an irrelevance, a senior economics lecturer said recently.

Brunel University's Jesmond Blumenfeld warned in a presentation given at the Royal Institute of International Affairs last week that this danger arose because government lacked clear plans.

"There has been no serious attempt at prioritising or costing the programme, and vast differences are likely to arise over its funding during the next couple of years. Successful implementation depends on an institutional capacity for delivery which does not yet exist and will be slow to emerge.

"Meanwhile, everybody pays lip service to the RDP; almost everything is capable of being justified under the RDP, and with no coherent

LINDA ENSOR

programme to fall back on, the RDP risks becoming at one and the same time a fetish and an irrelevance."

Blumenfeld said the RDP was beginning to resemble the five-year plans that were so popular and so counterproductive in many developing countries in the 1950s and 1960s. It had come to mean very different things to different people — for some it was a vision for the fundamental transformation of SA society; for others it was a set of loose quantitative targets for measuring progress in specific areas.

He said one positive aspect was that all parties and interest groups had been able to unite in subscribing to its broad aims.

Blumenfeld believed it was unlikely that job creation could take place

at an adequate rate because of the complex economic dilemmas ensnaring government. ⁽²⁹⁷⁾ BD 28/2/95

The ultimate causes of the economic decline over the past two decades — high levels of uncertainty among investors and consumers, coupled with longstanding structural deficiencies — still bedevilled the economy. "That a persistent and pervasive sense of uncertainty still prevails is reflected in the continuing unwillingness of both domestic and foreign investors to commit resources to the creation of real productive capacity."

There had been a widespread expectation that because of SA's daunting problems, any future politico-economic system would have a high probability of instability. The presence of exchange controls was a serious obstacle to a reduction in uncertainty and an increase in confidence.

AfDB talks 'successful'

JOHANNESBURG — South Africa's Department of Finance said talks with the African Development Bank (AfDB) with a view to South African membership had been successful and further talks were scheduled to take place in Abidjan in late March or early April. (297)

It said the government and the AfDB had signed a "proces-verbale", which recorded understandings reached between the parties so far, and outlined issues needing clarifi-

cation ahead of the Abidjan meeting.

The meeting was held from February 21 to 23 in Pretoria, the department said. 2528/2/95

"Round one consultations were characterised by a positive and open-minded atmosphere," the department said in a statement.

The South African team was led by Finance Department director-general Estian Calitz, and the AfDB team by secretary-general Hedi Meliane — Reuter

SA, development bank hold talks

CT 28/2/95 (55) (297)

JOHANNESBURG. — Department of Finance officials have held successful talks with the African Development Bank about future membership.

The department said further talks were scheduled at the bank's headquarters in Abidjan for late March or early April.

The two parties had signed a document recording understandings between them and outlining issues needing clarification before the Abidjan meeting.

Bank sources say the size of South Africa's shareholding has yet to be determined but it could be up to 12%, overtaking Nigeria to become the biggest member.

For South African business, membership would bring an influx of cash for development projects, while the government would have a say in bank involvement in the whole of Southern Africa.

The bank would benefit from a credit-worthy new borrower.

● Finance Minister Mr Chris Liebenberg has named Mr Nick Christodoulou acting chief executive of the Development Bank of Southern Africa (DBSA).

Deputy Finance Minister Mr Alec Erwin said Mr Christodoulou would fill the post while the transition team appointed to re-assess the role and operations of the DBSA did its work.

A new chief executive could assume office by September. — Reuter

Black Sash awarded Danish peace prize

CT 28/2/95 (2977)
COPENHAGEN — The South African women's organisation, Black Sash, has been awarded this year's peace prize by the Danish Foundation for Peace, the foundation announced yesterday.

Black Sash won the 100 000-Kroner prize (about R60 000) in recognition of "its efforts and laudable, pioneering work since 1955 for the defence of human rights and of the most disadvantaged sectors of South African society"

Black Sash, with nine bureaux throughout South Africa, provides aid and advice to 40 000 people a year.

A Black Sash representative, Mrs Mary Burton, will accept the prize here today from the Foundation for Peace, a private association that encourages activities favouring democracy, peace and human rights

Black Sash has been under threat of closure since foreign funding was reduced — Sapa-AFP

Warning on RDP delays

CHARLENE CLAYTON
Property Correspondent

(297) ARG 1/3/95

THE Western Cape branch of the Association of SA Quantity Surveyors has warned that delays in making funds available for RDP projects could have disastrous results

Chairman of the Western Cape chapter of the association Martin Treadaway said that those responsible for the implementing of the Reconstruction and Development Programme should take cognisance of the fact that the projected increase in building costs in 1995 and 1996 could be in the region of 21 percent on an annualised basis.

"This means that every delay in implementing the programme will effectively result in fewer houses being built, fewer services being installed and, in general, less being achieved

"With increases of almost two percent per month, any delay at this stage is bound to have disastrous consequences," he said

Even more serious was the fact that overseas funding bodies such as the World Bank would automatically withdraw their support if they saw investments or donated funds being eroded through inflation without being speedily converted into bricks, mortar or other useful facilities

"The impression of many in the Western Cape building industry is that those who promised us an RDP-led kick-start to the economy are having great difficulty in getting their act together

"We know for a fact that the funding is available — the problem is getting it put into projects

"From all viewpoints — humanitarian, political and economic — it is essential that

progress be seen to take place within the very near future," he said

He added that the genuine goodwill of the RDP planners was still "very evident"

But all too often worthwhile community projects, were being held up by the need to get consensus from the participating groups.

"Community approval is essential, but methods have to be worked out whereby splinter groups are prevented from holding up the whole effort," he said

■ This year could see Western Cape brick manufacturers — currently operating at half their capacity — moving production up sharply if the upward trend which started in October last year continues

The industry, currently operating at about 50 percent capacity, experienced a 10 percent increase in volumes between the last quarters of

1993 and that of 1994.

Orders so far this year have continued to reflect the jump recorded in the last quarter, said Crammix Bricks sales manager Clive Archer

He said that the next two or three months would be the barometer on which to base strategic decisions to step up production

"It is clear that the Western Cape is the pivot on which the South African economy rests

"Interest is booming in the hotel industry alone, not only with the news of Kersaf's purchase of the Goodwood showgrounds, but also from Taiwanese and Malaysian groups showing interest in local sites

"If the Olympics squabble is cleared up and the bid is successful, enormous numbers of hotels will have to be built

"In addition, the Olympics infrastructure has to be largely in place, or at least easily planned and located," he said.

SA edges towards AFDB membership

■ BY THABO LESHILO

South Africa is edging, albeit slowly, towards becoming a member of the African Development Bank (AFDB) after holding a series of meetings last week.

A technical team from the Department of Finance, led by Director-General Estian Calitz, met an AFDB team, led by secretary general Hedi Mellane, from February 21 to 23 in Pretoria to clarify matters relating

to membership

According to the department, the meetings produced understanding between the parties. They also outlined issues that needed to be further clarified.

The delegations agreed to continue the consultations at a second round of talks to be held in Abidjan, Cote d'Ivoire, in late March, or early April.

The meetings followed the decision by the Gov-

ernment of National Unity in September to seek membership of the AFDB.

SA, however, expressed concern at the continuing decline in the bank's net disbursements.

By becoming a member SA stands to gain access to concessional financing, which could lower the cost of its borrowing.

Local companies stand to benefit by taking part in development projects in the region.

297

Star 1/3/95

R2bn a year lost in pension fraud

CLIVE SAWYER

Political Correspondent

AT least R2 billion is lost to corruption in the state pension system every year.

Cassim Saloojee, chairman of the national assembly committee on welfare and population development, said today the figure was given to him by the Department of Finance, and represented only the former republic.

In-depth investigation into the system, including in the former TBVC states, was needed.

"The loss of funding could be astronomical."

Mr Saloojee, an ANC MP, said the figure had been cited by the Department of

Finance in response to pressure for a bigger welfare budget.

The officials had said steps should be taken to recover funds lost to corruption.

"What astonishes us is that this abuse has been going on for some time and we cannot understand why nothing was done."

His committee would ask for a commission to investigate the abuses and recommend steps to prevent them.

Examples of abuses included false medical certificates being used to claim disability grants.

Mr Saloojee said there was a need for a complete transformation of South Africa's welfare system. (297) (309)

ARG 1/3/95

MP: Social workers need 'huge' raise

Political Staff

297
CT 2/3/95

SOCIAL workers are so badly paid that they were entitled to more than the 100% increase in salaries they are demanding, chairperson of the National Assembly's Portfolio Committee on Welfare Mr Cassim Saloojee said yesterday.

Social workers had to obtain a four-year university degree with an internship before they could qualify to practise, but they only earned R2 000 a month, he said.

As a result South African-trained social workers could be found working overseas at universities and in the commercial sector, but not where they should be, he said.

Their salaries, working conditions and status had to be addressed immediately, before the White Paper on welfare was completed.

"I would say that a 100% increase is not enough."

Mr Saloojee said a meeting would be held between social work groups and a welfare department delegation including Welfare Minister Mr Abe Williams tomorrow.

But he said there were no guarantees that the increase in salaries would be addressed in the March 15 Budget. However, greater flexibility to adjust budgets had been given to the committees and the issue would be addressed as far as possible, Mr Saloojee added.

SA to ⁽²⁹⁷⁾ join ^{South Africa} ADB ^{2/3/95}

NEGOTIATIONS for South Africa to join the African Development Bank are at an advanced stage following positive "first round" talks in Pretoria last week.

Consultations

The consultations concluded that the negotiations in Abidjan, Ivory Coast, in April should continue

"Round one consultations were characterised by a positive and open-minded atmosphere. The first round of consultations were successful in moving the process of South Africa's eventual accession to ADB membership further," says Dr E Links, department of finance chief director of International Development Finance

Nod expected for RDP agency's business plan

80 3/3/95

WILSON ZWANE

(297)

A STANDING committee of the ministry overseeing the reconstruction and development programme (RDP) was expected to approve a business plan of the National Urban Reconstruction and Development Agency today, a source said yesterday.

The agency's business plan has already been approved by the Housing Ministry, and the source said it would be surprising if it were turned down by the committee.

A source close to the agency said it would be incorporated as a Section 21 (non-profit-making) company shortly after its business plan was approved.

Its aim was "to make housing projects work" by, among other things

- ☐ Guaranteeing a percentage of loans taken out for housing projects by small and medium-sized enterprises,
- ☐ Making funds available for conflict-resolution in areas where projects ran into problems, and
- ☐ Educating communities about the housing process.

US philanthropist George Soros had pledged \$50m worth of guarantees to the agency for housing projects.

In addition, Soros would contribute \$5m towards the initial capital of the agency, the source said. Government had agreed to make R20m available as a one-off grant.

The source said Soros had stipulated that his guarantees would be accessed only if the agency's projects had had "a reasonable chance of success" and there were other participants in its pool of guarantees.

The agency would begin discussions soon with organisations about how they could participate in the scheme.

The source said the agency would complement government's housing initiatives, such as subsidy schemes.

It was a "short-term intervention" which sought to remove obstacles to housing delivery.

Minister admits fraud in welfare

ET 3/3/95

Political Sta:

FRAUD was taking place in the social grants system, the Minister of Welfare, Mr Abe Williams, said yesterday — but he seriously questioned whether this was as high as R2 billion.

He also said the extent of the fraud had not been officially established by his department.

Mr Williams responded yesterday to a statement on Wednesday by the chairperson of the National Assembly's Portfolio Committee on Welfare, Mr Cassim Saloojee, that the department had admitted R2bn had been lost to corruption in welfare payments.

Mr Saloojee said the actual losses could be far worse because of the exclusion of the four homelands and that they could be "astronomical".

Mr Williams said he and the nine health and welfare ministers accepted the fact that there was fraud in the present social grant system.

Because he seriously questioned the R2bn estimate, he asked Mr Saloojee or the Department of State Expenditure to supply him with concrete evidence.

His department, together with the provincial departments, was busy with programmes to eradicate fraud.

A new Social Assistance Act had been passed and the regulations were being finalised, and the different pension systems within the provincial governments were being rationalised into one system per province.

Uniform application forms, administration processes and the upgrading of computer and payment systems were also receiving attention.

A central data base was also being developed.

Whitney's gift to benefit city charities

GLYNNIS UNDERHILL
Weekend Argus Reporter

WHITNEY HOUSTON'S R1 million gift handed over during her visit to South Africa last year is still set to benefit five charities, including two in Cape Town.

An amount of R625 000 was transferred to the accounts of beneficiaries by auditors Deloitte and Touche a few weeks ago.

One charity which stands to gain from the remainder of the donation is the Masikule Children's Home in Crossroads, visited by the singer amid great fanfare during her visit.

Principal Pumela Mncayi said the charity had sent off its

ARG 4/2/95
grant agreement last week to Zee-Zee Universal, a company partly owned by Zinzi Mandela, daughter of President Mandela and his estranged wife, Winnie. "The grant form has been sent off and we expect to receive the money in our account shortly," she said.

The Masikule Home is hoping to expand its child-care operation with its R25 000 grant, said Mrs Mncayi.

Mike Ahern of Deloitte and Touche declined to respond to questions from Weekend Argus about the distribution of the remaining funds until he received clearance from legal representatives for the Whitney Houston foundation in America and Zee-Zee Universal. (297)

RDP 'could fail' if rural folk don't vote

(297)

THE entire Reconstruction and Development Programme could be paralysed if people in rural areas did not vote in the local government election in October this year, President Nelson Mandela said at the weekend.

The danger was that if people did not vote, only those who supported the apartheid regime would register and cast their ballots, he said at a meeting at Rharhabe Great Place at Ndakana in the former Ciskei (now Eastern Cape).

Forces of democracy

This could paralyse the forces of democracy and the whole RDP, the gathering was told.

"So it's in your hands whether you want this programme, which is intended to better your lives, to be applied in those areas where you live," the president said on Saturday — the second day of a three day

tour of the Eastern Cape.

"If you want it (the RDP) to be applied, if you want houses here, if you want jobs, decent schools, electricity, then you must write down your name from tomorrow and say you are prepared to vote."

"If you don't register, if you don't vote ... you must know we are giving away the power we have won."

Mandela said it was comparatively easy to convince people in urban areas that they should take part in the polls.

There had been "some misunderstanding" in rural areas because those in government had not briefed traditional leaders sufficiently on the reasons for the elections.

"This has been a weakness on our part."

Local Government Minister Mr Roelf Meyer and his deputy, Mr Valli Moosa, were addressing this question because the elections could not take place without traditional leaders' support. — Sapa.

GNU won't last because there is no unity: expert

Lift-off for school RDP

Sowetan 6/3/95

By Claire Keeton

~~297~~ (297)

DOZENS of Soweto schools showed support for the RDP's Gauteng School Renovation Programme this weekend

Programme manager Mr Graeme Bloch said they held their first workshops on school renovation for primary school principals, teachers and parents in Gauteng at the weekend and received an excellent response.

"It shows people are ready for the RDP. We are very pleased that at grass-roots level schools have shown their enthusiasm to be involved in the renovation programme," he said.

Schools from three circuits in Soweto and one in Bronkhorstspuit attended the workshops. About 50 schools went to Vista University, 50 to the Soweto College of Education, 30 to the Johannesburg College of Education and 20 to Bronkhorstspuit.

Soweto schools responded poorly to the call for early registration this year, but this time they turned out in full force. The schools were introduced to the renovation programme that empowers them to take control in restoring their institutions.

Plenty of scope for fair profit in RDP projects

Naidoo threatens to blacklist profiteers

(297) (100) Star 7/3/95

■ BY BRUCE CAMERON

Jay Naidoo, the man who has to deliver on the ANC's election promise to improve the lot of millions, wants business to be his partner in rebuilding South Africa

But profiteers, beware!

In an interview with Business Report, Naidoo said there would be plenty of opportunities for business to earn a fair profit on projects for the reconstruction and development programme

At the same time, he warned that tough action would be taken against companies seeking to make unreasonable profits

"Most companies in the world are satisfied with profits of 10 to 15 percent. Why do they have to make profits of 30 to 40 percent?" he asked

Action against RDP profiteers would include blacklisting companies from tendering for government projects, Naidoo said

He sees the main role of the government as creating the right environment for the RDP — and developing business-like processes for meeting RDP objectives

"We are sending a signal. The private sector will have to invest to meet the demand for a million houses. The government cannot build these houses and the infrastructure. We can create the climate

"This is a major opportunity for the private sector," he

MINISTER wants business to partner the government in rebuilding the economy

said Naidoo sees the RDP as a major driving force in the economy, not only providing better living conditions for blacks but also creating jobs, improving training and education, and creating wealth

He said participating companies would be expected to play a role in the economic empowerment of blacks through training programmes and subcontracting to black concerns

"We want a partnership with business that will contribute to the development of small and medium business enterprises and to economic growth"

Tender procedures were being redesigned to ensure that blacks would take a share of the profits

He said two major conferences were being planned for the next few months at which the private sector would be consulted

One would be with the construction industry and the other would be on the development of small and medium enterprises

Naidoo acknowledges there has been a disappointing start to the RDP

The obstacles have includ-

ed a lack of understanding by communities of how to get access to RDP funds, the ongoing rent and services boycott and the breakdown of services in many areas

Much of the money available from government, from foreign aid agencies and from local finance houses and fund managers, remained unspent over the past year. Naidoo said that capital projects were being weighed carefully for cost-effectiveness. He added "All costs have to be analysed and brought on budget"

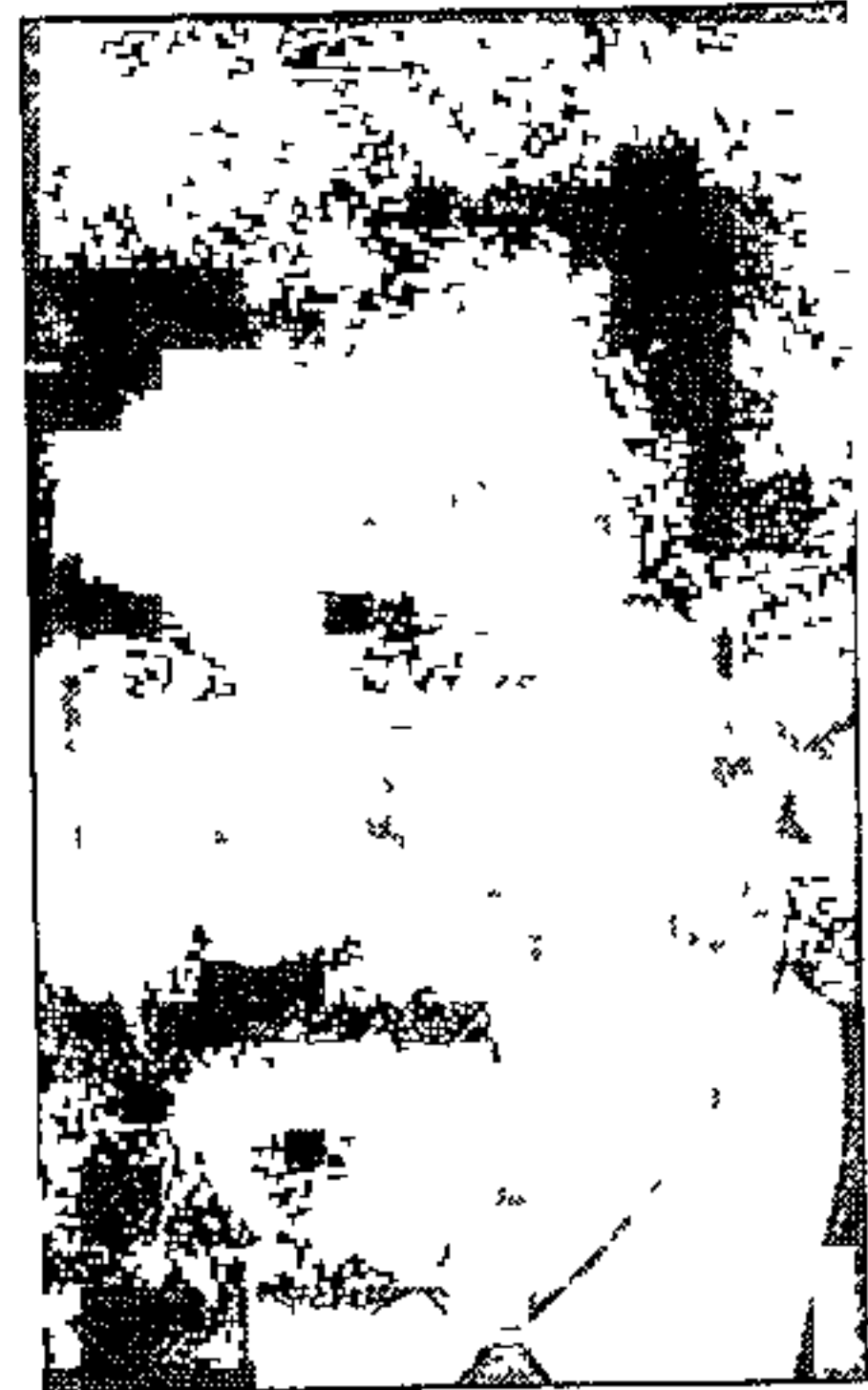
The key, Naidoo said, was the holding of successful local government elections later this year, since most projects would be undertaken at local government level

Until then, the government would concentrate on other fronts to prepare the ground and build capacity to carry out the RDP. Current initiatives include:

- Developing the new Masakhane campaign, which is aimed at overcoming the rent and services payment boycott (since the elections, the amounts outstanding have crept close to R1 billion) as well as mobilising and informing communities so that they can take advantage of the RDP;

- Restoring services, including community administration,

- Using government departments such as the defence force and the public service



Naidoo ... govt must create right environment for RDP

commission to train people to administer projects

But Naidoo warned that the capacity to press ahead with the RDP would not emerge overnight

He revealed that the second white paper on the RDP, which was due to be published in April, was undergoing a major rewrite. It will now be published in June

The government now accepted it had to prepare plans which covered a 20 to 25 year period

For example "Many overseas agencies want to donate clinics or schools but we have to ensure that there is money in the budget to pay for costs like staff"

'Welfare cuts detrimental'

(297)
Sowetan
7/7/95

By Mokgadi Pela

THE Gauteng administration has reiterated its call to the Government not to reduce social services budgets

Addressing the consultative summit on the transformation of social services in Gauteng, which was held in Brakpan at the weekend, MEC for welfare and population development Mr Sakkie Blanche said such cuts would have detrimental effects on welfare delivery in the province

Blanche said cuts would also contravene Government's determination to stamp out poverty, enhance social integration and generate productive employment

He reiterated his ministry's goals to

- Facilitate economic growth,
- Promote a climate of safety and

security,

- Transform and reorientate the administration,

- Maintain proper communication with the public, and

- Prioritise a delivery programme for 1995

Giving the Gauteng perspective of the transformation of social services, Mr Lawrence Boya said the key aspect of the province's vision was to conduct affairs in a consultative manner

"We have to bury the notion that government has all the answers. We therefore have to consult with all stakeholders on issues," Boya said

He added that the situation in the workplace was no different "We no longer talk of management's prerogative. We speak of co-responsibility"

GOVERNMENT TO CALL FOR WORLD SUPPORT

SA's poverty shock

(297) ~~CT~~ CT 8/3/95

SOUTH AFRICA will tell the world this week that the industrialised nations have an obligation to help developing countries but "the RDP is a commitment by the government and civil society, working together, to pull ourselves up by the bootstraps". By **BARRY STREEK**

A GRIM picture of poverty and deprivation in South Africa is being presented by the government this week to the international community at the World Social Summit in Copenhagen.

The government's call for international support to tackle these problems will be bolstered on Friday by the attendance of President Nelson Mandela at the conference.

The South Africa Report, which was released last night by the Reconstruction and Development Programme office, says the industrialised nations have an obligation to developing countries.

"However, the developing nations cannot simply sit back and expect to be helped. What we do ourselves will ultimately determine whether we can lift ourselves up."

"We in South Africa have realised this. The RDP is a commitment by the government and civil society, working together, to pull ourselves up by our own bootstraps."

The 40 page document also

says donor nations should be committed to avoid putting pressure on recipient countries "for prestige, high-cost capital projects or arms purchases, ensuring skill and technology transfers in all projects, channelling aid into programmes prioritised by the recipient government and its people."

The government will tell the conference that the RDP is essentially a development agenda for South Africa.

Corruption-free

"It aims to eradicate poverty to attain full employment, to build a free and democratic society, and create national unity."

"We have committed ourselves to allocate resources to achieve these goals and to building the transparent participative and corruption free democracy which is essential to underpin development."

The report said the government realised it had a large role to play in addressing the existing economic problems, which were mainly structural, and in this way create

an environment conducive to investment.

The new government had inherited a huge deficit, with government consumptive expenditure more than 20% of GDP and interest repayments more than 17% of the budget.

The document said South Africa had a population of between 40 million and 43.5m, with children under the age of 15 years making up more than 37% of the population.

Asian South Africans had per capita disposable income only 40% of that of whites, while that of coloureds was 27% and blacks 13% of white disposable incomes.

The report added that 26% of households were headed by women, and only 17% of these did not have dependents.

Only 34% of Africans had access to flush toilets.

South Africa produced more than 50% of the electricity in Africa, but only 30% of the population had access to electricity in their homes.

Although 17% of the population lived in the rural areas, they were served by only 2% of the telephones.

If the population was 41m it was estimated that 12.5m people, 30%, were illiterate.

The document also said 2.3m South Africans suffered from malnutrition.



PROTEST: One of 750 puppets hung in Copenhagen this week. The puppets represent children around the world who will die of preventable diseases during the World Social Summit being held there. President Nelson Mandela will address the summit on Friday.

PICTURE AP

Reserve Bank 'reviewed'

By **AUDREY D'ANGELO**

THE Reserve Bank's role is being reviewed, the government has said.

"The role of the central bank in the economy is under review," it said in the South Africa Report for this week's World Social Summit in Copenhagen. "Aspects being considered include its functions of maintaining the value of the currency, keeping inflation relatively low, ensuring the safety and soundness of the financial system."

"At the same time, the monetary policy must be developed to

advance the aims and objectives of reconstruction and development."

The document was released last night by the Reconstruction and Development Programme office. It said government policy objectives were employment generation, improved labour relations, skills development and technology transfer to enhance productivity and break reliance on primary commodities.

"These goals can be promoted by the identification of new areas of industrial development," it said.

Economic and business leaders said any suggestion that the independence of the Reserve Bank

was under threat or that South Africa might abandon financial discipline would discourage badly needed foreign investment.

Sanlam chief economist Mr Johan Louw said the report was worrying. It would create uncertainty which would make it risky to abolish the financial rand. He said some government members felt that the Reserve Bank's power should be reduced as the government was not keen on higher interest rates.

"Interest rates are becoming a political issue now that lower-paid workers are buying houses with mortgage loans."

CT 8/3/95

Billions lined up to invest in RDP

CT 9/3/95
(297)

By BRUCE CAMERON

POINTEA EDITOR

SIGNIFICANT amounts of money are waiting to be unlocked over and above the R5 billion to be allocated to the RDP in this year's Budget

The money, coming from foreign assistance and local fund managers, could provide a significant boost for the economy this year - particularly in the construction industry

Elly Links, in charge of co-ordinating international aid and assistance at the department of finance, said in an interview that a further R1 billion was available in foreign assistance in different forms for the RDP for the coming fiscal year

On top of this, the life assurance and pension fund industries, which

have billions of rands at their disposal for investment in RDP projects, are standing in the wings waiting for opportunities

In an interview, executive director of the Life Offices Association, June Wessels, said more than R1 billion had already been allocated by the industry to RDP projects through Eskom, with the money being used for the electrification of townships and rural areas

"There is no maximum or minimum amount available for RDP projects. It depends on the projects

there are established borrowers, such as the water boards", she said. Wessels said the assurance and pension fund industries were particularly keen to get involved in financing housing, but could only do so as wholesalers of finance

There is no maximum or minimum available: it depends on the projects'

and the government

of provinces and local authorities. There is, however, a bottleneck in negotiations with government over channels for money from the assurance and pension industries

Two life offices have set up separate RDP-dedicated portfolios

They are encouraging pension and provident funds to invest in the portfolios. The Saram portfolio, called the Community Builder, is still in its infancy

Southern Life's Future Growth portfolio issued its first annual report this week, which showed that 20 retirement funds had invested R250 million

About 70 percent of the money was allocated to projects which included electricity for 40 000 homes, housing finance for 5 700 people and shopping facilities for

more than 660 000 township residents

Links said the position of foreign assistance was fluid and complicated

Aid and assistance came in a number of different ways and with different strings attached

A number of countries were also increasing the packages being made available

The issue was further complicated by several instances where the aid was only a pledge, and agreements of understanding still had to be signed

Agreements were being negotiated on an ongoing basis. The latest was due to be signed with the Netherlands next week

Links said his department was acting virtually as a broker

Government departments had to put up proposals for projects, which were then matched with aid or assistance offers

Links said the aid was available as grants, loan concessions and technical assistance with different conditions

For example, the grant aid portion of the Japanese package was dependent on tenders being limited to Japanese companies, although the companies could subcontract to local companies

Increasing amounts were being diverted away from non-government organisations to government

The government wanted the NGOs to continue receiving aid, but would like to see it co-ordinated to ensure the overall demands of the RDP were being met

Women seek greater role

ERICA JANKOWITZ

COPENHAGEN — Women could not merely become honorary men — in the SA tradition of declaring groups such as the Japanese honorary whites — but had to affirm themselves and celebrate their achievements, parliamentary Speaker Frene Ginwala said yesterday.

Celebrating International Women's Day at the UN World Summit for Social Development, Ginwala said society needed to be transformed to move it from the male-shaped world in which we live. To create a people-shaped world, women had to be involved in all aspects of society and decision-making.

Ginwala urged women to work at "universal sisterhood", which did not come automatically.

SA society had to be transformed to rid it of the racial and sexual discrimination instilled by apartheid. This had given the women's national coalitions their inspiration. With Namibia, SA could now claim to be one of only two nonracist, nonsexist societies in the world.

Aid debate rages with no agreement

(297) BD 9/3/95

COPENHAGEN — A security scare struck the UN social summit yesterday as world governments striving to end poverty argued over the best way to cut debt and make aid more effective for poor and developing countries.

Danish police fired warning shots at what they suspected were divers wading ashore at Copenhagen airport, near the summit centre where US First Lady Hillary Clinton was due to address the conference later in the day. The two figures then disappeared into the water. A search of the area had found no divers.

UN Secretary-General Boutros Boutros-Ghali is also in Copenhagen but most world leaders attending the summit — expected to number around 120 — will not arrive before tomorrow.

More than 3 000 police are on duty for what has been billed as the biggest gathering of world leaders in history and is certainly the meeting with the most ambitious aims, to eradicate poverty, slash unemployment and end social injustice.

US Vice-President Al Gore, President Nelson Mandela, PLO leader Yasser Arafat and European leaders are to attend.

The summit also marked International Women's Day with calls for greater equality, issued against a background of official statistics that show women are the biggest victims of poverty. Of the world's 1.2-billion poor, up to 70% are women.

Delegates continued a debate over a blueprint for narrowing the gap between the world's rich and poor, due to be approved when the summit ends on Sunday.

Some debtor countries want a statement demanding donors "eliminate the debt burden of developing countries" while others are prepared to compromise with a call for limited relief for the poorest nations. Richer governments — many of them busy cutting their aid budgets — want to examine debt on a case-by-case basis.

Another bone of contention is the UN's "20/20" proposal, whereby donor states direct 20% of their aid expenditure to programmes meeting "basic needs" and recipient countries devote 20% of their national budgets to the same goals.

But there is disagreement over what basic needs should cover and some countries think the policy is unworkable.

Whatever the outcome, the summit's final declaration will not be legally binding. Aid organisations and the media have been critical of the summit, with some saying that it is little more than an elaborate and expensive talking shop.

□ Mandela and Cuban leader Fidel Castro are to address a joint rally on Saturday. The more than 2 000 seats for the rally were snapped up a day after going on sale.

The two leaders were expected to address the summit's core issues of poverty and job creation — Sapa-Reuter.

NEWS Deputy Min**Merger to
boost RDP****By Mzimkulu Malunga**

THE launch of the National Business Initiative for Growth, Development and Democracy yesterday represents a big boost for progress

The organisation, which is a merger between the defunct Urban Foundation and Consultative Business Movement, sees its task as marshalling private sector resources and technical skills in support of the RDP

Chief executive Dr Theuns Eloff said NBI was simply a business initiative of civil society in partnership to nurture democracy and development

"We are also going to interact with the four groups of the National Economic Development and Labour Council, as well as players at all levels of government," he said

Facilitating consensus on critical issues among the four groups in Nedlac — business, labour, government and the community — was one of the key areas of operation

Eloff said the NBI would be advising the companies on how best they could make their RDP contribution effective

Sowetan 10/3/95

Call to streamline development bank

THE Development Bank of Southern Africa should streamline and decentralise its operations to remain relevant to the needs of the people, the SA National Civic Organisation (Sanco) and the Congress of Traditional Leaders of SA (Contralesa) said in Johannesburg yesterday.

Sanco reconstruction and development co-ordinator George Dor, after making his organisation's submission during the public hearings on the transformation of the development bank, said it should hand functions such as policy formulation, research and the negotiation of foreign loans to government departments.

The bank should limit itself to the financing of development projects identified by communities and government.

Dor expressed concern at the size of the bank's bureaucracy, saying it should be reduced through diversion of functions and staff. "But we are not talking about retrenchments. People could be shifted to appropriate government departments."

Contralesa president Chief Patekile Holomisa called for a decentralised development finance institution to meet development challenges.

The bank's senior policy analyst Moseb-jane Malatsi said the staffing of the transformed bank should reflect the demographic composition of the country's population, without sacrificing effectiveness and productivity.

He called for the bank's boards of direc-

JOHN DLUDLU

tors and trustees to be "democratically elected" by all stakeholders.

The bank, possibly with a new name, Ubuntu Development, should be expanded to cover the southern Africa region.

Malatsi called for the establishment of a revolving development fund with affordable concessionary interest rates disbursed to poor communities through non-governmental and community based organisations.

He recommended the decentralisation of the bank.

Malatsi said also the bank should play a facilitative role. "But the ownership of development belongs to the people on the ground," he said.

Entrepreneurial Development Network's Luckie Makgonye, addressing the transformation team, said the restructured bank should get its funding from government bonds invested at the stock exchange and from private sector capital.

National Black Business Caucus executive director Danisa Baloyi called for close interaction between the restructured bank and other institutions such as, he suggested, the Industrial Development Corporation and the proposed Small Business Development Agency.

Oral submissions continue today.

Several groups, including Business SA, the Youth Development Forum and the Department of Roads, failed to make submissions yesterday.

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Handing over the report to Deputy President Thabo Mbeki yesterday, board chairman Nic Wiehahn said acceptance of the report, together with and its appended draft Bills, would signal a "final break with the centuries-old prohibition on gambling in SA".

Various types of lotteries were recommended, ranging from the large-scale national lottery down to small lotteries with a maximum prize of R3 000.

ment of tourism and black economic empowerment, with other beneficiaries being sports development, charities, arts, culture and heritage, and other projects.

Substantial power was delegated to provinces to allocate casino licences, impose levies and gambling taxes, bidding and licence fees and fees on gambling machines and tables in casinos.

Tax on gambling would be levied on the gross winnings of each casino at a rate and payment frequency determined by the provinces but no VAT would be imposed.

General Affairs Minister Chris Fismet said this would allow the provinces to levy their own taxes to be used for upliftment programmes in the province. Each gambling operation would pay the usual income tax, which would go into central government's coffers.

The board also recommended that it should be at the provinces' discretion to allocate licences to foreign operators but that SA operators be given preference.

Illegal casino operators were ruled out from a stake in the future dispensation.

Those who had been prosecuted for operating illegal casinos after October 21 should be barred from applying for licences for up to 10 years, the report said.

Mbeki said the report should be passed on to the Cabinet's economic affairs committee before recommendations were made to the full Cabinet. Government was keen to move on the issue as quickly as possible and expected to have finalised the

ment of tourism and black economic empowerment, with other beneficiaries being sports development, charities, arts, culture and heritage, and other projects.

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A significant omission from the report was the Howard commission's recommendation that casino developments be restricted from operating within a 100km radius of metropolitan centres.

Fraser said provinces could allocate licenses anywhere within their jurisdiction. Mobile casinos, such as those found in certain states in the US, and those on airlines would not be banned at present but this was subject to further investigation.

Two types of casino licences were identified — one that allowed small operators up to five slot machines, and the other that provided for large casino operations.

horse racing was not given any statutory protection in provincial gambling legislation, with the report stating it would have to compete for licences along with other gambling applicants.

The board recommended that dog racing not be legalised until further research had been undertaken.

Government's current stake in Sun International following the incorporation of the former TBVC states into SA was alluded to in a board recommendation that central, provincial and parastatal bodies not have shares in the lottery and gambling industries, with the exception of the national state lottery.

Flanner said he had given the board about a month to make final suggestions on

He said the Finance Department would consult the Finance and Fiscal Commission when deciding on the rate of income tax to be levied on casinos and lotteries.

Sun International MD Peter Bacon said the report was fair but it had certain shortcomings, such as the failure to state the number of licences allocated to each province.

Tourism consultant Kessel Feinstein Consulting CE Refano Caras said the lack of special treatment for the horse racing industry made it likely that it would struggle to survive.

Many of the other organisations and groups planning to apply for licences said the report was equitable. However, Karos chairman Selwyn Hurwitz said the inclusion of a bidding fee would make it difficult for small operators to compete on an equal footing with companies such as Southern Sun and Sun International.

Gaming Association chairman and attorney Grant Kaplan, who has represented some of the illegal operators, said the report was vague, and that the recommendations would effectively exclude small operators from participation in the industry.

Row looms over veto of W Cape RDP project

MICHAEL MORRIS
Weekend Argus
Political Correspondent

A ROW is looming between the National Party-dominated Western Cape and central government over a major reconstruction and development project turned down by Minister Jay Naidoo's RDP office.

This emerged from an exchange between Western Cape Minister of Local Government Peter Marais and senior RDP official Howard Daniels at a conference in Somerset West.

Mr Daniels was a speaker at the conference — on financing local government — organised by the institute for local governance and development.

In a question from the floor, Mr Marais charged that the Western Cape initiative — widely supported by local authorities, civics, unions and others — had been turned down flat by the RDP office.

"I want to know why," he said. "The people's expectations have been raised and now they'll blame the Western Cape for non-delivery. They'll say we are not interested in implementing the RDP. They'll say (Western Cape Premier Herinus) Kriel and Marais are too verkrampt."

ARG 11/3/95

However, Mr Daniels — who said as an official he was not prepared to engage in a political debate with Mr Marais — pointed out the severe limitations of RDP funds.

"There was R2,5 billion in the first year and in the next there will be R5 billion. But of that R5 billion, R2,4 billion must be allocated to cover the 'carry-through' costs of the projects started in the first year and we already have applications for R6 billion worth of projects."

"The reality is that we are not able to fund every project."

Applications flood RDP fund

(297)

BO 13/3/95

ADRIAN HADLAND

SOMERSET WEST — Government was being flooded with applications to the reconstruction and development programme fund and was reviewing the application process, it was announced at the weekend.

RDP official Howard Gabriel told a conference on financing that local government applications for projects worth R6bn had been received from provincial and local governments hoping for access.

Of the R5bn being diverted into the fund for the 1995/96 financial year, R2,4bn was already accounted for due to "carry-through costs" from the previous year, Gabriel said.

"The reality is that we have applications worth R6bn for this year and we have only R2,6bn available."

A committee representing key government departments involved in the implementation of the programme had been asked to review the application process.

Western Cape local government minister Peter Marais (NP) told the conference, which was organised by

the Institute for Local Government, that central government should accept the blame for failing to meet rising expectations.

A major upgrading project for Western Cape townships, which had taken more than a year to finalise at great cost, had been rejected for RDP fund support, he said.

Consultations with street committees, unions, political parties and interest groups had raised expectations that delivery was imminent.

When the funding had failed to materialise, this backfired on provincial government representatives.

The RDP fund was simply not large enough to cover all applications and many worthy projects would go unfunded, Gabriel said.

About R14bn, before service charges, would be required to establish basic services across SA in five to seven years.

The price tag for a full level of services would be nearer R38bn.

R70m for DBSA

(297)

CT 14/3/95 (BR)

STAFF REPORTER

A R70 million loan agreement between the Development Bank of Southern Africa (DBSA) and French financial institution Caisse Francaise de Developpement, will be signed at noon today.

The loan signals the first concrete step in co-operation between the two development institutions.

The terms are exceptionally favourable, with a rate of 3,5 percent a year (before forex cover) over 21 years, with a nine-year moratorium on capital repayments.

The funds will be used to supplement DBSA resources and will be spent mainly on urban and rural infrastructural development in the provinces in support of the RDP.

A condition of the loan is that it must be exclusively used to benefit South Africa's historically disadvantaged people.

The first draw downs will be made in April.

Nick Christodoulou, the DBSA's acting chief executive, commented: "Loans of this nature at such favourable terms will enable the DBSA to assist provincial governments to address their backlogs in income-generating infrastructure."

"They will also allow the DBSA and South Africa access to the substantial French expertise built up over the decades in Africa."

"Further, concessionary loans of this nature, which have allowed us the opportunity to refinance up to 40 percent of existing commitments, will have a beneficial impact on the balance of payments."

Christodoulou urged other countries to follow the example of the French and to support South Africa in its challenge to address the needs of all its citizens.

R72-m boost for DBSA today

A loan agreement of R72-million is to be signed today between the Development Bank of South Africa (DBSA) and the French financial institution Caisse Française de Développement, which supports third world countries.

The terms of the loan will be very favourable - 3.5% a year (before forex cover) over 21 years, with a nine-year moratorium on capital repayments.

The funds will be used

to supplement DBSA resources and are to be used mainly for urban and rural infrastructural development such as water supply, electricity and sanitation, in support of the RDP.

Condition

A condition of the loan was that it should be used exclusively to benefit the historically disadvantaged people of South Africa. The first draw-

(297 058)
downs will be made next month.

"Loans of this nature at such favourable terms will enable DBSA to assist provincial governments to address backlogs in income-generating infrastructure and will also allow DBSA and South Africa access to the substantial French expertise built up over the decades in the rest of Africa," Nick Christodoulou, acting chief executive of DBSA, said.— Sapa.

France adds another R110m to SA aid

JOHN DLUDU

FRANCE has announced that its aid package to SA will be increased by R110m in soft loans during the current fiscal year, raising the country's pledge to R575m.

French External Trade and Industry Minister José Rossi said yesterday the R110m would be added to the R300m loan package already planned for the year.

France was now the fourth largest foreign investor in SA, with direct investment in 100 companies, a four-fold increase in the past four years, the French trade mission's Johannesburg office said.

According to the trade mission, French investments had doubled to Ff3bn since the French government's lifting of the embargo on new invest-

ments. Most of the long-term investments were in the form of joint ventures with SA companies.

French companies in SA included electronics group Alcatel, national airline Air France, computer network Bull, pharmaceutical Rhône-Poulenc, electrical equipment corporation EDF International and building company Bouygues.

Data showed that French companies or their subsidiaries were well represented in most sectors. These included engineering, hotels and leisure, banking and insurance, oil, telecommunications, textiles, cosmetics, chemicals and pharmaceuticals, metallurgical, water treatment,

transport and foreign trade.

French diplomats said the trend was likely to increase.

An agreement to avoid double taxation has already been signed, and talks about a mutual investment protection agreement are under way.

A great number of small and medium-sized French businesses "who undertake trade missions, very often with the intention of setting up a local company" had also shown optimism in SA.

Meanwhile, development institution Caisse Francaise de Development (CFD) signed a R70m loan agreement with the Development Bank of Southern Africa yesterday. CFD will assist in infrastructural development projects. (297)

gent increase in the UN monitoring of arms supplies to both sides in 20-year conflict. — Sapa-Reuter

US blacks seize new cudgel

The Argus Foreign Service

WASHINGTON — Black American civil rights leaders who led the US sanctions campaign against South Africa are now, for the first time turning their energies to a black African government with a campaign to restore democracy in Nigeria. The campaign will begin with newspaper advertisements condemning the Nigerian military government.

Probing a possible gambling racket in Malaysia

from an Asian gambling syndicate to

took the soccer world by surprise.

fans and rocked by assault charges

See pages 7 and 28

Mbeki in Belgium signs three-year aid deal that brings R55-m for RDP projects

The Argus Foreign Service

BRUSSELS — Deputy President Thabo Mbeki will sign an ambitious new accord with Belgium today, which will bring South Africa new aid worth R55 million. The three-year programme will be launched at a signing ceremony in Brussels between Mr Mbeki and Erik Derycke, the Belgian Secretary of State for Co-operation and Development.

Mr Mbeki is in Belgium, at the invitation of King Albert II. The deputy president was unable to see the Belgian monarch during a trip he made to Brussels last month, and is returning this week to pay a courtesy call on the king. Mr Mbeki's schedule also includes meeting Belgian businessmen and lunch with Prime Minister Jean-Luc Dehaene. Talks with the head of the Flemish re-

gional government are also scheduled. Belgian officials say the three-year bilateral accord with South Africa aims to support the reconstruction and development programme. The money will go to health, education and training programmes — and will also help boost the reform of South Africa's administration. Mr Mbeki may raise with his Belgian hosts South Africa's concern about new

EU visa restrictions, which are being discussed by the 15 European Union governments. The current proposal would put South Africans on the list of those who will require visas to visit the EU. A seven-nation common visa accord is due to come into force later this month between some European Union countries. Mr Mbeki may also be lobbied by South

The previous ambassador Marius Te Water Naude returned home in April last year — and has not yet been replaced. It has been speculated that the South African foreign ministry may be planning to merge the embassy to Belgium with South Africa's mission to the EU, which is headed by ambassador Neil Pieter van Heerden.

UNMARRIED

INCOME TAX PAYABLE, 1995 AND 1996* UNMARRIED PERSONS
R5A AND VENDA

TAXABLE INCOME	UNDER 65		OVER 65	
	1995	1996	1995	1996
R	R	R	R	R
12 000	0	270	0	0
13 000	0	480	0	0
14 000	0	690	0	0
15 000	75	900	0	0
16 000	275	1 140	0	0
17 000	475	1 380	0	0
18 000	675	1 620	0	0
19 000	875	1 860	0	0
20 000	1 075	2 100	0	0
21 000	1 285	2 340	0	0
22 000	1 485	2 580	0	0
23 000	1 685	2 820	0	0
24 000	1 885	3 060	0	0
25 000	2 085	3 300	0	0
26 000	2 285	3 540	0	0
27 000	2 485	3 780	0	0
28 000	2 685	4 020	0	0
29 000	2 885	4 260	0	0
30 000	3 085	4 500	0	0
31 000	3 285	4 740	0	0
32 000	3 485	4 980	0	0
33 000	3 685	5 220	0	0
34 000	3 885	5 460	0	0
35 000	4 085	5 700	0	0
36 000	4 285	5 940	0	0
37 000	4 485	6 180	0	0
38 000	4 685	6 420	0	0
39 000	4 885	6 660	0	0
40 000	5 085	6 900	0	0
41 000	5 285	7 140	0	0
42 000	5 485	7 380	0	0
43 000	5 685	7 620	0	0
44 000	5 885	7 860	0	0
45 000	6 085	8 100	0	0
46 000	6 285	8 340	0	0
47 000	6 485	8 580	0	0
48 000	6 685	8 820	0	0
49 000	6 885	9 060	0	0
50 000	7 085	9 300	0	0
51 000	7 285	9 540	0	0
52 000	7 485	9 780	0	0
53 000	7 685	10 020	0	0
54 000	7 885	10 260	0	0
55 000	8 085	10 500	0	0
56 000	8 285	10 740	0	0
57 000	8 485	10 980	0	0
58 000	8 685	11 220	0	0
59 000	8 885	11 460	0	0
60 000	9 085	11 700	0	0
61 000	9 285	11 940	0	0
62 000	9 485	12 180	0	0
63 000	9 685	12 420	0	0
64 000	9 885	12 660	0	0
65 000	10 085	12 900	0	0
66 000	10 285	13 140	0	0
67 000	10 485	13 380	0	0
68 000	10 685	13 620	0	0
69 000	10 885	13 860	0	0
70 000	11 085	14 100	0	0
71 000	11 285	14 340	0	0
72 000	11 485	14 580	0	0
73 000	11 685	14 820	0	0
74 000	11 885	15 060	0	0
75 000	12 085	15 300	0	0
76 000	12 285	15 540	0	0
77 000	12 485	15 780	0	0
78 000	12 685	16 020	0	0
79 000	12 885	16 260	0	0
80 000	13 085	16 500	0	0
81 000	13 285	16 740	0	0
82 000	13 485	16 980	0	0
83 000	13 685	17 220	0	0
84 000	13 885	17 460	0	0
85 000	14 085	17 700	0	0
86 000	14 285	17 940	0	0
87 000	14 485	18 180	0	0
88 000	14 685	18 420	0	0
89 000	14 885	18 660	0	0
90 000	15 085	18 900	0	0
91 000	15 285	19 140	0	0
92 000	15 485	19 380	0	0
93 000	15 685	19 620	0	0
94 000	15 885	19 860	0	0
95 000	16 085	20 100	0	0
96 000	16 285	20 340	0	0
97 000	16 485	20 580	0	0
98 000	16 685	20 820	0	0
99 000	16 885	21 060	0	0
100 000	17 085	21 300	0	0
101 000	17 285	21 540	0	0
102 000	17 485	21 780	0	0
103 000	17 685	22 020	0	0
104 000	17 885	22 260	0	0
105 000	18 085	22 500	0	0
106 000	18 285	22 740	0	0
107 000	18 485	22 980	0	0
108 000	18 685	23 220	0	0
109 000	18 885	23 460	0	0
110 000	19 085	23 700	0	0
111 000	19 285	23 940	0	0
112 000	19 485	24 180	0	0
113 000	19 685	24 420	0	0
114 000	19 885	24 660	0	0
115 000	20 085	24 900	0	0
116 000	20 285	25 140	0	0
117 000	20 485	25 380	0	0
118 000	20 685	25 620	0	0
119 000	20 885	25 860	0	0
120 000	21 085	26 100	0	0
121 000	21 285	26 340	0	0
122 000	21 485	26 580	0	0
123 000	21 685	26 820	0	0
124 000	21 885	27 060	0	0
125 000	22 085	27 300	0	0
126 000	22 285	27 540	0	0
127 000	22 485	27 780	0	0
128 000	22 685	28 020	0	0
129 000	22 885	28 260	0	0
130 000	23 085	28 500	0	0
131 000	23 285	28 740	0	0
132 000	23 485	28 980	0	0
133 000	23 685	29 220	0	0
134 000	23 885	29 460	0	0
135 000	24 085	29 700	0	0
136 000	24 285	29 940	0	0
137 000	24 485	30 180	0	0
138 000	24 685	30 420	0	0
139 000	24 885	30 660	0	0
140 000	25 085	30 900	0	0
141 000	25 285	31 140	0	0
142 000	25 485	31 380	0	0
143 000	25 685	31 620	0	0
144 000	25 885	31 860	0	0
145 000	26 085	32 100	0	0
146 000	26 285	32 340	0	0
147 000	26 485	32 580	0	0
148 000	26 685	32 820	0	0
149 000	26 885	33 060	0	0
150 000	27 085	33 300	0	0
151 000	27 285	33 540	0	0
152 000	27 485	33 780	0	0
153 000	27 685	34 020	0	0
154 000	27 885	34 260	0	0
155 000	28 085	34 500	0	0
156 000	28 285	34 740	0	0
157 000	28 485	34 980	0	0
158 000	28 685	35 220	0	0
159 000	28 885	35 460	0	0
160 000	29 085	35 700	0	0
161 000	29 285	35 940	0	0
162 000	29 485	36 180	0	0
163 000	29 685	36 420	0	0
164 000	29 885	36 660	0	0
165 000	30 085	36 900	0	0
166 000	30 285	37 140	0	0
167 000	30 485	37 380	0	0
168 000	30 685	37 620	0	0
169 000	30 885	37 860	0	0
170 000	31 085	38 100	0	0
171 000	31 285	38 340	0	0
172 000	31 485	38 580	0	0
173 000	31 685	38 820	0	0
174 000	31 885	39 060	0	0
175 000	32 085	39 300	0	0
176 000	32 285	39 540	0	0
177 000	32 485	39 780	0	0
178 000	32 685	40 020	0	0
179 000	32 885	40 260	0	0
180 000	33 085	40 500	0	0
181 000	33 285	40 740	0	0
182 000	33 485	40 980	0	0
183 000	33 685	41 220	0	0
184 000	33 885	41 460	0	0
185 000	34 085	41 700	0	0
186 000	34 285	41 940	0	0
187 000	34 485	42 180	0	0
188 000	34 685	42 420	0	0
189 000	34 885	42 660	0	0
190 000	35 085	42 900	0	0
191 000	35 285	43 140	0	0
192 000	35 485	43 380	0	0
193 000	35 685	43 620	0	0
194 000	35 885	43 860	0	0
195 000	36 085	44 100	0	0
196 000	36 285	44 340	0	0
197 000	36 485	44 580	0	0
198 000	36 685	44 820	0	0
199 000	36 885	45 060	0	0
200 000	37 085	45 300	0	0

attach..

Sale of oil stocks could boost RDP

by R600-million
AR 15/3/95

(297) (15/3/95)

ALIDE DASNOIS
Deputy Business Editor

SPENDING on the Reconstruction and Development Programme this year will be partly financed by the sale of oil reserves.

A total of R600 million from the sale of oil will be allocated to the RDP Fund.

By the end of the year, the government of national unity will have allocated R75 billion to the RDP.

Last year's R2.5 billion, of which R1.9 billion has already been spent, has been doubled this year.

Half of this year's spending will go to new projects, including R30 million for the Masakane campaign to get people to pay rents, bonds and for municipal services.

R400 million for primary health care.

R250 million for community water programmes.

R14 billion for housing and infrastructure.

R100 million for transport.

R185 million for urban renewal.

Boosted by RDP money, spending on social services now accounts for 57 percent of the budget, compared to 53 percent last year.

Spending on health is up, boosted by higher expenditure on primary health services, especially in the rural areas.

Spending on housing and urban upgrading will double from 1.3 percent of the budget in 1994-95 to 3.4 percent this year.

This higher social spending will mostly be financed from reductions in expenditure on defence, general administration, transport and communication, agriculture forestry and fishing, which saw its vote cut by percent, partly because of the scrapping of some control boards.

The budget for the Department of Home Affairs has also been slashed, from R1.2 billion to R378 million.

BUDGET

MARRIED WOMEN

TAXABLE INCOME		UNDER 65		OVER 65		
	1996	1995	DIFFERENCE	1996	1995	DIFFERENCE
R	R	R	R	R	R	R
6 000	0	140	-140	0	0	0
8 000	0	520	-520	0	0	0
10 000	0	900	-900	0	0	0
12 000	0	1 320	-1 320	0	0	0
14 000	0	1 740	-1 740	0	0	0
16 000	275	2 190	-1 915	0	0	0
18 000	675	2 670	-1 995	0	170	-170
20 000	1 075	3 150	-2 075	0	650	-650
22 000	2 125	4 550	-2 425	0	2 050	-2 050
24 000	3 175	5 950	-2 775	675	3 460	-2 775
26 000	4 725	7 750	-3 025	2 225	5 250	-3 025
28 000	6 275	9 550	-3 275	3 775	7 050	-3 275
30 000	8 375	11 450	-3 075	5 875	8 950	-3 075
32 000	10 475	13 350	-2 875	7 975	10 850	-2 875
34 000	12 709	15 350	-2 642	10 209	12 850	-2 642
36 000	14 942	17 350	-2 408	12 442	14 850	-2 408
38 000	17 176	19 350	-2 175	14 676	16 850	-2 175
40 000	21 693	23 350	-1 656	19 193	20 850	-1 656
42 000	26 310	27 350	-1 041	23 810	24 850	-1 041
44 000	30 977	31 350	-374	28 477	28 850	-374
46 000	40 311	39 350	961	37 811	36 850	961
48 000	49 646	47 350	2 296	47 145	44 850	2 296
50 000	58 979	55 350	3 629	56 479	52 850	3 629
52 000	68 313	63 350	4 963	65 813	60 850	4 963
54 000	79 980	74 183	5 798	77 480	71 683	5 798

STRAIGHT-TALKING director of the Institute for Democracy in South Africa, Wilmot James, says bluntly that the Reconstruction and Development Programme (RDP) "cannot possibly meet its stated objectives" But this is no mere fractious political iconoclasm. Political Correspondent MICHAEL MORRIS reports.

RDP sights set high, but the figures don't add up

(297)

ARG 15/3/95

IN political circles, the Reconstruction and Development Programme is a bit like a sacred cow: nobody's very keen to be seen giving it stick

As a result, sober assessments of it — such as Wilmot James's remarks in Idasa's 1994 annual report — are rare

Warning that there are bound to be "disappointments down the road", in large measure because the RDP "cannot possibly meet its stated objectives," he says "The figures simply don't add up. We will be fortunate and lucky if the RDP does a quarter of what it claims"

Clearly, Dr James has no partisan axe to grind.

But, from the apolitical look-out of his Idasa director's chair, he sees — probably a great deal more clearly than the average RDP-devotee — the pre-eminent need to entrench, strengthen and sustain a democratic culture precisely because there will be let-downs in the mammoth and costly exercise of rebuilding the country, housing its people and making sure they have enough clinics, hospitals and schools

It is not so obvious, he points out, that "a strong democratic culture is a prophylactic against disappointment, resentment and cynicism"

capacity for citizens to make choices and trade-offs and to live peacefully and democratically with the consequences of doing so — until it is time for the next round of bargaining over development"

For that to happen, he argues, transparency and public information must be turned into real, practical tools, and not remain just laudable concepts

"How can we expect citizens to live peacefully with trade-offs, especially the poor and marginalised, when they do not have the information that lies behind the choices?"

"It is like expecting a trade union to make a deal without having access to information about company profits"

Dr James's remarks are as much a challenge to the expectant masses as to the politicians who often seem more adept at delivering promises than product.

He believes communities and individuals should be empowered to influence RDP planning at their level and have the capacity and information "to make realistic judgments about priorities"

Helping people to do this is among Idasa's key aims

To this end the institute will be establishing a Public Information Centre in Cape Town this year — under the directorship of Mamphele Ramphele — "to provide the information and analysis that citizens need to make claims on their rights, grasp the trade-offs in priorities and hold government and public policy to account"

At the heart of it is Dr James's cogent summing up of the meaning of "democratic culture".

It implies that individual citizens must take full responsibility for their actions and lives, that they must stop blaming others for failure.

This is critical in view of the anticipated margin between RDP goals and actual achievements

"Some people say we should diminish expectations, but that is politically difficult to do

"Others suggest that we should begin to think about whom to blame when the time of reckoning comes, a favourite target being — and not altogether unjustifiably so — the civil service. This is not, however, a productive strategy

"What is needed is the ca-

EU seeks special aid deal for SA

By JOHN FRASER

ARGUS FOREIGN SERVICE

(297) (6/4) CT(BE) 15/3/95

Brussels — European Union officials believe South Africa should continue to enjoy far more generous aid from Europe than any of its African neighbours.

Their proposal forms part of a broader plan for EU relations with South Africa — including vital proposals for trading relations, which are expected to lead to complex negotiations.

The blueprint is due to be adopted by the 20-strong European Commission this month before it goes to the EU foreign ministers for approval.

This year South Africa will receive EU aid worth about R550 million — a 25 per cent increase over 1994.

Diplomats in Brussels say EU officials will recommend that the proposed plan for bilateral aid between the EU and South Africa should remain in place until the end of the decade.

The aim is to help the new democracy as much as possible as it tries to implement its reconstruction and development programme.

As a result, South Africa will not tap into the aid elements of the Lome Convention, the EU's development treaty with 70 African, Caribbean and Pacific (ACP) states.

EU officials argue that South Africa's current aid benefits are far superior to those on offer to Lome Convention states, and that if South Africa became a fully fledged member of Lome — an idea which no longer holds currency in Brussels — it would lose out significantly.

From the year 2000, South Africa would probably be put on a par with other ACP states. At that point, Lome itself may be replaced with a more regional strategy.

Outside the areas of trade and aid, South Africa can still expect to be offered some links, particularly political ones, with Lome, that will bind its continental neighbours.

In December Trevor Manuel, South African minister of trade, asked the EU to consider offering South Africa the closest

possible alignment with the convention.

The "Lome minus" formula now being drawn up (the South Africans prefer the term "harmonisation" with Lome) would give South African ministers, members of parliament and diplomats a full voice at Lome Convention debates and meetings.

It would also allow South Africa to tap into regional co-operation programmes funded by the Lome Convention.

The other major element of EU relations with South Africa — and the most important for the South African government — is the trade dossier.

While Lome offers the most favourable trade package possible, it has become clear in talks over the past nine months that South Africa will not qualify for this and that its best bet is to negotiate a separate, tailor-made trade accord with the 15-nation EU.

EU officials are expected to respond favourably to the idea of a separate deal, and this could result in immediate improved access to Europe for SA exports, with a staggered dismantling of South Africa's own barriers on imports from Europe.

The agreement, which would be similar to one the EU has with Russia, would be aimed at eventually establishing free trade between South Africa and Europe.

Brussels officials are also likely to stress that there is a regional element to future trade relations.

The EU's commissioner for South Africa, Joao de Deus Pinheiro, has revealed that he would eventually like to

see a free trade common market among member countries of the Southern African Development Community. This grouping would, in turn, have free trade links with the EU.

However, in the short term, South Africa is unlikely to enjoy complete access to the EU market, as some sensitive exports — particularly agricultural produce — would cause big problems for European producers.

Therefore, Europe is expected to try to maintain some initial trade barriers against South Africa.

**Total grants
this year will
be worth about
R550 million,
a 25 percent
increase on
1994**

Budget balances RDP needs with growth

(297)

CT 16/3/95

The 1995 budget treads a delicate balancing act between improving the lot of deprived citizens and encouraging growth and investment

By BRUCE CAMERON

POLITICAL EDITOR

Finance Minister Chris Liebenberg yesterday presented a tightly woven R153 billion Budget designed to speed up social development programmes without undermining the emerging investor-friendly climate

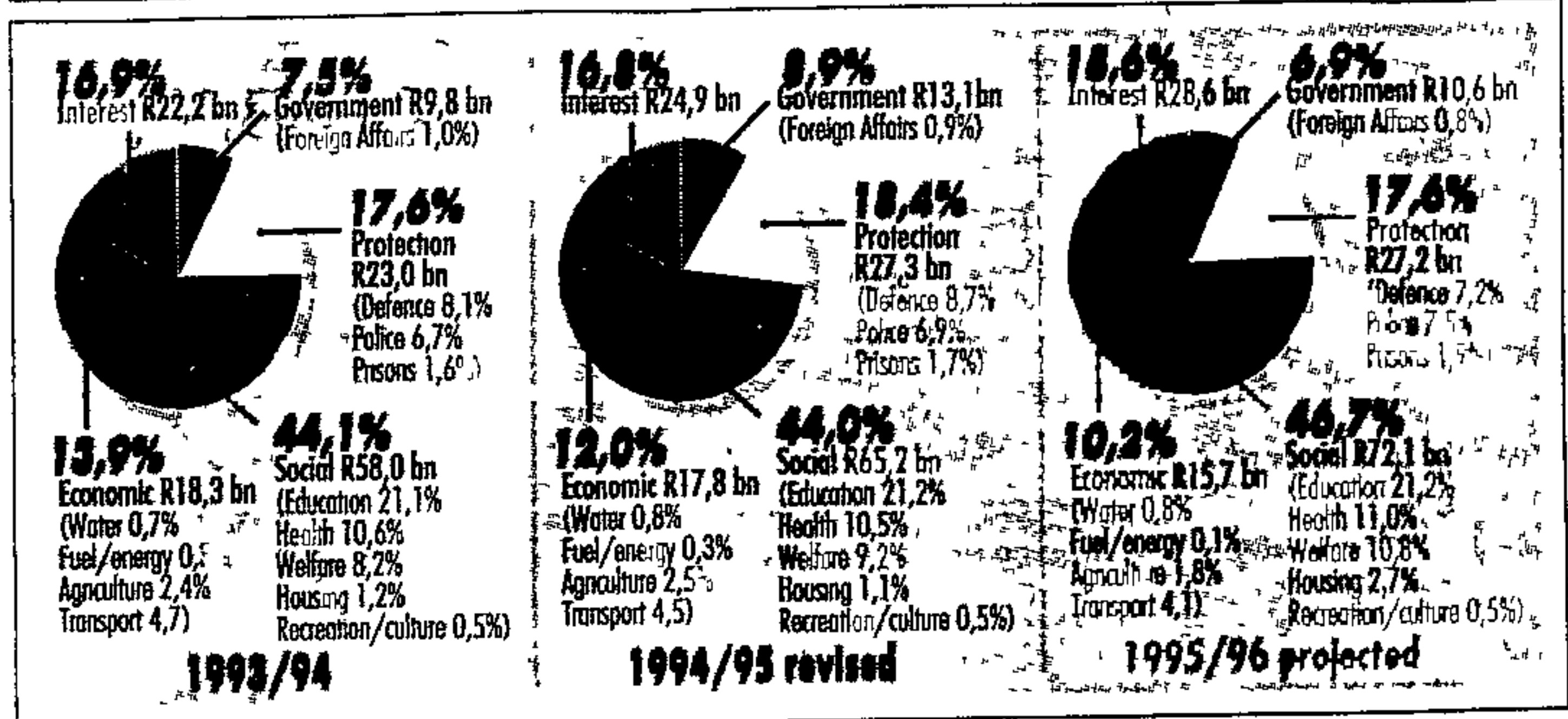
The cornerstones of the first Budget of the government of national unity are sustainable growth, an overhaul of government priorities and strict fiscal control.

Liebenberg delivered more than expected for investors, while at the same time breaking the shackles of previous apartheid budgets to improve the lot of deprived citizens

For some, the worst news was the new tax tables, which get rid of discrimination against married women and single people. Liebenberg wants more from most people earning more than R30 000 a year. He upped the top marginal rate to 45 percent, with the threshold at R80 000, while the previous top rate of 43 percent now kicks in at a lowered threshold of R50 000.

The budget was devised under the tough conditions of a burgeoning state debt, now reaching R250 billion; demands for urgent

Where the money goes



action to improve the living conditions of the millions of poor; the merging of the previous provinces, the six self-governing territories and four independent homelands — while developing financial arrangements for nine newly created provinces; and the already heavy tax burden on individuals, limiting his sources of revenue.

As a result, the Budget is a web of trade-offs and balancing acts. The growing GDP (up 2.5 percent last year and conservatively estimated at 2.75 percent this year) eased his position, giving him leeway to hold back on tax increases.

The growth in the economy gave him scope to get rid of tax discrimination against married women and single people without having to dig deeply into the pockets of most taxpayers.

The lodestone of the budget was the reduction of the deficit before borrowing to 5.8 percent of GDP, or R29 billion. This was down from the revised estimate for last year of 6.4 percent.

The government, still borrowing to finance current expenditure, has a way to go before it stops eating into the country's savings base.

Even while increasing capital expenditure by 41 percent, Liebenberg has slowed the increase in total expenditure to 9.5 percent, while revenue is expected to increase by 11.2 percent.

He has aimed at creating an investor and trade-friendly Budget, concerned with the welfare of its people, while attempting to remove obstacles from the path of

□ Turn to Page 4

P.T.O

BUSINESS AND THE BUDGET



WITH
PREECE
SPECIAL PAGE
INSIDE

Social service spending gets top priority

■ BY ESTHER WAUGH
POLITICAL CORRESPONDENT

Cape Town — The Budget unveiled by Finance Minister Chris Liebenberg yesterday continued the trend of increased social spending with a 10,56% rise on the previous financial year.

Almost 47% — or R72-billion in projected expenditure — of the 1995/96 Budget has been allocated to social services.

But this figure increased sharply to 57,4% if the interest on debt repayments was excluded from the calculation.

This year's Budget was the first to be fully designed under the Government of National Unity, and the Government's policies were more significantly reflected with increased spending on education, housing, welfare and health.

Against this background, it was no surprise that estimated expenditure on protection services was cut from 22,1% of the Budget last year to 21,7%.

The defence budget dropped by 11,4% to R9,8-billion, including a 29,5% decrease in landward defence and a 24,6% decrease in medical support.

Since 16/3/95 (29/3/95)

At the same time the Special Defence Account has been boosted marginally from R3-billion to R3,1-billion. But R700-million for defence has been identified for inclusion in the Adjustment Estimate towards the end of the financial year.

The police budget has been increased to R8,9-billion.

Education spending — which remained the largest single expenditure item in the Budget — amounted to R32,2-billion or 21,2% of government expenditure.

The 9,6% increase was aimed at redressing inequalities in primary and secondary schooling.

The bulk of the R4,3-billion budget for the Department of Education was transferred to universities and technikons.

The universities' allotted amount included R2,7-billion for subsidies, R50-million for financial aid to students and R55-million for new buildings.

The technikons' share included R856-million for subsidies, R5-million for financial aid to students and R40-million for new buildings.

Provincial education departments were allocated about

R27,4-billion for college and school education while private schools will receive a R318-million subsidy.

The housing budget increased sharply by 79,9% to R2,9-billion. This includes R1,4-billion for the nine provinces from the Reconstruction and Development Programme Fund.

A further R185-million has been allocated to special residential urban renewal projects from the 1995/96 RDP vote.

The R15,4-billion health budget will be spent mainly on primary health services, especially in rural areas, and at least R14,8-billion of this amount was budgeted for expenditure at provincial level.

The welfare budget increased by 9,8% to R13,4-billion. However, details of increases in social grants will be announced by Welfare and Population Development Minister Abe Williams.

An amount of R80-million was allocated to the Department of Labour to train unemployed people.

In addition, R268-million was included in the department's vote for transfer to the Unemployment Insurance Fund.

In another effort to create employment, R80-million was allocated to the Department of Trade and Industry for the development of small business.

The department's budget also included R850-million for the Regional Industrial Development Programme, which is expected to create 38 000 direct and 102 000 indirect job opportunities.

Other government initiatives impacting on employment creation are the new housing strategy, support for small-scale farmers and the implementation of rural water supply projects.

Although these projects are co-ordinated at central government level, the initiatives will be implemented mainly at provincial level.

The R936-million Water Affairs and Forestry budget includes R361-million for a new community water supply and sanitation supply.

The Department of Land Affairs' R459-million budget includes R63-million for land restitution and R64-million for land rights and settlement support.

New Budget to cater for RDP

See page 16/3/95 (297)
By Ismail Lagardien
Political Correspondent

THE priorities of the Reconstruction and Development Programme run like a precious thread through the Budget tabled in Parliament yesterday.

While the RDP is only a thread in the new Budget, the ultimate objective is to overhaul the expenditure planning process and to bring policy formulation, programme development, planning, budgeting and monitoring into an integrated system.

This integration is expected to "align Government spending with RDP goals and allow performance in meeting RDP objectives to be measured". This may come to fruition by next year in the 1996-97 Budget.

In the Budget Review, director general of finance Mr Estian Calitz explains that planning and budgetary reforms will eventually be directed towards more effective and efficient spending of public funds by all public authorities.

"The RDP Fund will continue to serve as a channel which guides government spending towards the articulated goals of the Gov-

ernment of National Unity," Calitz says

In last year's Budget R2,5 billion was allocated to the RDP. This is expected to be increased by the same amount each year to an annual allocation of R12,5 billion by 1999.

The RDP Fund will finance the Presidential Lead Projects and Departmental endeavours, such as, for example, Water Affairs and Forestry.

Upgrading

Transport is expected to receive R100 million from the RDP fund for the upgrading and maintenance of roads. This is over and above Transport's initial Budget of R3,019 billion.

Among the appropriations in this year's Budget is R30 million that is to be transferred to the Department of Constitutional Development for the Masakhane community development programme.

The newly established National Economic Development and Labour Council has been allocated R3,1 million. Land Affairs has been given R459 million and a further R22 million from the RDP Fund.

Social services now take 57,4% (297) ~~57,4%~~

POLITICAL CORRESPONDENT

SOCIAL services now account for 57,4% of the Budget — substantially up from the comparable 1994/95 figure of 52,8%.

The shift in priorities reflects the government's determination to move the entire budgetary process towards RDP objectives.

Finance Minister Mr Chris Liebenberg told Parliament yesterday: "Whatever choice is made, the inescapable consequence is that some other, often critical, need has to be sacrificed or postponed."

"It will serve us well to remind ourselves continually of this inescapable reality and to reflect on our national interest as we ask, plead or, as is often the case,

demand of government to meet our particular demands," he said.

Mr Liebenberg noted that education (as a percentage of total non-interest expenditure) amounted to 26%, by far the largest single function in the Budget. The 1994/95 figure was 25,5%.

Housing hike

CT 16/3/95

In the education budget increases go mostly towards redressing inequalities in primary and secondary schooling.

The health services slice of the budget pie increases to 13,4% compared with 12,5% in 1994/95. The increased spending goes to primary health services, particularly in the rural areas.

The most dramatic hike came in housing and urban upgrading, which more than doubles from 1,3% in 1994/95 to 3,4% in 1995/96.

The R13,4 billion provided through the national budget for welfare services represents a 9,8% increase on the 1994/95 amount.

"These increases in social expenditure are mainly financed by reductions in allocations to other government services," the minister noted.

The estimated spending on protection services, for example, falls from 22,1% to 21,7%, including a fall in projected defence spending from 10,5% to 8,8%, but countered somewhat by an increase for policing from 8,2% to 9,2%.

Huge increase for RDP brings total to 5 billion

POLITICAL STAFF

25/16/3/95 (297) (447)
THE 1995/96 budget has allocated R2,5 billion to new projects for the RDP, an increase of 31% over last year. The full amount, including the carry-through from last year, now stands at R5bn.

The new budget aims to facilitate shifts in spending priorities that are key features of the RDP.

An amount of R2,49bn will be transferred to national departments and provincial administrations.

RDP Housing received the biggest increase and now stands at R1,59bn. Water Affairs and Forestry was allocated R250m.

RDP provision for free health care now stands at R1,08bn. Of that amount R680m is carry-through cost, R65m is for the clinic building programme and R500m for the primary nutrition programme.

The additional R2,5bn will be financed partly through the sale of state assets. Particular reference has been made to the sale of strategic oil reserves, which will total R1,2bn during this budget year.

An additional R1bn will be made available through foreign funding.

National lottery 'could ease taxpayers' load'

By CHARLOTTE MATHEWS

INVESTMENT EDITOR

A successful national lottery designed to channel the bulk of its income to reconstruction and development and charity projects could possibly ease the burden on the taxpayer, Lotteries and Gambling Board member Jan de Lange said yesterday.

The board released its recommendations last week, suggesting that gambling be legalised and strictly controlled.

It suggested that a national lottery be established, with 50 percent of proceeds after expenses going to the reconstruction and development programme, 20 percent going to sports, 20 percent to charities, five percent to arts and culture and five percent to other causes.

De Lange said that if the board's recommendations for a national lottery were accepted by

government, it could relieve the need for increased taxes.

It was difficult to say at this stage how much money could be raised by a lottery, but Britain's national lottery, launched last November, had raised £41 million in its first week and its weekly turnover since then had been between £35 million and £50 million, he said.

Turnover

The turnover of a South African lottery is likely to be considerably lower because the country is not as industrialised and distribution raises greater problems.

The British lottery is based on Lotto, where a choice of numbers is fed into a computer. Britain will be launching a second game, based on scratch cards, later this year.

De Lange said the board would decide what type of lottery would

best suit South Africa. It would be either a Lotto or a scratch-card game.

The board recommended that South Africa's existing scratch-card operators, who are technically operating illegally, should be regulated and gradually phased out.

Three classes of smaller lottery should be permitted, with the largest not exceeding a turnover of R500 000 a game.

The board's recommendations must still be approved by the government.

They are expected to be legislated during the current parliamentary session, ending in August.

Once the legislation has been passed, a national lotteries board will be set up.

The board will then put out a tender for the lottery.

In Britain, it took a year after legislation was passed before a national lottery began operating.

sales resumed. Non-residents board

National lottery could ease taxpayers' burden

BY CHARLOTTE MATHEWS

A successful national lottery designed to channel the bulk of its income to Reconstruction and Development and charitable projects could possibly ease the burden on the taxpayer, Lotteries and Gambling Board member Jan de Lange said yesterday.

The Lotteries and Gambling Board released its recommendations last week which suggested that gambling be legalised, if strictly controlled.

It recommended that a national lottery be established, with the net proceeds after expenses going 50 percent to the Reconstruction and Development Programme, 20 percent to sports, 20 percent to charities, 5 percent to arts and culture and 5 percent to miscellaneous causes.

De Lange said, if the Board's recommendations for a national lottery were accepted by

government, it could relieve the necessity for increased taxes. The money contributed to the national lottery would be freely given and not an imposed tax, with prizes as an incentive.

It was difficult to say at this stage how much money could be raised by a national lottery in South Africa, but the UK's national lottery launched last November had raised £41-million in its first week and since then its weekly turnover averaged between £35-million and £50 million.

Turnover

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The recommendations of the Board have still to be approved by government and legislated, which is expected to happen during the current parliamentary session ending in August.

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Mbeki to sign R55m aid deal from Belgium

(297) CJ(BE) 16/3/95

By JOHN FRASER

ARGUS FOREIGN SERVICE

An ambitious new aid accord with Belgium — worth R55 million to South Africa — will be signed in Brussels today by Deputy President Thabo Mbeki.

The three-year programme will be launched at a ceremony to be attended by Mbeki and Erik Derycke, Belgian secretary of state for co-operation and development.

Mbeki is paying a one-day visit to Belgium at the invitation of King Albert II.

The deputy president was unable to see the Belgian monarch during a trip he made to Brussels last month, and is returning this week to pay a courtesy call on the king.

Mbeki's schedule also includes a meeting with Belgian businessmen and lunch with the country's prime minister, Jean-Luc Dehaene.

Talks with the head of the Flemish regional government are also scheduled.

Belgian officials say the three-year bilateral agreement with South Africa has been designed to support the RDP.

The R55 million in Belgian aid will go to health, education and training programmes — and will also help boost the reform of South Africa's administration.

This will be the first accord between South Africa and Belgium since the elections last April.

Mbeki will re-alert his Belgian

hosts to South Africa's concern over new EU visa restrictions, which are still being discussed by the 15 EU governments.

The current proposal would put South Africans on the list of those citizens who would require visas to visit the EU.

A seven-nation common visa accord is due to come into force this month between some EU countries, which have signed a treaty known as the Schengen accord.

Mbeki has already urged the Belgians — who currently hold the presidency of the Schengen group — to remove South Africa from the "blacklist".

Mr Mbeki may also be lobbied by South African diplomats in our embassy to Belgium.

The previous ambassador, Marinus Te Water Naude, returned home last April and has not yet been replaced.

The embassy is being run by the charge d'affaires Keven Brennan.

The South African foreign ministry may be planning to merge its embassy to Belgium with South Africa's mission to the EU, which is headed by ambassador Neil Pieter van Heerden.

Or it may decide to appoint a new ambassador to Belgium — a year after the incumbent returned to South Africa.

Considering these possibilities, Mbeki may be reminded by his Belgian hosts that a question hangs over South Africa's future diplomatic relations with Belgium.

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Oil reserves
sale to aid RDP
Star 16/3/95

■ OWN CORRESPONDENT

Spending on the Reconstruction and Development Programme this year will be financed partly by the sale of oil.

About R600-million from the sale of reserves will go to the RDP Fund, which will receive R7,5-billion this year

About R1,9-billion of last year's R2,5-billion allocation has been spent.

R11,5-billion for the payment of social grants

TYRONE SEALE
Political Staff

THE government will spend R11,5 billion on social grants which will be funded from a total welfare budget of R13,4 billion

Welfare now accounts for 10,8 percent of total non-interest government spending and this year's welfare spending is nearly 10 percent higher than that of 1994-95

This year's welfare budget

will also fund a comprehensive strategy to eliminate welfare fraud and the duplication of payments and to streamline administration

The budget review points out that race-based disparities in the levels of social pensions and other social grants were eliminated during the 1993-94 financial year

"In conjunction with the growth of unemployment compensation, this step has contrib-

uted toward a sharp increase in government expenditure on social security and welfare payments during the 1990s

"The annual increase in government expenditure on social grants necessitates a review of current policies with a view to the development of an integrated social security network for South Africa"

The review said the Department of Welfare and the nine provincial welfare departments were already involved in

developing a co-ordinated and cost-effective social grants system

Steps included the rationalisation of the 14 systems used by provincial government to administer grants, the creation of a central data base and the introduction of improved information technology

"These initiatives will both streamline administration and contribute to the elimination of fraud and duplicate payments"

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R2,3 m given to social upliftment programmes

Education Reporter (297)

TOYOTA South Africa Foundation will spend R2,3 million on projects aimed at addressing social upliftment in disadvantaged communities

The foundation's primary focus was on black education with a bias in favour of technical education, Toyota SA said in a statement

Funding came from annual contributions by Toyota SA and Toyota Motor Corporation in Japan. ARG 16/3/95

Main projects of the foundation encompassed substantial

donations to technical education centres, and specifically in the fields of motor mechanic training, mechanical engineering and related technical fields

Foundation grants had been provided for a number of technikons and technical colleges

In addition, three black high schools in Natal had benefitted from substantial grants.

Other programmes funded were aimed at improving adult literacy and the enhancement of teaching skills, and to assist with additional science and maths tuition for senior school pupils

Telkom can't meet RDP goal

BY ROSS HERBERT

STAFF WRITER

Dikgang Moseneke, Telkom's chairman of the board, said yesterday that the company would be unable to meet the RDP goal of 5 million new telephone lines in five years, given Telkom's already high level of debt.

To bolster its capacity, Telkom requested proposals from other telecommunications companies to deliver one million new lines in the next year. Moseneke said Telkom did not want to take on additional debt and interested companies must offer proposals on how the new lines could be financed, possibly taking advantage of international aid and grants.

Telkom installed about 150 000 new lines in the past year and can continue to deliver about 200 000 lines per year for the rest of the decade, far short of what

CT(BR)17/3/95 (297)
the government would like. Moseneke said the cost per line averaged about R6 000.

Nic van Rooyen, senior general manager for support services, said Telkom's current debt to equity ratio was about 1,6 to one.

"We are not going to borrow any more because our debt ratio is too high. You can't just raise R10 billion overnight, so we are looking for innovative ways to finance new lines," he said.

The one million phones will be targeted at rural areas where fewer than five percent of people have phones. The target areas are in KwaZulu/Natal, the Orange Free State and Northern Transvaal predominantly.

Van Rooyen said the Swedish telephone company Ericson had already shown interest in the project. The proposal period closes on June 2.

An improvement, but with some shortcomings

RENEE GRAWITZKY

297

VAST improvements were evident in the Budget when compared with apartheid Budgets, Cosatu said last night. However, it was questionable whether it succeeded in kick-starting the RDP into top gear.

There was concern that RDP issues would be referred to the RDP Fund and Presidential Projects, which represented a small percentage of the Budget, "rather than ensuring that the entire R153bn is oriented to RDP implementation." It was critical that government departments were reorganised and reprioritised to facilitate the shift of resources towards actual delivery.

In light of this, transparency was absolutely crucial to ensure that "our tax rands are indeed used for RDP implementation," Cosatu said.

It expressed concern that no provision had been made for financing industrial restructuring, which was part of its core demands.

It welcomed the emphasis on the need for consultation on the Budget and the referral of a number of tax and privatisation issues to Nedlac for discussion and consensus-seeking. It called on the private sector to follow government's example in seeking to improve the conditions of employment of low paid workers and the call to upper echelons to tighten their belts.

Cosatu said that, contrary to its call to limit the impact of VAT and reduce the burden on the poor, zero rating was not extended to basic necessities such as water, medicines and foodstuffs. This was exacerbated further by the removal of child rebates, which would particularly affect workers with large families.

The increase in social spending was welcomed, but would not be sufficient to address properly massive backlogs in basic services and infrastructure.

French minister signs R110m loan deal

(297) ARG 18/3/95
Deputy Business Editor

A R110 million loans package from the French government, was announced by French Minister of Industry, Posts, Telecommunications and Foreign Trade Jose Rossi yesterday.

But on the trade question, the Minister would not be drawn on whether or not France would support South Africa's bid for easier access to European markets through the Lome Convention.

At the end of a four-day visit to South Africa, Mr Rossi told a press briefing that France would take a "constructive" attitude to South Africa's appli-

cation during its presidency of the European Union.

The 15 member states would decide on the issue during the ministerial council meeting in April, on the basis of a proposal to be formulated by the European Commission.

Asked whether the French government would support South Africa's application to join the Lome Convention, he said France would not block the bid.

Mr Rossi said the R110 million loans package, which could be aimed at small and medium enterprises and disadvantaged communities particularly in the telecommunications sector,

had been decided by his government "a few days ago".

The new funds brought France's contribution to the Reconstruction and Development Programme (RDP) to R600 million, including money channelled through the European Union.

This put France in the front line of donor countries, Mr Rossi said.

Also on the cards is the creation of an Electronics, Automation and Telecommunications Training Institute, in cooperation with the Pretoria Technikon.

The Institute would be aimed at disadvantaged students and

managers, Mr Rossi said.

Other decisions taken during his visit included:

- The signing, with Minister of Trade and Industry Trevor Manuel, of an agreement on the creation of a joint Franco-South African Trade and Industry Commission.

- A loan of R70 million from the French Development Bank to the Development Bank of South Africa.

- The renewal of the 1992 industrial co-operation agreement with the Industrial Development Corporation, and

- The creation of a joint venture in engineering.

NEWS IN BRIEF

Taxi task force

ABOUT 250 representatives of taxi organisations throughout the country reached agreement at a meeting with government in Johannesburg to form a joint task group to investigate problems confronting the industry. Issues to be examined include road safety and driver discipline. Transport Minister Mac Maharaj addressed the meeting. **BD 20/3/95**

Pay talks deadlock

NEGOTIATIONS on wage increases for the year by the Southern African Clothing and Textile Workers' Union (Sactwu) and Pepa Stores deadlocked on Friday.

Sactwu said a Conciliation Board hearing would be held this week to try to find a solution.

If the Conciliation Board was unable to resolve the dispute, the union would conduct a ballot on whether to strike. **BD 20/3/95**

SA eyes arms market

DEFENCE Minister Joe Modise is confident SA can sell locally designed military ware successfully on the international market. Speaking before leaving for the Abu Dhabi Defence Exhibition in the United Arab Emirates, he said SA would display its G-5 and G-6 weapons, laser range-finder, mine detection equipment and an array of naval vessels.

Modise said several countries had approached SA saying they wanted to buy weapons, but he refused to identify them.

Modise was accompanied by Defence Force chief of staff Gen Wessel Kritzinger, Defence Secretary Pierre Steyn and Armscor chairman Johan Moolman.

Reporter wins award

BUSINESS Day reporter Noma-venda Mathiane last week won a merit award in the essay/fiction category of the Mondi Paper Magazine Writing competition. Mathiane won the award for her short story titled Labour Pains, which appeared in last April's issue of Femina. Her story dealt with the birth of a new society.

REPORTS: Sapa, Business Day Reporter

French visit leads to trade deals

EDWARD WEST

CAPE TOWN — The R600m of foreign aid pledged to SA by France, including contributions to European Union (EU) aid, put the country among the front-runners of donor countries to SA, French Industry, Telecommunications and Foreign Trade Secretary Jose Rossi said on Friday.

Rossi was speaking at a briefing shortly before his return to France following a four day visit to SA during which he met several national and provincial government and business leaders.

Agreements reached included the creation of a Franco/SA trade and industry commission, a R70m loan from the French Development Bank to the Development Bank of Southern Africa, renewal of the 1992 industrial co-operation agreement with the Industrial Development Corporation and the establishment of a Franco/SA engineering company, Ingerop-Bergman.

During the visit French company Gemplus created a technical development and commercial subsidiary in Johannesburg and signed an agreement of association with a service company in the banking sector.

Rossi also presented SA trade and industry officials with a project to establish a institute of training for

electronics, automation and telecommunications, with the support of the French government and businesses and in liaison with the Pretoria Technikon, for underprivileged students.

Rossi said France had doubled its investment in SA in the past two years, while the number of French companies to have established operations in SA had grown to more than a 100 from only 12 in 1990.

In addition, a R110m financial aid package approved by the French government last week would complement loans from the French Development Agency, donations from the French foreign affairs ministry and from the French fund for the global environment announced by the French president in July last year.

Asked if France, during its chairmanship of the EU, would support SA's aim of joining Lomé now that other development countries no longer objected to it, Rossi said: "France is not trying to block anything. France aims to facilitate the emergence of a sympathetic position."

He said SA's position with the EU would be determined by the 15 member states at the ministers' council in mid-April on the basis of proposals by the EU Commission.

Probe 'contravenes GATT'

JOHN OLUDLU

AN INVESTIGATION by the Board on Tariffs and Trade into allegations of dumping of cheap footwear imports by Chinese firms could constitute a contravention of GATT provisions, a lawyer acting for the Chinese companies said at the weekend.

In a Government Gazette notice, the board said an investigation was being conducted into complaints lodged by the Footwear Manufacturers' Federation — representing SA manufacturers — that certain footwear classes originating from Hong Kong and China were being dumped on the SA market.

Webber Wentzel international

trade partner Leora Blumberg, who is representing the Chinese firms, said there were four definitions of dumping in the Board on Tariffs and Trade Act. The board had invoked the fourth, which was contrary to GATT principles and would soon be repealed. "A draft Bill, which amends the definition of dumping to comply with GATT, has been introduced. In particular, the Bill removes the fourth definition of the Act."

A spokesman for the board said on Friday the investigation had not yet been completed.

SACP voices fears for non-governmental bodies

BD 20/3/95

297

WILSON ZWANE

THE SA Communist Party wants government to ensure that non-governmental organisations do not collapse as a result of a lack of funds, by integrating their projects into its own under the auspices of the reconstruction and development programme.

SACP Gauteng secretary Jabu Moleketi, who is also provincial finance minister, said at the SACP's Gauteng congress at the weekend that non-governmental bodies were crucial to the implementation of the RDP due to their expertise. However, these organisations were in danger of folding as donor funds were drying up.

It was for this reason that the party wanted projects initiated by such bodies to be "part and parcel" of the integrated planning envisaged in the RDP.

According to a SACP draft strategy and tactics document, the RDP "has the capacity to lay the foundation for a decisive breakthrough towards socialism in our country".

"The RDP explicitly undertakes to measure its own success or failure in terms of its capacity to meet the basic needs of our people. Macroeconomic concerns, like the growth rate, the inflation rate or our inter-

national competitiveness are all subordinated to this critical objective," says the document.

Meanwhile, Sapa reports that Moleketi told the congress the NP could not, despite its own efforts, represent anything other than the "preservation of white minority privilege".

The NP was having difficulty in dealing with its new role of junior partner in the government of national unity, and had even attempted to reflect government as a partnership of equals.

But the ANC, by introducing new policies and programmes, had led the NP to the "shock realisation" that it was "an ingredient, but not the essential ingredient" in the new SA government.

Many within the NP were now questioning whether the party would not be better off in opposition rather than in a partnership, he said.

Also addressing the congress, Gauteng premier Tokyo Sexwale warned that if the ANC-led government failed to deliver on its election promises, conditions would be created for the rise of neo-fascist forces in the country.

Ordinary people were not de-

manding everything as many thought, but wanted "at the very least to see a demonstration that we are attending to their problems".

It was, therefore, important for leaders in the democratic alliance to go out and meet people on the ground, rather than to just talk about their problems, Sexwale told delegates to the congress.

In his address, SACP central committee member Jeremy Cronin said capitalism had "no sustainable answers for the world".

Socialism had collapsed in eastern Europe, to be replaced by capitalism which had delivered unemployment, poverty and misery.

Cronin said the SACP was not a "small ultra-left organisation that believes in some sort of utopia".

"It is a party that feels uneasy about the disparities of wealth and poverty," he said.

"We are not satisfied with the idea that some people can be extraordinarily rich while others are extraordinarily poor."

The SACP had "grown massively" since 1991 and was now more unified than ever before, he said.

Call for township payments

THE Soweto Civic Association would mark its 10th anniversary tomorrow with a call to residents to pay for services and encouragement for foreign and local investment in Soweto, it said at the weekend.

The body, which spearheaded the rent and services boycott in the mid-1980s, had taken "From Resistance to Development" as its theme for the rally at Orlando Stadium, co-ordinator Dassie Molemela said.

In its campaign to help turn Soweto into a modern city, it would assure investors that anti-crime and anti-violence programmes were already in place to make the township a safe place for investment.

As the 43 branches of the group saw delivery on the reconstruction and development programme as their responsibility, residents would be told about forums set up to facilitate delivery of the programme.

THEO RAWANA

"We will be working with the local and metropolitan councils to ensure delivery on the reconstruction and development programme. It is in that vein that the civics will be fully involved in facilitating voter registration," Molemela said.

Speakers would focus on payment for services, voter registration and local government. Residents would be addressed on such issues as community policing, and local and community development forums.

Speakers will include Minister without Portfolio Jay Naidoo, Provincial Affairs Deputy Minister Valli Moosa, Gauteng safety and security minister Jessie Duarte and Greater Johannesburg mayor Isaac Mogase, who is also president of the body.

President Nelson Mandela had also been invited, but no response had been received from his office. BD 20/3/95

PAC threatens to pull out of local elections

THE East Rand branch of the PAC says the organisation will pull out of the local government elections if President Nelson Mandela refuses to meet its demands.

PAC member Jabaane Khumalo told Sapa on Friday the party wanted Mandela to proclaim its military wing Apla as part of the SANDF.

He said the PAC also demanded the unconditional release of all political

prisoners and "an end to the police harassment and arrest of Apla and Umkhonto we Sizwe members for activities they carried out during the armed struggle".

Khumalo said a "final demand" would be issued to the President at a Sharpeville Day rally to be held tomorrow at Katlehong's DH Williams Hall.

"We will rededicate ourselves to fight on for land issues," Khumalo said. — Sapa.

Cape Town redesigned

BD 20/3/95
EDWARD WEST

CAPE TOWN — A long-term spatial development framework had been drawn up for the Cape Town metropolitan region, aimed at curbing future urban sprawl and decay and protecting the region's environmental assets, Cape Town Metropolitan Council regional planning director Francois Theunissen said at the weekend.

Theunissen said the plan, in the making since 1991, would be circulated for public comment before a final draft was prepared and submitted to new local authorities as a framework for planning and action and to provincial authorities for statutory endorsement.

MLH Architects and Planners spokesman Ken Sturgeon said Cape Town's metropolitan area represented one of the "finest apartheid cities ever to be devised," due to the separation between communities.

■ RONDEBOSCH EAST

Funding crisis threatens centre for handicapped

ARG 22/3/95 (297)

□ *Desperate plea for money to save facility*

FEROZA MILLER
Staff Reporter

AN eleventh-hour bid is being made to save Woodside Sanctuary, a home for profoundly mentally and physically handicapped children in Rondebosch East, from being closed at the end of the year due to lack of funds.

Parents and staff said the home was just able to break even this year, but more money would be needed to keep the home going in the years ahead.

To save the home, Woodside's management board, including honorary life president, Mr Justice G Friedman, and Mr Justice P H Tebbutt, decided to close the Day Care Centre — which costs R100 000 a year to run — at the end of April.

But even with the centre closed, the home will still be R23 000 a month short.

Board chairman Paul Lee, said "We are doing everything possible to keep the home open, but if we get no additional support from the state or private sector, we could be forced to close at the end of the year."

"We've received a wonderful offer of help from a financial institution which will keep the

sanctuary, but not the day care centre, open."

General manager Sally Russell said the home could be saved with a grant from the RDP or if the state took it over.

Fundraiser Bronwyn Gage, said that while funds were still coming in from past donors, it was difficult to find new donors.

Thousands of letters, asking for help, have been sent to schools, organisations and private individuals and several fundraising functions are planned.

To keep a child at Woodside costs nearly R2 000 a month. The total annual cost for the 80 children is about R1,9 million.

None of the parents can afford to pay R2 000 a month and government grants are inadequate to meet the shortfall.

Each month Woodside receives R90 000 from parents' fees and government grants.

The Community Chest gives valuable support but it too has received less in donations than it did in the past and has had to cut its grants to Woodside to under R6 000 a month.

Woodside's total annual income is about R1,68 million, leaving a deficit of about R600 000 which has to come

from donations and fundraising functions.

Salaries and wage makes up the major part of costs and the home is facing demands for increases from staff, making the financial picture even more bleak.

Management is constantly monitoring expenses and exploring all means of cutting costs.

Established in 1976, Woodside Sanctuary, on the corner of Lawson and Denver Road, is the only privately run, inter-denominational, non-racial home in the Western Cape providing specialised care for profoundly mentally and physically handicapped children.

It accommodates more than 80 people. All possess an IQ of under 25 (that of a year-old child) and the majority are in nappies.

Funds derived from the Community Chest grant, parents' contributions, public donations and a monthly government grant for some children, are insufficient to meet the day-to-day running costs of the home and its capital requirements.

To make a donation and ensure Woodside's continued existence please contact Bronwyn Gage at ☎ 696 2811/2.

Welfare staff 'vulnerable'

POLITICAL STAFF

STATE welfare staff were in danger of becoming secondary abusers of the very victims of society they were so poorly paid to care for, Deputy Minister of Welfare and Population Development Ms Geraldine Fraser-Moleketi warned yesterday.

Speaking before addressing about 100 angry social welfare workers at the Mowbray Town Hall, Ms Fraser-Moleketi, said their long hours and poor pay contributed to domestic pressures at home which increased potential for abuse of the people they cared for at work.

Emphasising that she was giving an example of the negative effects of failing to resolve grievances, she said: "The people

they care for are already extremely vulnerable and often abused — we simply cannot afford to have a dissatisfied work force".

Ms Fraser-Moleketi was standing in for her senior minister, Mr Abe Williams, whom the Concerned Social and Allied Workers, had given until yesterday to reply to a list of demands.

A 9,3% increase in the R13 billion allocated to welfare in the Budget, had to cater, for example, for 18 000 "waitlisted" Eastern Cape pensioners and salary increases were not specifically catered for.

"We're going to have to juggle quite a bit," she said. **CT 23/3/95**

A qualified state social worker's minimum salary was R2 187 with a maximum of R3 146 after 10 years' service.

THURSDAY
MARCH 23, 1995 ★

SECOND-POOREST PROVINCE 'NEEDS INJECTION'

E Cape premier's plea to Queen for UK aid

(297)
CT 23/3/95

PORT ELIZABETH: The city greeted Queen Elizabeth II with a banquet, and the Eastern Cape Premier expressed hopes for economic co-operation.

Eastern Cape Premier Raymond Mhlaba made a strong plea for British aid and investment in his province at a lunch in honour of Queen Elizabeth II here yesterday.

The banquet was attended by about 550 guests, including regional ministers, civic, business and traditional leaders and members of the judiciary.

The meal was served in a hall at Vista University, overlooking the sprawling squatter settlement of Missionvale.

Mr Mhlaba said the Queen's visit was not only symbolic but should also strengthen friendship and co-operation between Britain and South Africa: "I trust we should experience mutual economic benefits," he said.

He said the Eastern Cape was the second-poorest province in

South Africa and desperately needed an economic injection.

The central government had limited resources and the province needed external assistance in the form of grants and human resource development.

The Queen said happy memories of her last visit to SA 48 years ago were mixed with sadness at the length of the apartheid era.

"But in 1995 we meet in a new South Africa which has rejoined the Commonwealth and is working hard to overcome the legacy of the years of apartheid and prejudice," said the Queen.

She said the young were SA's most precious resource.

"It is by helping to unlock the potential of this country's most precious resource — its young people — that South Africa's future success and harmony can best be assured."

She was greeted by hundreds of cheering students gathered along the entry road to the university.

There was no sign of trouble at the university, where students of the Azanian Students Congress (Azasco) have been boycotting classes for the last few weeks.

The mayor, Mr Nceba Faku, had asked them to call off the boycott for the royal visit.

Just before the Queen's arrival, police scrubbed slogans reading "To hell with the colonial queen Viva Azasco" from the university entrance.

The Queen earlier visited the Centenary Hall community sports centre and library in New Brighton where police estimated 20 000 people were out in the streets or on rooftops to see her pass.

Inside the centre, the Queen was led by a praise-singer in traditional dress with a spear and club before being treated to a performance by a choir and dancers.

She later visited a nutritional clinic in Missionvale and Port Elizabeth's Centre for Continuing Education before leaving for Pretoria's Waterkloof airbase.

Her husband, Prince Philip, was visiting Kimberley before heading for a rural development project near Ventersdorp in North West province.

The six-day state visit will wind up in Durban, with the royal couple flying home on Saturday night — Sapa-Reuter

Private sector must help transform SA

(297)

THE time has come for the private sector to become much more actively involved in the transformation of the South African society, Housing Minister Sankie Nkondo said this week.

Speaking at a fundraising dinner for the South African National Civics Organisation in Johannesburg, she said business needed to become involved in uplifting communities.

She said it had a vital role to play as it had the resources and the managerial ability to ensure efficient and productive transformation of society.

"The time has come for the private sector to follow the lead of the banks in committing significant financial and management resources to those communities where the need is greatest.

"This is not to ask business to become a charitable institution. If South Africa is to work, the private sector must be profitable. But profits cannot be seen in isolation. They must be linked to social responsibility."

Nkondo said. This was the secret of success in some of the world's most efficient and productive countries, she said, adding that she had seen this in

■ VITAL ROLE Bigger involvement in transformation of society needed:

Sowetan 23/3/95

practice during her stay in Germany. However, the willingness of business to become involved would not happen unless there was a massive shift in attitudes in the townships.

Communities themselves had to create a climate for investment by the private sector. "To do so, individuals must accept their responsibility to pay for their housing and their services. The boycotts are over. What we have in many places now is a situation of non-payment — and that is different to a boycott which has a common and positive purpose."

Nkondo said mobilisation and organisation on the civic level was pivotal in bringing down the apartheid system. "Without Sanco and its leadership we would still be living in the old South Africa."

"We must make local government work again. Just as we were determined to bring it down as long as it

worked for apartheid and was against the people, so must we be prepared today to make it work for the people."

She said withholding rent, refusing to pay for services and stopping payment on bonds were acts of political defiance — a powerful weapon in the struggle for justice and democracy.

But now the country had to break out of the adversarial relationship between Government and the people created by decades of colonialism and apartheid, she said.

"The boycotts were designed to hurt apartheid and that is what they did. Non-payment today is hurting those who have nothing."

"It is hurting those who are waiting for houses and those who are waiting for water, electricity and sewage disposal. Every Rand that is withheld for rent or bond payments is one Rand less for building houses," Nkondo said — Sapa

Dutch pledge R80m aid: South Africa and the Netherlands signed a development aid agreement for R80 million for 1995 yesterday, half of which would go towards the Reconstruction and Development Programme. The agreement was signed by the minister without portfolio, Jay Naidoo, and the Netherlands minister of development and co-operation, Jan Pronk. (297) CT (BR) 24/3/95

Cosatu knocks Budget for neglecting the RDP

Star 24/3/95

297

■ BY JUSTICE MALALA

The Congress of South African Trade Unions has slammed the 1995/96 Budget released by Finance Minister Chris Liebenberg last week, saying it failed to deliver on RDP needs.

In a submission to the parliamentary joint standing committee on finance, the union said that when compared to previous budgets, it did have a number of positive features.

"But judged in terms of the fundamental shift required by the RDP, the Budget fails to deliver."

The Budget was not the product of consultation and continued to bear the stamp of the old bureaucracy, Cosatu said.

"No bold vision or plan has been presented on delivery of the RDP. The Budget does not reflect commitments to radically reorient the organisation of the public sector and the allocation of resources."

The union said in the submission

that the tax regime outlined in the Budget "remains regressive in character", although it welcomed moves to crack down on large-scale tax evasion and avoidance by large corporations.

"Massive resources, which could be reallocated to the RDP, continue to be sucked into the military/security establishment."

"The Budget is imbued with a one-sided, restrictive vision of monetary policy and fiscal discipline, which seriously undermines the capacity of the GNU to implement the RDP."

The Budget needed to reflect a strategic vision and plan for the entire State, as well as indicate the setting of RDP targets by each department.

Cosatu added that the Government's failure to extend VAT zero-rating to basic necessities including water, medicines and foodstuffs would continue to put an unfair burden on poor and working people. It welcomed the elimination of tax discrimination between men and women.

Southern RDP forum to study community needs

Staff Reporter

(297) ARG 20/3/95
THE southern reconstruction and development community forum is to undertake a needs analysis project and is looking for people who live in the area to come forward and help

The forum's Khalil Mullage said that to make informed decisions and develop a vision and development plan for the area, the forum had identified the need for a proper scientific needs analysis for the area it covered

The area stretched from Muizenberg beach on the southern side to De Waal and Kendal roads in the north, Vrygrond and St Montague Village along Prince George Drive in the east to the Steenberg mountains in the west

It included areas like Vrygrond, Seawind, Lavender Hill,

Marina da Gama, Retreat, Steenberg, Heathfield, Kirstenhof, Tokai, Bergvliet and parts of Constantia

Research would be undertaken into

- Housing — the evaluation of existing housing schemes, identifying future needs and to determine norms and standards,

- Facilities — evaluate the need for police, ambulance, sport and recreation facilities

- Transport — evaluate transport services and infrastructure

- Environment — identify strategic sites

- Health — investigate and identify needs in terms of local health facilities

- Youth development — identify needs in terms of youth development

Aid abuse probe

'Officials illegally steered funds to blacks in US, South Africa'

ARC 24/3/95 (297)

DAVID MORRIS
The Associated Press

WASHINGTON — Funding officials are under investigation after allegations that lucrative grants and contracts were illegally steered to blacks in the United States and South Africa

A spokesman for the Agency for International Development (AID) said Leslie Dean, director of the agency's South Africa mission, was a focus of the investigation

The investigation was opened in January by AID's inspector-general, the agency's internal watchdog

The probe was prompted by Paul Neifert, an AID employee who was transferred from South Africa last year, and who complained about the agency's policies

Several other employees have made similar charges

Mr Neifert alleges the agency began excluding non-blacks from most contracts and grants in its South Africa programme in late 1992, when new managers took over. AID distributed more than \$200 million to South Africa last year

"One result of this policy is that taxpayer resources are being squandered as race-conscious AID bureaucrats and administration political appointees struggle to illegally favour blacks and discriminate against all other racial groups," Mr Neifert wrote in a February 6 letter to a senator, Fred Thompson

AID gives mission directors wide leeway to award grants of up to \$5 million, but requires competitive bidding for contracts above \$100 000

Documents show other AID workers have also alleged that the South Africa programme had been discriminating against whites and other minorities.

"Every significant activity developed by USAID-South Africa since the change of management two years ago that calls for substantial United States resources has been structured as a minority set-aside program, intended for African-Americans if at all possible," Harry R Johnson, Mr Neifert's former boss in South Africa, wrote two congressmen last November

Mr Johnson wrote that some entire programmes, such as a \$10 million housing project, were set aside for black-controlled companies, and one project worth up to \$25 million was cancelled because it could not be awarded to blacks

In a February 24 letter to Senator John Warner, AID Inspector-General Jeffrey Rush said his team of one criminal investigator and two auditors would work with the US attorney if any wrongdoing was found

The investigators are in South Africa this week

AID officials declined comment, citing the ongoing investigation. Agency spokesman Jay Strell said that Mr Dean, the mission director, would not discuss the case because he was a focus of the probe

The probe comes as some congressional Republicans are seeking to cut foreign assistance, disband AID and curtail affirmative-action programmes. AID distributed \$13.7 billion in foreign assistance last year, including more than \$200 million for South Africa

Much of the South Africa money is used for grants and contracts to both US and South African companies that encourage economic development from job training to house building

This is the second time the inspector general has looked into Mr Neifert's complaint. Last year, after a preliminary review, the inspector determined a full investigation wasn't necessary.

Officials would not say why a full in-

(To page 2, col 1)

Probe into aid abuse⁽²⁹⁷⁾

(From page 1)

vestigation was ordered this time. "We really can't comment at this point because of the investigation," Mr Strell said

An investigator's report from the earlier inquiry indicates that several employees of the South African mission, in addition to Mr Neifert, complained. ARC 24/3/95

According to government documents, one part of the investigation focuses on a \$2 million grant to Washington-based Africare for training workers in the new South African government

Although the grant is under the amount a director can award at his own discretion, Mr Neifert told investigators he believed the programme should have been structured as a contract, subject to competitive bidding

● A US embassy spokesman in Pretoria said today the report was being investigated and there could be reaction later

Mr Dean is still in South Africa but an official said he was not at the embassy today

Dutch pledge makes RDP R40-m richer

Political Staff

(297)
AR 624/3/95
THE reconstruction and development programme (RDP) is R40 million richer, thanks to a pledge from the Dutch government which says the programme is in line with international thinking on development.

Agreement was reached yesterday between South Africa and the Netherlands for a 1995 development aid allocation of R80 million, half going directly to the RDP.

A statement by the president's office said these funds would be used to promote democratic government, education, and youth and rural development.

The agreement emerged from the first round of government-to-government consultations on financial and technical co-operation.

The South African delegation, headed by minister without portfolio Jay Naidoo, held talks with a delegation led by Dutch minister of development co-operation Jan Pronk.

Mr Pronk said his government was pleased with the focus of the RDP.

SA receives R80m in aid

ADRIAN HADLAND

(291)

CAPE TOWN — The Dutch government agreed yesterday to provide SA with R80m in development aid.

The announcement followed a meeting in Cape Town between Dutch Development Minister Jan Pronk and Minister without Portfolio Jay Naidoo.

About R40m of the aid would be transferred to the RDP fund for use in democratisation, governance, education, youth and rural development programmes.

Pronk said the Dutch government approved of the objectives of the RDP, saying they were in line with international development thinking and agreements reached at the World Social Summit in Copenhagen earlier this month.

The agreement on development assistance was part of the first round of government-to-government consultations on financial and technical co-operation between the two countries.

In the past, assistance to SA from the Netherlands had taken the form of support for non-governmental organisations, Dutch embassy spokesman Paul Bekkers said.

While this would continue, assistance would now be provided directly to the government, he said.

US aid agency confirms probe into its operation in S Africa

Star 27/3/95

(297)

■ BY PETER FABRICIUS
STAR BUREAU

Washington — The head of the US Agency for International Development (USAid) has confirmed a formal inquiry by the agency's inspector-general into charges that it is dispensing US financial assistance in South Africa to favour blacks and Americans illegally.

The agency's administrator, Brian Atwood, has denied charges that it had "engaged in exclusionary procurement activities" but said it took all claims of impropriety seriously.

The inquiry has been requested by a member of Congress and two officials were in SA conducting the inquiry.

Atwood said it was not the agency's practice to

favour any racial groups "beyond requirement set by law and policy".

"In every country where USAid implements development assistance programmes, US law requires that not less than 10% of USAid's development assistance funds must be made available to minority or other historically disadvantaged organisations.

"During 1993 and 1994, of the \$253-million (R915-million) in aid from the US, approximately 7% (\$18-million) was delivered through African American organisations.

"US contractors implemented about 44% (\$111-million) of total US assistance to SA, with indigenous SA organisations implementing the other 56%."

USAid took all claims of impropriety very

seriously and the office of the inspector-general had begun a formal inquiry into "contracting and relative activities" of the SA mission.

Atwood said the USAid programme in SA had been "vital to the empowerment of millions of South Africans

"Agency staff have received high praise from black, coloured, Asian and white South Africans . . ."

It is understood that the congressman who requested the probe is new Republican Senator Fred Thompson of Tennessee.

The Republican majority in Congress is strongly opposed to affirmative action and foreign aid.

Atwood said that in 1994, US assistance to SA totalled \$132,8-million.

ATIONAL

'Generous' aid for SA

CT(EE)28/3/95

(297)

FROM JOHN FRASER

ARGUS FOREIGN SERVICE

Brussels — The European Commission is this week expected to propose a new relationship between the European Union (EU) and South Africa

The 20-man commission is set to adopt a proposal from Joao de Deus Pinheiro, the Brussels commissioner responsible for South Africa. Pinheiro is due to call for a new trade accord between Brussels and Pretoria, with the eventual aim of free trade.

He will also suggest that Europe should keep offering more generous aid to South Africa than is given to other African states.

He will recommend South Africa's partial admission to the Lome Convention — a trade, aid and political co-operation treaty linking the EU to 70 African, Caribbean and Pacific states.

However, Pinheiro will suggest trade links and EU aid to South Africa remain outside the convention's framework. If European commissioners endorse his approach, the new blueprint for European-South African relations will be presented to EU foreign ministers next month.

The 15 EU governments would then decide whether to give Pinheiro a mandate to launch negotiations with Pretoria, with the hope that a deal can be reached by the end of June. Pinheiro is due to visit South Africa in May.

In another development, seven EU states lifted all border controls and restrictions with each other at midnight on Saturday.

This new bloc was set up under the Schengen Convention, and will allow South African visitors or residents in any of the Schengen states to travel to any of the other six without showing passports.

South African visitors will require one visa, valid for entry to all Schengen states. However, the Schengen governments, of the three Benelux states, France, Germany, Spain and Portugal, have failed to respond to a request by the deputy president, Thabo Mbeki, that South African citizens should not require visas at all.

South African diplomats are worried the common visa approach will be adopted by the EU. If that were to happen, South Africans — who do not at present need visas to visit Britain or Ireland — will need a visa for the two English-speaking states.

TUESDAY
MARCH 28, 1995 ★

Plea for tight fiscal control

POLITICAL STAFF

(297) (49)
CT 28/3/95

THE R17 million being "rolled over" into the upcoming financial year to finance community-led RDP projects and their "facilitation" needed constant scrutiny.

The DP's provincial leader, Mr Hennie Bester, said this during the second reading of the Adjustment Appropriation Bill in the Western Cape legislature yesterday.

He suggested Transitional Local Authorities be made the vehicles to "ensure accountability", and recommended the appointment of a professional at each TLA site.

Financial support to broadcasters in the former

TBI states

*12 Sen A E van NIEK asked the Minister for Posts, Telecommunications and Broadcasting:

Whether it is the intention to financially support any former broadcasters in the former TBVC states until their incorporation into the South African Broadcasting Corporation, if not, why not, if so, (a) with what amounts, (b) on what conditions and (c) how will the (i) broadcasters be managed and (ii) utilisation of these amounts be controlled?

Hansard SS2E
28/3/95
The MINISTER FOR POSTS, TELECOMMUNICATIONS AND BROADCASTING

No, at the end of January 1995, the Minister for Posts, Telecommunications and Broadcasting hosted a workshop among all the stakeholders in broadcasting from the former TBVC states and South Africa. Among other recommendations, the workshop requested the Ministry to convene a Task Group to investigate the future of the ex-TBVC Broadcasters and to make proposals regarding their integration with SABC. The Task Group is due to report to me on Wednesday, 29 March 1995, which, unfortunately, is tomorrow.

Resettlement of Darrara descendants from

Namibia to Ruemvasmaak

*13 Sen A E van NIEK asked the Minister of Land Affairs:

- (1) Whether it is the intention to resettle any descendants of the Damaras from Namibia to Ruemvasmaak, if so, (a) when and (b) how many (i) descendants and (ii) animals will be resettled,
- (2) whether adequate infrastructure exists in Ruemvasmaak for the resettlement of these descendants, if not, what is the position in this regard, if so, what are the relevant details?

SS3E

The MINISTER OF HOUSING (on behalf of the Minister of Land Affairs)

- (1) No, it is not the intention to resettle Damaras from Namibia to Ruemvasmaak. It is, however, the intention to support

the Ruemvasmakers (South Africans) who were removed during 1971 by the previous Government to Namibia (Damaraland Region), and who prefer to do so, to return to Ruemvasmaak in accordance with the recommendations of the previous Commission on Land Allocation

- (a) The Department of Land Affairs is currently in the process of bringing back these Ruemvasmakers. It is estimated that the exercise will be completed by June/July 1995

- (b) (i) Approximately 88 families (± 525 souls). All the families who were removed, however, have not yet decided whether they want to return

- (ii) According to original estimates approximately 250 large stock, 3 500 small stock, approximately 125 dogs and cats and a number of poultry. It now appears, however, that these figures will eventually be significantly lower

- (2) Yes, sufficient infrastructure for the short term resettlement of the Ruemvasmakers is provided

A residential area (sites) was developed with water (sufficient for human consumption), sanitation (pitlatrines), streets and tents for the temporary resettlement of the families

The Community of Ruemvasmaak, together with various government departments concerned (Land Affairs, Water Affairs, Agriculture, Local Government and Housing), the Provincial Government, various NGOs and a development consulting firm are at present compiling a comprehensive development plan for Ruemvasmaak

Hansard SS3E
28/3/95

*14 Sen C R REDCLIFFE asked the Minister for Public Enterprises:

- (1) Whether she or her Department is considering the sale of any State assets, if not, why not, if so, (a) which assets, (b) when

Hansard
28/3/95

will each such asset be sold and (c) how will the sale be financed in respect of each such asset?

- (2) whether any income realised from the sale of such assets will be channelled to the Reconstruction and Development Programme, if not, why not, if so, what are the relevant details,

- (3) whether she will make a statement on the matter?

SS4E

The MINISTER FOR PUBLIC ENTERPRISES

- (1) The Government is looking at the whole issue of the re-organisation/restructuring of State assets. A Task Team has been appointed to work out guidelines on how the restructuring process, of which privatisation may form part, is to be conducted

(a), (b) and (c) will be part and parcel of the various stages of the process

- (2) One of the objectives of the restructuring of State assets is to contribute towards achieving RDP goals. Should funds be generated by the restructuring process, the application thereof towards funding the RDP will be considered

- (3) A full statement will be made at the appropriate time on the matter and even on the use of the released funds

Inspections conducted by the Financial Services Board

*15 Sen C R REDCLIFFE asked the Minister of Finance:

- (1) Whether the Financial Services Board conducted inspections of any financial institutions in the 1993-94 financial year, if not, why not, if so, (a) which institutions and (b) (i) for what reasons and (ii) with what result in respect of each such institution,

- (2) whether any complaints have been received from the public in respect of any of the said institutions, if so, what was the (a) nature of the complaint and (b) response in respect of each such institution?

SS5E

The DEPUTY MINISTER OF FINANCE

- (1) Table attached as Annexure "A" indicating

- (a) Category of financial institutions inspected in the 1993-94 financial year,

- (b) (i) Reasons for conducting the inspections, and

- (ii) Result of inspections per category of financial institution

- (2) Table attached as Annexure "B" indicating

- (a) Category of financial institutions inspected in the 1993-94 financial year,

- (a) Nature of complaint received from the public

- (b) Response in respect of the financial institution

US agency to probe claims of aid and contracts steered to blacks

TOS WENTZEL (247)
Diplomatic Correspondent

THE US Agency for International Development (Usaid) has confirmed that allegations that grants and contracts have been illegally steered to blacks in the United States and South Africa are being investigated

Head of Usaid, J Brian Atwood, said in a statement that complaints had been made that the South African mission of the agency had "engaged in exclusionary procurement activities"

The Usaid programme had been vital to the empowerment of millions of South Africans. Its staff had received high praise from black, coloured, Asian and white South Africans for their ongoing contributions

"It is not our practice to favour any racial groups beyond requirements set by law or policy

"In every country where Usaid implements develop-

ment assistance programmes US law requires that no less than 10 percent of the development funds must be made available to minority or other historically disadvantaged organisations

"During 1993 and 1994, of the R910 million in aid from the US to South Africa, approximately seven percent, R64.8 million, was delivered

through African-American organisations. US contractors implemented about 44 percent, nearly R400 million of total US assistance to South Africa, with indigenous South African organisations implementing the other 56 percent"

Mr Atwood said all claims of impropriety were however taken very seriously

"This is the first review of these charges that the office of the inspector general has undertaken and we are co-operating fully"

Mr Atwood said he was confident that the fine work of the Usaid mission in South Africa under the leadership of Leslie "Cap" Dean, would continue throughout this period and in the future

PRETORIA — The US will investigate allegations that financial aid to SA illegally favoured black South Africans and Americans, the US embassy said yesterday.

US Agency for International Development (USAid) administrator Brian Atwood said in the embassy statement that the agency had begun investigating claims of impropriety relating to USAid activities in this country.

Aid agency investigates allegations of favouritism

"Complaints have been made that the mission has engaged in exclusionary procurement activities.

"It is not our practice to favour...any racial group beyond requirements set by law and policy," Atwood said

US newspaper reports

(297) 60 28/3/95
said a member of the US Congress, senator Fred Thompson of Tennessee, had requested the inquiry following the allegations.

Atwood said US law required that not less than 10% of USAid development funds had to be made available to minority organisa-

tions or historically disadvantaged organisations in recipient countries

He said that during 1993 and 1994, about 7% or \$18m of US aid to SA was delivered through African-American organisations

He said US contractors implemented about 44% or \$111m of total US aid to SA while local contractors implemented the other 56%.
— Sapa-Reuter.

Holland to fork out another R163-m

RRU 28/3/85

Diplomatic Correspondent

THE Dutch government has allocated another R163 million in aid to South Africa over the next two years.

This year, R93 million is being made available of which R46,5 million will go to the reconstruction and development aid programme, and next year R70 million with another R46,5 million going to the RDP.

Allocation of this was discussed during a visit by Dutch minister of development co-

ordination Jan Pieter Pronk.

A Dutch embassy spokesman stressed that existing Dutch aid programmes would not be affected by the additional aid. These include aid for non-government organisations, education, youth programmes and projects to aid good governance.

The Dutch government's involvement in aid granted by the European Union would also not be affected.

Some of the aid is likely to be applied in some of the

poorest areas in Kwazulu/Natal and the Eastern Cape, but this will be for the South African government to decide.

During Mr Pronk's visit there were also discussions on closer co-operation between universities in the two countries.

(297)
The Dutch have also offered help with the proposed Truth Commission. This could include support in special inquiries and Holland's experience of post-war documentation in addition to financial support.

US aid to SA not abused - envoy

Star 28/3/95
(29)

■ BY BRENDAN
TEMPLETON

US ambassador to South Africa Princeton Lyman yesterday came out in support of his country's aid programme here, saying it was achieving its objective "superbly".

He was reacting to the news that the programme had come under the US Congress's scrutiny because it was allegedly illegally favouring blacks in its assistance.

Two officials from the inspectorate-general had been flown to SA to investigate the allegations. The congressional request for an investigation is being given a top priority status because Congress controls the purse strings of the US budget.

US law required that no less than 10% of the funds from the US Agency for International Development (USAid) be made available to "minority or other historically disadvantaged organisations", USAid administrator J Brian Atwood said.

Lyman said the USAid programme in SA ranked "among the very best of our assistance programmes worldwide".

"It is designed specifically to serve the disadvantaged in SA and we believe it is achieving this objective superbly," he said yesterday.

In 1994, US assistance to SA totalled \$132,8-million (R478-million), of which 51% (or \$68,6-million) went to private SA organisations, 47% to US organisations and 2% to the SA Government.

Of the SA organisations' \$68,6-million allocation, white-controlled bodies got 34%, black-controlled bodies 51%, coloured-controlled bodies 7% and Asian 5%.

Confident Naidoo says RDP will speed up soon

■ BY DEREK TOMMEY

The minister at the helm of the Reconstruction and Development Programme (RDP), Jay Naidoo, says delivery of the RDP's objectives should speed up by mid-year.

Naidoo told an international oil and minerals conference in Johannesburg yesterday that delivery would be the most active in the housing sector.

"We are gearing up the private sector, we are making agreements with the financial sector, we are making arrangements with the construction industry for a warranty scheme, so a lot of things have to be in place," he said.

"But one of the things we have learnt is that you have to do it properly, even if it means doing it slowly. You are not going to solve problems just by throwing money at them."

Naidoo likened the RDP to a

border that stood between South Africa achieving success or failure — but he was confident the programme would succeed.

He said the RDP was not a national plan — it was aimed at ensuring that the government harnessed all the available resources for delivery.

One of the problems holding up the implementation of the programme, he said, was that South Africa did not have legitimate local structures.

But this would be solved after the local government elections, scheduled for November.

Another problem was the need for effective management. One of the most important resources that the private sector could bring into delivery was management expertise on a technical level.

The government was talking to major companies about their role in the RDP.

(297) Star 29/3/95

DAY MARCH 29 1995

They're up a gumtree about welfare



Welfare MEC Sakkie Blanche

■ BY JO-ANNE COLLINGE

Gauteng MEC for Welfare Sakkie Blanche did not fare well in accounting for the province's welfare budget to the legislature's finance standing committee yesterday. *Star 29/3/95*

He and top officials in the welfare department have been unable to explain why they had estimated the shortfall on their requirements to be R77-million as opposed to R2-million, as report-

ed by Finance MEC Jabu Moleketi in his presentation of the province's welfare budget last week.

The welfare team was also unable to account for the activities represented by certain budget items.

And, since the time period allotted to welfare expired with questions unanswered, Blanche was requested by committee chairman Leon Cohen to return with the outstanding information tomorrow. *(297)*

RDP fund is running dry

CAPE TOWN — The RDP fund, which stood at more than R6bn, had put a limit on funds for any further new programmes, despite increasing demands, Minister without Portfolio Jay Naidoo said yesterday.

The fund consisted of R437m rolled over from last year, a budgetary allocation of R5bn and a further R600m from oil stocks, he said in the Budget debate.

Between R500m and R1bn extra was expected from foreign aid grants

Of the R5bn, R2,479bn had already been allocated to this year's "carry-over costs" for projects begun in 1994/95. This left R2,521bn plus R600m and foreign aid for new programmes, Naidoo said.

In terms of the schedule published by Finance Minister Chris Liebenberg, R2,52bn had already been allocated to new programmes. This had used up all the funds available for new programmes, except for the R600m from the sale of oil stocks, he said. — Sapa

(297) 150 30/3/95

REPORT HIGHLIGHTS LACK OF EXPERT STAFF

Uncollected taxes 'could fund RDP'

297

CT30/3/95

THE AUDITOR-GENERAL's report exposes serious problems in South Africa's tax collection system which cost the country billions each year. **SAPA** reports.

SOUTH AFRICA's uncollected taxes would be enough to fund the Reconstruction and Development Programme, auditor-general Mr Henri Kluever said yesterday.

The Inland Revenue and Customs and Excise Commissions had recorded R8,5 billion in unpaid taxes, he said. This figure would at least double if tax evasions were added.

Taxes were not always collected efficiently, largely because of staff

shortages and a lack of expert staff. Some of the problems included:

- Extensions for submissions were granted when returns for previous years were outstanding;
- Unsatisfactory record-keeping;

- Estimated assessments were seldom issued by the Receiver of Revenue where taxpayers had failed to submit returns, and

- Incorrect tax deductions were not followed up.

Shortcomings

Fraudulent VAT claims to the value of about R214 million had been made. Claims had also been made based on fictitious transactions, in some cases with the assistance of VAT inspectors.

There were "serious shortcomings"

in the collection of income taxes in the TBVC states, Mr Kluever said. In two of these, the tax affairs of office bearers and senior officers were not up to date and outstanding amounts had not been collected.

The report also noted shortcomings in the accounting system.

Increased costs

These included that dishonoured cheques collected by the Receiver were not deducted from the total. The amounts shown were therefore overstated by R815 000. The cost of collecting customs and excise duties had also increased significantly. For 1993/94 it had cost R81,7m to collect just over R19bn. In 1992/93 it had cost R59,7m to collect R17bn.

Cable thieves disrupt RDP

(297)
Sowetan 30/3/95

By Bongani Mavuso

THE theft of copper cable in Gauteng cost Telkom about R3,3 million last year.

The "most problematic area" was Alexandra Township, Telkom spokesman Mr Gert Schoeman said yesterday.

"Telkom's workers are constantly attacked by criminals and copper cable theft is rife in the area," he said.

He said about 4 000 residents in Alexandra were without telephones. A project to install telephones for 2 000 residents had to be suspended last month after cables were "sabotaged more than eight times" since November last year.

He said the company had lost about R300 000 because of cable theft in Alexandra. "We appeal to the community to protect our workers and the cables because residents suffer because of the lack of telephone facilities."

Alexandra's Community Cultural Development Programme said the telecommunication problem in the township was a "stumbling block" to the reconstruction and development programme.

Other areas where cable theft was rife were Orange Farm, the Vaal Triangle and Ivory Park near Midrand.

Isolated incidents of thefts have been reported in some parts of Soweto and townships on the East Rand.

RDP gets kick-start in Gauteng

By Joshua Raboroko

(297) (297)
THE Gauteng legislature and two organisations have signed a low-cost housing accord to kick-start the Reconstruction and Development Programme in the province.

At a Press conference in Johannesburg yesterday, the South African National Civic Association and the National Building Contractors and Allied Trade Forums agreed to work together with the government to help reduce the housing backlog.

The Gauteng legislature announced that it would provide R1,3 billion for low-cost housing.

Deputy chairman of the Provincial Housing Board Mr Moses Molefi said part of the money would be used to develop 77 000 sites given to emerging black contractors *Sowetan*

Sanco president Mr Ali Mazayi said the accord was an important step towards providing housing for the masses.

Nabcat chairman Mr Victor Selani welcomed the accord and said Sanco would be a powerful ally in redressing the imbalances of the past and providing housing *30/3/95*

The forums would hold a workshop with the Congress of South African Trade Union to reach a similar accord so that workers were also involved, he said.

The accord is aimed at fusing a close

relationship between the two organisations and to ensure that emerging black contractors were extensively involved in the provision of housing

Molefi said the government would provide 10 000 serviced sites for low income earners.

He said the sites had been allocated with immediate effect and would benefit hundreds of homeless families.

The families will also gain when the government introduces its R15 000 subsidy to the disadvantaged communities.

Information regarding subsidies can be obtained from civic associations, local authorities and the Gauteng MEC for housing.

SA to investigate Chilean pensions

WELFARE Minister Abe Williams is to lead an investigation into privatising social security along Chilean lines — a move which could save government an estimated R8bn in annual social pensions payments.

Chile's social pensions scheme, which replaced a failing government-funded system, helped the country slash government spending and reduce its budget deficit, and could offer similar advantages to SA.

Of SA's R13,4bn welfare budget, about 86% goes to social allowances. Eighty percent of this figure is allocated to the aged. The figures suggest that if all social pensions are moved off government's budget, more than R8bn could be saved.

Chilean ambassador Jorge Heine, who will be facilitating Williams's fact-finding mission, said the privatised system had proved difficult in its initial stage.

Existing retirees still had to receive benefits under the old system, which was no longer boosted by new contributions. But the rewards for Chile's economy in the longer term had been remarkable.

"Chile's economic success is linked

to its high savings rate, which is in turn largely attributable to the pension scheme," he said.

In 1986 domestic savings accounted for about 11% of GDP compared with a current 25%. Gross fixed capital formation increased from 17% to more than 26% of GDP during the same period.

Heine said the new system had proved particularly advantageous for Chile's capital markets.

Chilean citizens had also reaped the benefits of improved returns on investments, with payouts higher than under the previous system which was run by the state.

Chile privatised its pay-as-you-go social security retirement system in 1981 when employers entering the job market for the first time were required to contribute 10% of their monthly gross incomes to private pension fund accounts — which they owned. Extra voluntary contributions could be made.

Government used proceeds from the sale of state assets to help pay out benefits under the old system.

SAMANTHA SHARPE

■ RDP FUNDING Summit to set up

RDP and NGOs closing gap
 (297)
 Some fan 3/3/95

«committee to formulate a policy»

RELATIONSHIP BETWEEN THE
EFFECT OF THE POLYMERIZATION

לפיכך, נראה כי יש להבחין בין שני סוגים של תהליכי התאבדות:

For the subgraph $G_{\text{sub}} = (V_{\text{sub}}, E_{\text{sub}})$ of the graph $G = (V, E)$ and a node v in V_{sub} , we have $\text{deg}_G(v) \geq \text{deg}_{G_{\text{sub}}}(v)$. We denote the $\text{deg}_G(v)$ by $\text{deg}(v)$. The $\text{deg}(v)$ characterizes the

[illegible]

The following table is an attempt to summarize the results of the study.

subject communities. Chairman Alf Kuhn promises that the Government will continue to consult and

$\mathcal{N}_C$ is a normal subgroup of $\mathcal{N}$ and $\mathcal{N}_C$ is a normal subgroup of $\mathcal{N}$.

But the Negroes, with the heads full of it, took it as a sign of abnegation that all these "rich doctors" in the country and the Government who would do everything and did everything that the Negroes asked for.

When the FBI has a criminal matter, it would be interested in the source of the information. If it is a matter of law, then the FBI would be interested in the source of the information.

A comparison and comment that had been made by the author of the book, "The Book of the Dead," was published in the "Book of the Dead" in 1907.

[illegible]

AY MARCH 31 1995

RDP making the economy grow: Naidoo

(297)

By shifting resources to rectify past injustices the Reconstruction and Development Programme (RDP) had contributed to South Africa's economic growth, Minister without Portfolio Jay Naidoo said in the budget debate on Wednesday.

He said the RDP had made the economy grow for the first time in years, especially in the manufacturing sector.

There would soon be a need for manufacturing companies to invest and employ more people.

Manufacturing growth had been linked to the provision of electricity and the extension of services such as water, municipal services and telephones.

A steady increase in the construction sector was also noticeable.

Naidoo said gross domestic product rose 2,5 percent in 1994 and 6,4 percent in the last quarter of the year, while real gross fixed investment rose 7 percent, the first growth since 1989.

Gross fixed investment was increasing faster than general government consumption expenditure, a trend which had to be maintained, Naidoo said.

Employment, however, was not growing as fast as gross domestic product (GDP) and steps had to be taken to speed up job creation. — Sapa.

'Rev up the RDP'

(297) ARG 11/4/95
TECHNICAL expertise may be as important as democratic accountability in implementing the reconstruction and development programme, say economists writing in the monthly RDP Monitor.

Gavin Lewis and Mel Brooks write that tension between the regions and the centre is increasing with the slow pace of delivery of RDP promises, "and they will cut across ethnic and party lines".

There is a conflict between popular participation in the RDP and the imperatives of rapid delivery of ambitious socio-economic targets.

"Popular pressures for speedy delivery are evident in land invasions, school protests and industrial action in both the public and private sectors."

"At some point a trade-off will have to be reached between acceptable levels of grassroots involvement and actual delivery of services."

PG for debt, RI for RDP

Huge burden could be lighter at end of century

CLIVE SAWYER

Political Correspondent

IN a stern warning on the perils of the debt trap, Finance Minister Chris Liebenberg has said South Africa spends R6 on servicing debt for every R1 on the reconstruction and development programme.

South Africa's huge debt burden would begin to recede at the turn of the century, provided the government kept to its policies of fiscal discipline

He urged a commitment to reducing consumption expenditure and re-prioritising capital spending.

Replying to comments during this week's budget debate in the national assembly, Mr. van den Berg said he was worried that not everyone understood the implications of running a budget with a constant deficit.

Interest would continue to mount and lenders would put up their rates

The only way to avoid the debt trap was to follow the previously-agreed milestones of economic policy

"We cannot afford to make an error," Mr Liebenberg said. Noting that shortages on

debts of the former TBVC states were funded by borrowing, he said discipline was needed on a broad front

If creditors chose to reduce the terms of loans from five years to one, "this could bring us back to where we were in 1985"

Responding to criticism of the cut in the budget for economic spending, Mr Liebenberg said this was necessary as a short-term sacrifice

Critics, including parliament's joint standing committee on finance, said that eco-

Mr Liebenberg said the state of balance of payments was a major factor inhibiting growth. A comprehensive strategy to

address this was being worked out by the National Economic Development and Labour Advisory Council

He said South Africa had to become investor-friendly because of the lack of domestic savings

Growth of at least 3.6 percent was needed before there could be any reduction of unemployment

Welcoming work by Minister Trade and Industry Trevor Laebenberg said these could be the "real engine of growth" for the tourism industry "from a sustainable factor to a sustainable factor."



Heat is on for Bantu Holomisa

TYBONE SEAL

Weekend Arrivals

Political Staff

APR 17 4 195
THE African National Congress should use its code of

conduct to act against Deputy Minister of Environment and Affairs and Tourism Bantu Holidomusa, under whose rule corruption and administrative collapse occurred in the former Transkei

Speaking in the national assembly budget yesterday, Maine Schoeman (NP) said Mr Holomusa had been a reluctant

Tax revamp to go ahead

Political Correspondent

RESTRUCTURING of the departments of inland revenue and customs and excise will go ahead, says Minister of Finance Chris Liebenberg.

Speaking at the end of the national assembly debate on the budget, he said the restructuring would be done as soon as possible.

The auditor-general's reports and the report of the Katz Commission on income tax had

leader of the 1988 coup to
eradicate corruption

Mr Schoeman asked why 50 percent of industry had withdrawn from the Transkei during "the dictator's rule"

"Why was the state pension fund robbed of its assets?"
asked Mr Schoeman

"Maybe the general would explain to the former Glenview teachers why their rightful pensions were never paid to them and how he overturned two Supreme Court judgments against the Transkei government by issuing Decree No 14," said

Even more disturbing was that the Transkei auditor-general's report did not reflect the total administrative collapse that occurred in the last year of Mr Holomisa's rule.

Mr Holomisa then challenged President Mandela to approve that corruption in the Transkei actually amounted to millions of rand

The evidence existed, said Mr Schoeman, who asked what the ANC would do about this, even that Mr Holomisa had apparently been the first to mention the ANC code of conduct

■ BY JOHN FRASER
STAR FOREIGN SERVICE

New EU aid protocol for SA in the offing

Brussels — The EU is planning to sign an ambitious new aid protocol with South Africa next month.

The signing is to be held during a visit to SA by EU Commissioner Joao de Deus Pinheiro, who is responsible for relations with SA.

The protocol will mean that for the first time the

SA Government will have a key role in helping to target EU aid.

Europe currently offers SA a more generous aid package than is given to any other African country, with a budget this year of around R555-million.

This figure is set to rise in the next few years

if the European Parliament votes through expected increases.

Brussels officials have tried to target their aid so that it complements President Mandela's RDP. Most aid will go towards health care, education, training, help for the townships and for basic industry

Non-governmental organisations, such as the trade unions and church bodies, have in the past played a key role in the distribution of EU aid.

Brussels officials say they intend to continue working through these groups wherever possible.

In the days of apartheid, all EU aid was channelled through the non-governmental organisations.

It was only this year that the EU first published full details of its aid to SA. Until then it had operated behind the scenes

(566) (297)

STW 3/4/95

Europe set to sign aid deal with SA

The Argus Foreign Service

BRUSSELS — The European Union is planning to sign an ambitious new aid protocol with South Africa next month.

It will be signed during a visit to South Africa by EU Commissioner Joao de Deus Pinheiro, who is responsible for relations with South Africa.

The protocol will give the South African government a key role in helping to target EU aid.

Europe now offers South Africa a more generous aid package than is given to any other African country, with a budget this year of about R555 million.

This figure is set to rise if the European parliament votes through expected increases.

Brussels officials have tried to target their aid so that it complements President Nelson Mandela's reconstruction and development programme.

Therefore most aid will go towards health care, education, training, help for the townships and for basic industry.

Non-governmental organisations, such as trades unions and church bodies, have in the past played a key role in the distribution of EU aid.

Brussels officials say that they intend to continue working through these groups where possible, in spite of the EU's new relationship with the Pretoria government.

All EU aid in the days of apartheid was channelled through the non-governmental organisations, as the EU was not prepared to work with the white minority government.

"All that has changed now. Instead of working against the government by helping the victims of apartheid, we are now partners in encouraging the development of the new South Africa," said an EU official.

Finland rethinks its social security system

SOCIAL welfare is coming under fire in European countries which have for years held up their social security systems as shining examples for less advanced nations to follow.

Not only are the cost implications of these systems beyond current budgetary constraints, but countries have come to the realisation that making unemployment too comfortable does little to entice the unemployed back to work.

Speaking at the recent UN summit for social development in Copenhagen, Finnish president Martti Ahtisaari said Finland was investigating reform of social security legislation.

Although Ahtisaari recognised such a move would be unpopular, it was necessary "to induce the unemployed to seek work rather than surviving on unemployment benefits and social security". Strong medicine from a politician who rose to fame in his years as an international diplomat linked to the UN.

As a social democrat who unexpectedly won the presidency during a centre-right coalition government's term of office, Ahtisaari is facing high and rising unemployment coupled with economic stagnation and lack of competitiveness.

However, austerity packages threatened by the coalition government were probably responsible for the swing towards social democracy witnessed in Finland's recent election.

But Finland is not the only European country faced with this harsh choice — social welfare, or cuts to facilitate greater competitiveness. This is a reality which has hit most western countries over the past few years in stark contrast to the rise of the Asian tigers.

Nordic countries based their generous social welfare systems on post-war growth patterns, when generations of productive citizens generated wealth and paid taxes to cash-rich state structures.

More recently, unemployment has plagued most of these countries and low birth rates have resulted in fewer economically active people supporting those who have left the job market and are enjoying longer life expectancy.

And Asian economies, overflowing with comparatively cheap and relatively skilled people, have meanwhile grown exponentially at the expense of stagnating European nations.

Ahtisaari, for example, said Finnish unemployment had soared from a mere 3.5% of the economically active population in 1990 to a fraction short of 20% in 1994, a pattern not unknown in other Nordic countries, although not to this extent.

ERICA JANKOWITZ

Finland's unemployment rate is second to Spain's in the EU and well ahead of the average 11% to 12% reported in most other member states.

Ahtisaari said his government's plan was to reduce this to 8% by the end of the century, a goal in line with that of the EU set out in its White Paper on growth, competitiveness and employment. To achieve this, Finland would have to reduce unemployment by 5% a year.

Ahtisaari said Finland's ability to reach its goal would rest on three pillars: strong, long-term economic growth, increasing the employment component of growth and social responsibility for tackling unemployment. And, importantly, "sharp cuts in public expenditure in order to achieve a downturn in the public sector borrowing requirement".

Government expenditure has long been cause for concern and has been pinpointed for cuts in the interests of putting the nation back on the path to economic growth. Hence the need to cut social security packages and force people back into the labour market.

To improve international competitiveness, he said the social partners — organised business, labour and government — would need to cooperate to boost productivity based on better education and training and working conditions.

In return, greater labour market flexibility would be sought to lower the current threshold to creating new employment opportunities. Job rotation would also be investigated as would lifelong education and sabbatical leave, Ahtisaari said.

Pay hikes have been kept low in Finland's attempts at austerity, but government still believes "labour has a lot to learn" in putting its weight behind government initiatives.

Whether this is a trade-off which will be accepted by organised labour and citizens of Finland remains to be seen, but economic reality could easily force their hand to coincide with that of government.

Although Finland's severe economic recession appears to be abating, its currency continues to be weak and its external debt remains above the EU average. All in all, changes are going to have to be made to get Finland back on track and tackle its problems which are largely the legacy of bad economic decisions taken in the 1980s.

Funds needed to ease strain on UIF coffers

WIDENING the scope of the Unemployment Insurance Fund (UIF) to include high earners would boost contributions by about R55m a year, National Labour and Development Institute (Naledi) senior researcher Ravi Naidoo said yesterday.

Speaking at a social welfare conference in Johannesburg, Naidoo said a recent Naledi survey suggested a payments boycott by employers as contributions had dropped by 25% during the past two years, well above retrenchment estimates.

Stopping this gap was essential to ensure the fund continued to meet demands.

Sharing the same platform and speaking in his personal capacity, Labour Ministry official Gerard van Wyk said other funding methods should be urgently sought to ensure the UIF could meet the basic needs of SA's estimated 32% jobless population and extend its scope to job placement, training and retraining.

A recent survey suggested that an unemployment policy which paid the jobless in line with the poverty datum line would cost the state R43bn a year, almost half its current tax revenue, Van Wyk said

ERICA JANKOWITZ

The fund was only a handout system which did nothing to create jobs or stimulate economic growth. This should be rectified in light of SA's development needs.

Naidoo said no unemployment assistance existed in SA which meant only those who had been active in the labour market could qualify for current benefits. These only lasted for a maximum of six months and paid 45% of the most recent basic wage without a minimum payment level.

Also, the fund catered for maternity and sickness benefits and was not confined to those connected to job loss.

Recent problems in the fund which were the result of the severe economic recession experienced in the early 1990s, were partially due to the UIF being originally designed to cater only for white unemployed. Since its extension to include other race groups, it was not restructured to ensure its long-term viability.

However, Van Wyk said the fund had met all its commitments for the past seven months without a deficit.

Plans to eradicate social welfare fraud

URGENT measures to eradicate social welfare payout leakages were in the pipeline as estimates suggested about R1bn a year was lost through maladministration and fraud, Welfare and Population Development Minister Abo Williams said yesterday.

Addressing delegates to a conference near Johannesburg exploring SA and German social security provisions, Williams said task teams would be established to conduct random tests of welfare payments to identify where leakages had occurred.

Any payment officials suspected of fraudulent activities would be handed to

ERICA JANKOWITZ

the police for immediate prosecution and complaints would be investigated in collaboration with provincial authorities.

Western Cape University economics head Pieter le Roux said a recent study confirmed that welfare fraud totalled about R1bn a year and was escalating.

Williams said government was revising the social security system to rationalise existing grants and consolidate the plethora of legislation into a single statute. Complete parity would be achieved soon and a single database of recipients would help eradicate fraud.

Magistrates' go-slow is put on hold

CAPE Peninsula magistrates, who threatened to start a go-slow yesterday, would abide by a Magistrates' Association of SA decision not to embark on the action until a meeting on Friday, association president Jan Venter said yesterday.

Venter was reacting to media reports that they would begin a go-slow yesterday.

A central committee meeting of the association on Thursday, however, requested that Mitchell's Plain magistrates should not embark on the action until all members had been consulted.

Venter said magistrates' grievances revolved "mainly" around salaries, but the circumstances of their employment was

GAVIN STAFFORD

also an issue as they were carrying a "heavy workload".

He could not comment on what the outcome of the meeting would be, but said. "Magistrates are very responsible people and would not doing anything drastic"

Sapa reports two Western Cape chief magistrates said their courts had not been affected by go-slows.

Bertus Jooste, responsible for the West Coast and Karoo, and Jaco van Reenen, responsible for Mitchell's Plain to George, said courts were functioning normally.

DBSA gets R360m loan from Japan

By CLAIRE GEBHARDT

ECONOMICS EDITOR

CT(BR) 5/4/95
The Export-Import Bank of Japan (JEXIM) has loaned 10 billion yen (about R360 million) to the Development Bank of South Africa for small business development, infrastructure and agricultural renewal projects.

The loan, signed in Tokyo yesterday, signals the first step in co-operation between the DBSA and JEXIM, and follows years of negotiations.

The loan is being extended at concessionary interest rates over 15 years with a five-year moratorium on capital repayments — the first falls due in October 2000. Disbursements can be made up to three years from conclusion of the loan.

The governor of JEXIM, Hiroshi Yasuda, said Japan was helping South Africa's development needs.

The acting chief executive of the DBSA, Nick Christodoulou, said the loan would underpin RDP projects and would help non-governmental institutions aimed at the emerging farming and business communities.

The Community Bank, which was attempting to draw the vast "unbanked" part of the South African community into commercial banking, was the largest project to benefit and had received a loan of R110 million from the DBSA.

Welfare battle plan

BY CHRIS BATEMAN

POLITICAL STAFF

CT 5/4/95

WESTERN CAPE Health and Welfare Minister Mr Ebrahim Rasool yesterday admitted over R200 million (10%) of his social security budget was being lost to fraudsters.

He said the national fraud tally stood at R1 billion and that Pretoria had told the provinces to "first find the missing money" before it would release further funds.

He said the province inherited a system embedded with fraud, requiring an overhaul of the entire process from application to registration of clients.

Over the past 10 months a fingerprint-operated computerised payout system had been introduced by his department in some areas, and a task team had been appointed to ensure the integrity of the registration process.

Mr Rasool met with senior minister Mr Abe Williams yesterday to make battle plans shortly before Mr Williams announced the formation of a national task team to combat the problem.

(297) (308)

Funds conduit out of cash

THE company set up by the contractual savings industry to channel social spending to funding and borrowing agencies — the Investment Development Unit — has run out of money. **BD 5/4/95**

The unit, which derived income from fees for placing investments, had failed to secure income because of the small number of reconstruction and development programme (RDP) related projects that got off the ground, industry sources said yesterday. They blamed the slow setting up of infrastructure to mobilise private funds for the dearth of RDP projects.

However, the unit's shareholders — the Life Offices' Association (LOA), the Institute of Retirement Funds (IRF) and the Fund Managers' Association — had committed themselves to making loan capital

SAMANTHA SHARPE

available to the unit until it was on its feet.

IRF executive director Ben Burger said that while the unit's expenses had far exceeded income in its first year of operations, a budget for the new financial year forecast sufficient profits to defray the first year's loss. He had asked members to decide whether the unit should provide financial assistance from existing reserves or by way of an extra levy.

The perception within the ANC that big business was not doing enough to support the RDP would be reinforced if the unit was wound up, he said.

LOA executive director Jurie Wessels said while it was true that the unit had run

□ To Page 2

No cash

out of money, "this is not the end of the world. The problem up to now has been that very few projects that can be termed RDP-related are up and running and very few borrowing agencies are in place."

The unit's function had been to "engage" government and forums and inform them of the contractual savings industry's needs. "We believe we are about to enter the next phase — with enormous progress particularly in the area of financing structures for housing — and the unit should very soon be able to play the facilitating and marketing role originally envisaged."

Unit head Errol Benvie said it would be "unjust" to label government "tardy" in creating the funding infrastructure necessary to kick-start RDP projects.

Government was committed to making sure expenditure was linked to creating

assets. This took a considerable amount of planning and time, he said. The long-term nature of the funding had resulted in the unit requiring further interim capital.

Deciding how RDP funds were to be allocated was government's responsibility, Benvie said. In this sense the unit was dependent on government before it could unleash funding. A vast amount of work had been done with various government forums, including engagement with government about the National Housing Finance Corporation and with the RDP office on infrastructure finance.

The unit was also involved with the Water and Forestry Department, which was investigating a water bond issue and had offered input to a task team considering funding for Gauteng.

□ From Page 1

5 1995

RDP funds to boost SA Police Service

(297) 130 514/95

DURBAN — Reconstruction and development programme funds would be used to upgrade and build more police stations, to retrain policemen and to purchase equipment, National Police Commissioner George Fivaz said yesterday.

Speaking at a function hosted by the Institute for Democracy in SA, Fivaz said 80% of police stations were in white areas. This was a "total imbalance", forcing some residents to walk 200km to get to a police station. Minister without Portfolio Jay Naidoo would set up "civic centres" in underdeveloped areas. A police service would be among the services provided at the centres, Fivaz said. The army would be deployed to assist police in identified areas.

Referring to the SA Police Union, Fivaz said "some unions are playing games" by embarking on go-slows as they were part of a committee analysing the police budget to ensure its effective use.

The KwaZulu/Natal legislature's safety and security committee chairman ANC MP Bhekis Cele said community policing forums were being "discredited". Of the 188 forums in KwaZulu/Natal, two were functioning.

"Police think it is their concept and are using a top-down approach," said Cele. Fivaz said 40 pilot community policing forums would be launched countrywide within weeks.

Neighbourhood watch units should become part of community policing forums which should assist in improving socioeconomic conditions as this would help combat crime.

He hoped 1 000 forums would eventually be

FAROUK CHOTHIA

launched countrywide. He expected the amalgamation of all police forces to be completed by the end of the year.

A single new uniform was needed for close to 150 000 policemen. But this would cost about R500m, and the funds might have to come from a foreign donor.

Fivaz said the problem of hit squad-implicated KwaZulu Police officers still holding positions would be overcome with new appointments in the next few weeks.

Sapa reports he said there had been misunderstandings about his statement on Monday concerning KwaZulu Police students whose graduation was postponed in February because of suspected irregularities.

Their graduation was postponed pending new medical tests, fingerprinting and the submission of affidavits by recruits, some of whom were accused of having criminal records.

About 55 of the recruits now qualified for appointment to permanent posts in the SA Police Service. Their appointments would have to be made by KwaZulu/Natal commissioner Lt-Gen CPJ Serfontein "as soon as possible".

"The more than 300 students who do not qualify up to now as permanent members will be given another three weeks to comply with my previous instruction, failing which they will have to be dismissed."

He also said the notorious former police base Vlakplaas, near Pretoria, would be disposed of within two months as part of the campaign to clean up the police force.

SW
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Taiwan donates to West Cape needy

(297) CT 6/4/95

STAFF REPORTER

ABOUT 20 000 items of used clothing and blankets were handed to the Minister of Welfare and Population Development, Mr Abe Williams, by the consulate-general of the Republic of China (Taiwan) yesterday for the Western Cape needy.

Twelve containers have been donated this winter to South Africa by the people of Taiwan through the Buddhist Tzu Chi Association.

FRANK CAMERON, top, at time insurance party. Veterinary, farm savings and credit fund from: treasurer and finance committee. Pictures NICKY DE BLOIS

Crime seen as alternative to miserly welfare funding

B0614195

(297)

ERICA JANKOWITZ

TIME is running out for SA to get its social welfare house in order and, despite an apparent funding crisis and predictions of unaffordability, dramatic changes will have to be introduced to save the destitute from the life of crime many are now forced to lead.

This was made clear during two days of deliberations — held near Johannesburg this week — where the lessons SA could learn from the German system were explored.

The conference was a follow-up to a visit by Welfare and Population Development officials last year during which it was decided more players should be included and a German delegation appointed to come to SA and speak about their system. Questions were also asked about other international policies which had been explored by the Germans.

Delegates from relevant SA government departments, non-governmental organisations, business and labour spoke frankly about problems and listened to German social welfare experts sharing their exper-

iences. Extensive research in many areas of social security was supplemented by stories of the actual effect of SA's policy of paying too little too late — and very grudgingly — instead of seeing social welfare payments as a way of reducing future social problems.

It was pointed out by University of Western Cape economics head Pieter le Roux that German per capita income is about 10 times that of SA and huge disparities exist between unemployment rates, economic growth forecasts and many other factors. However, a German delegate said Germany's system developed after the Second World War, at a time when the economy was decimated and prospects were poor.

Estimates for extending maintenance grants to all needy families alone ranged from R10bn to R13bn a year. But, delegates said, not paying these grants cost society and individuals dearly in higher crime rates and allowing children to fall between the system's cracks and take to a life on

the streets

A recurring theme from SA speakers was that the local system was designed to cater almost exclusively for whites. Where other population groups qualified for assistance, lesser amounts were paid against stringent means testing.

With recent attempts to redress imbalances, budgets could not cope with increased legitimate demand, the conference heard.

And widespread fraud and maladministration, often the result of logistical problems in paying rural, illiterate people, had further eroded the limited resources available to keep the wolf from the door.

Concrete suggestions were made to overcome some of the problems. But the general conclusion drawn was that SA must create a series of social safety nets to prevent problems associated with poverty and unemployment which were not tackled in the past. Children should be the first beneficiaries as they are the economic indicator of the future and all — the wealthy and the poor — should contribute to welfare funding.

had not informed

RDP hopes 'impossible to satisfy'

(217)
Some progress has been made in the Reconstruction and Development Programme, but the high expectations for the future will be impossible to satisfy, Market Research Africa said yesterday.

MRA's RDP Index, which monitors the public's perception of the RDP's progress, quotes MRA chairman Professor Clive Corder as saying there is a high degree of public awareness of the RDP, particularly among blacks.

Benefited

SAW 7/4/95
Findings indicated that one person in 10 — more than a million people, nearly all of them black — felt they had already benefited from the RDP.

These people said they had gained through the installation of electricity, education facilities, housing, access to water and an improved environment.

"However, the high expectations of the future are a matter of concern, as they will be impossible to meet," Corder said. — Sapa.

STATE OF THE RDP

(297) FM 7/4/95

Modesty is its virtue

The sensible projects depend on payment by the consumers



It would be a mistake to dismiss the Reconstruction & Development Programme (RDP) because it has so far failed to match the politicians' extravagant promises. In that sense, it was always

doomed to fall short and disappoint.

If the RDP had managed in 12 months to deliver 50 000 houses, a jobs boom and free schooling, alarm bells would be ringing. It would have been a gigantic capital works programme forced through for immediate political gain regardless of sustainability. That would have been foolhardy as the inflationary consequences of such consummate Keynesianism would have been dire.

In one sense it remains a danger. In another, the funding of the RDP from other departmental votes has given it a vocal role in helping to keep government focused on fiscal discipline. RDP Minister Jay Naidoo remarked in the Budget debate: "We don't want to end up like Mexico, which is in serious trouble economically because it was financing growth and consumption through short-term borrowing"

But a government's achievements, not only its good intentions, must be assessed periodically. In drawing up an RDP scoreboard, we must look at two aspects. What has actually been achieved? And what is likely to be achieved through sound vision and sensible planning?

The single substantial achievement — and virtually the only concrete one — has been the setting up of a primary school nutrition programme, at a cost of R475m last year (slightly more this year). The programme is said to have reached almost 5,5m children by end-January 1995 — 95% of the estimated target, despite the lack of planning time (100 days after the presidential inauguration) and a staff shortage. It provides a peanut butter sandwich or 25% of a child's daily nutritional requirement.

One of the most important RDP undertakings is the provision of drinking water to remote rural communities

The Department of Water Affairs has earmarked 12 regions, four of which have already started work or are about to start. A key concept here is that water is never provided free — even the poorest communities are expected to pay something.

When completed, the R200m water project should provide clean water, to international access standards, to more than 1,4m people in several hundred settlements around SA. Departmental officials and the commercial water boards like Umgeni Water have worked closely on the planning.

But the most important distinction between this and previous similar projects, says co-ordinator Hugh Sussens, is the extent of community involvement. Past water-provision programmes have been racked with problems, from illegal connections to outright sabotage. What's more, in many homeland regions clients were not expected to pay for their water.

The RDP is determined to end such practices. So far, all 12 regions have been brought into agreements with provincial authorities to pay connection, implementation and maintenance costs. Each region has appointed its own steering committee to represent its community. "Once they are set up, they do everything," says Sussens. "We just act as observers and try to stand back as much as possible."

Water provision seems to be in good

hands; allied with Eskom's electrification programme — which also depends on consumer payments — the outcome will have beneficial effects on the economy.

Health is a crucial RDP area — and the one that seems most likely to go wrong. Nearly all the R25m set aside for clinics last year has been allocated for 170 specific health-care centres across the country. Some officials estimate that 2 000 clinics are now needed countrywide to meet present population needs. A further R65m will be divided this year among the nine provinces, for upgrading of existing clinics and for new facilities. In each case, local communities are involved in developing the business plans and costing arrangements.

Much detailed planning has gone into this but the suspicion remains that there is too much idealism.

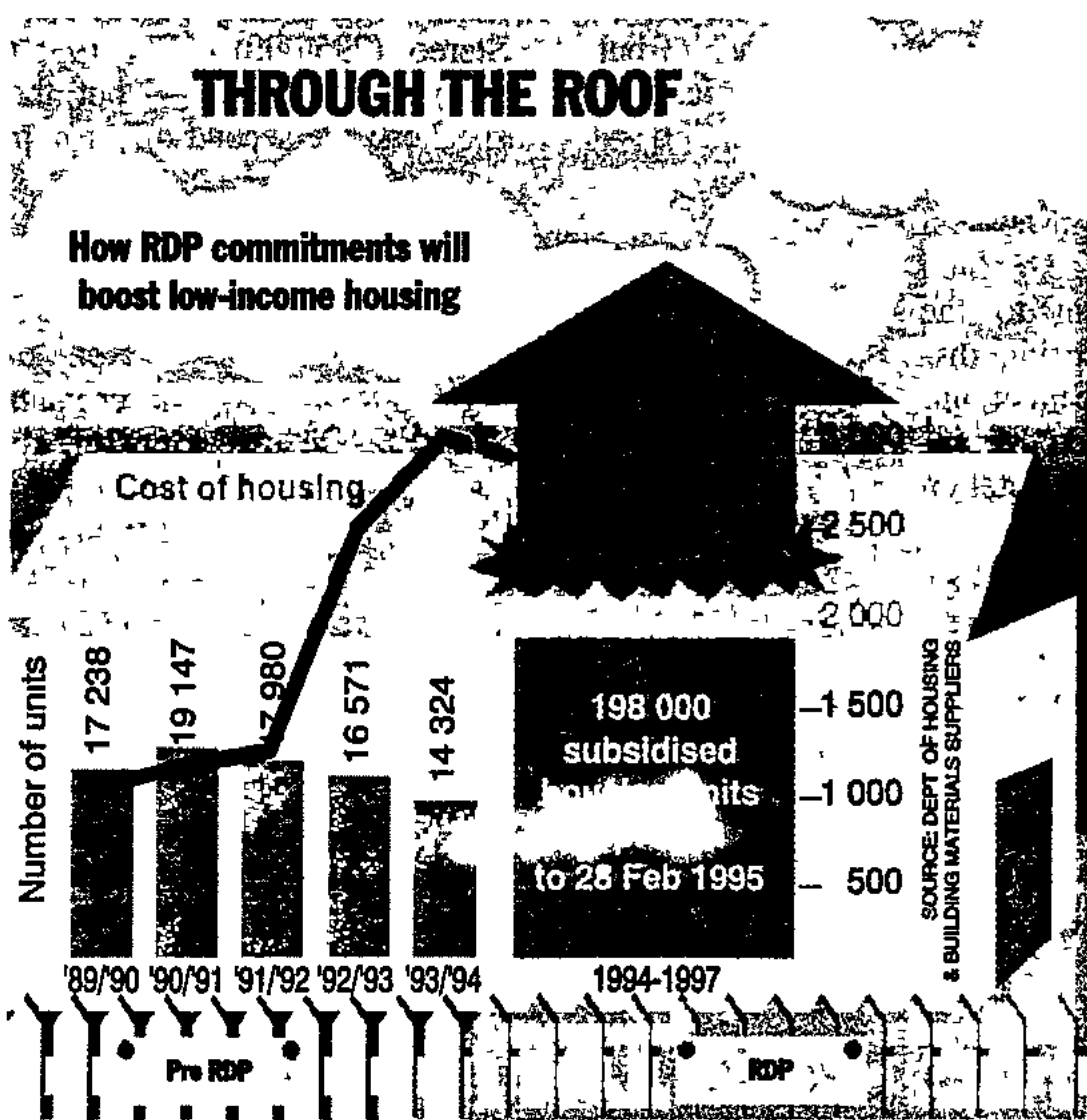
A major problem will be the staffing of these hundreds of clinics, most of them in rural areas. Doctors and nurses are unwilling to move into remote areas, where there are rarely adequate schools or attractive jobs for their spouses. The situation is bad enough in some city-based hospitals such as Johannesburg or Baragwanath.

Meanwhile, R166m has been drawn away from the budgets of the seven academic hospitals — which serve an important primary, low-cost health care function — and redirected to equipping and running the new clinics through provincial health departments.

At least the approach is now nationally co-ordinated. Says programme manager Dr Tim Wilson: "One of the most important contributions of the RDP fund has been to provide the stimulus for co-ordinating the fragmented clinic building programmes of the past into a single co-ordinated programme." But it is not clear how the clinics are to be staffed. Surely this question must receive a solid answer before building operations begin?

If confused priorities are one problem, red tape is another. The Aids Awareness & Prevention Campaign is one example of an RDP programme that could not get started last year because of excessive red tape. One of 22 Presidential Lead Projects established to kick-start the RDP, the R22m Aids

continued on page 27



Continued from page 24

programme, has been mired in committee discussions and community consultations for months. Funded from within the Health Department, the Aids programme director was appointed on January 1 — but had no time to appoint ancillary staff before going on maternity leave.

Hasty decisions, the opposite of red tape, have also caused problems. Last May, President Nelson Mandela's unexpected triggering of the R485m provision of free health care for pregnant women and children under six led to severe strain on health services. Clinics and hospitals were swamped with patients seeking all sorts of treatment, much of it unrelated to pregnancy. And it's hard to undo the damage.

The flagship programme of the RDP, however, remains the massive housing & infrastructure project — taking up almost half of the R6bn total RDP expenditure. Of the R326m allocated to housing last year, only about R20m was spent. But R230m was committed to subsidise the purchase of 200 000 low-income houses.

This, coupled with an 80% increase in the allocation from the Budget (to R2,9bn or 3,4% of all spending), indicates a dramatic increase in house-building (see diagram) once technical and legislative deadlocks are overcome. When this will be, though, is anybody's guess.

Housing Minister Sankie Mthembu-Nkondo said this week that SA's urban housing shortage is about 1,5m and will take at least 10 years to eliminate. This may be wishful thinking on her part as her Ministry has had to trim its sails once before, when it admitted the RDP would probably not deliver more than 70% of the million it originally promised would be finished in five years.

RDP housing delivery, meanwhile, has been embarrassingly slow. Only 878 homes were completed by late February and these were mostly targeted at higher-income buyers in the Free State and Gauteng who qualify for bond finance and government subsidies.

There are many reasons for the delay. The builders' warranty mechanism, a guarantee against faulty construction, has not been put in place largely because, says the monthly independent newsletter *RDP Monitor*, "the estimated cost, including administration, is R95m a year, adding R1 500 to the cost of a R45 000 house." Banks will not lend to low-cost projects without this guarantee, they already have about 16 000 repossessed properties on their hands.

The Development Facilitation Bill, intended to speed up land delivery, has been postponed to mid-year. And the White Paper on Housing is still bogged down in discussion, with amendments likely.

The entire RDP depends on the recently initiated Operation Masakhane, a project that seems to be bearing fruit, though it is still too early to assess nationally. Eskom recently reported a dramatic reversal of the Soweto electricity tariff boycott, from only 20% of payments four months ago to 65%. But only 22 black councils are charging economic rates for services now, fewer than 30% of residents pay anything at all.

Unless Masakhane succeeds in smashing the townships' decade-long rent, services and bond boycotts, the townships will not rise out of poverty. It is imperative that they raise more money to provide a stimulus for capital investment in housing and urban renewal programmes.

The new financial year has added another 14 Presidential Lead Projects to the original 22. These include large-scale urban renewal projects, land restitution & redistribution programmes, a national literacy programme, public works for job creation and a R100m discretionary allocation to the nine provinces.

In addition to the lead projects, virtually every government department and every province has identified RDP programmes to be funded from their own resources or national departmental grants.

There are some encouraging aspects. We must remember that the RDP is not meant to be a benefits programme but a catalyst (cynics call it a religion). Its first aim is to turn government into a facilitating agency, each State department, provincial authority and municipality must do the job on the ground. RDP progress will be measured by the ability of these agencies to respond, as much as by the money spent.

The RDP will have to engage the private sector. Government will not build houses, private developers and banks will — provided the risks are not too high.

Finally, the RDP recognises that when development programmes are up and running,

government should withdraw where possible. Even now, it urges government to limit its commitments. The daunting challenge of upgrading urban infrastructure, for example, could cost R35bn in the next five years, according to the RDP office. But only 20% of the capital will come from central government. The markets and local government revenues must provide the rest.

"The government's commitment must be matched by private sector investment," says Naidoo, "otherwise the public sector investment will not trigger growth and socio-

economic development and the services will not be sustainable."

For all of that, the RDP is also a political programme, bound up with the ideals of populist democracy and redistributive socialism. The Nats spent 42 years despoiling the economy, the ANC fought back by making it ungovernable. Now the mess has to be cleared.

A strength and weakness of the RDP approach lies in the system of government control. Because the RDP fund is raised by drawing off regular departmental budgets, it amounts to a process of taking away and returning money. And the only way a department can recoup or claim RDP funds is to submit a detailed business plan, outlining how the money is to be spent and what provisions have been made to sustain the programme. Only once this plan is approved will the funds be released.

The procedure is bureaucratic and time-consuming, acknowledges RDP national programme manager Roy Page-Shipp, but it is the only way to ensure that the programmes adhere to the principles of the RDP — in other words that they are people-driven and self-sustaining.

Meanwhile, some kind of a scoreboard in the main areas of endeavour has indeed emerged. From the top, then:

□ The school feeding scheme is a clear and worthy achievement — but it must be carefully monitored to prevent corruption and to ensure that resources are always diverted to those most in need.

□ Planning for the provision of water to rural communities has been swift but sensible, noting the importance of user charges and with the emphasis on what is possible rather than what is desirable.

□ Housing plans are broadly acceptable and their success depends more on clearing technical and legal obstacles than on any new policy, and

□ Health planning seems to be over-ambitious and oblivious of realities in the hospitals, raising the danger of the old system collapsing before the new one is in place. And there is the fatal ideological flaw (as in education) that all public health should be free of charge.

If there is a lesson that has emerged, it is that plans which empower people by demanding some payment — as already accepted in housing and water supply — are the ones which stand the greatest chance of success. The other route — taken by health and education planners — will lead to disaster.

Secondly, the modesty of its accomplishment will be its main virtue until there is a manifest commitment to the growth that will provide the jobs needed to sustain its momentum.



Naidoo



Wilson

THE UNITY GOVERNMENT

Looking fondly backward

The leading party displays an eerie inability — and reluctance — to lead

A year ago, on the eve of the national election, few abroad gave SA much chance of avoiding civil war. The fault lines were apparent: black and white, black and black, rich and poor. Apartheid itself had drawn boundaries around the very geographical areas assessed as arenas of conflict.

This was more than a stock response of media hyenas sniffing bloodshed; the conservative British weekly, *The Spectator*, saw the looming war as primarily tribal with its nexus in Natal and the embittered soul of the Zulus. From there, the country would be engulfed by the inescapable contradictions of history.

This did not happen. One explanation lies in the propaganda of "rainbowism" — the feel-good assertion of multicultural solidarity to be found in advertising, television and radio.

In effect, this amounts to a fragile belief that we have already united under a new flag, anthem and interim constitution. As Archbishop Desmond Tutu suggests in the wish-fulfilling title of his recent book, *The Rainbow Children Of God*, we have muddled through together — the Forrest Gumps of Africa.

This is well-meant, but silly. What we actually have is a coalition of groups united by self-interest. The Government of National Unity is the most glaring evidence of this coalition, but it is inherently unstable. The constitutional position of the National Party — that the life of the unity government be extended "for 10 or 20 years" — shows a deep-rooted fear of majority domination.

Even the laissez-faire sensitivities of the English are being squeezed witness the stunned reaction to the displacement of their traditional concerns like rose-growing and classical music by the rap and rough tillage of SAfm radio.

A year into the life of the Government of National Unity, it appears that all partners are feeling the political equivalent of *amour triste*, the strange melancholy and foreboding that arises after making love.

Inkatha wants a trial separation, the Nationalists want an eternity ring, the small parties are exhausted by the duties of opposition, and the ANC finds itself presiding over a disorderly house.

As the senior partner in gov-

ernment, the Congress has only partially made the transition from liberation movement to ruling power. It exudes discomfort at the authority it has inherited, as if, to use its own phrase, it lacks a "mandate" to deal firmly with indiscipline, corruption and recidivist socialism.

The leading party displays an eerie inability to lead. The dilatory way in which Nelson Mandela dealt with the festering poison of the Allan Boesak and Winnie Mandela scandals is symptomatic of the ANC's inertia in the face of populism.

This has not made for a crisis but for an inter-linked series of enduring problems — masked to some extent by the return of economic buoyancy.

A crisis could, however, materialise within two years as ANC followers realise just how circumscribed their culture of entitlement will become under the pressures of severely limited resources.

Pre-eminently, there is the strain between the need to maintain fiscal discipline and social objectives that would translate into runaway expenditures.

Within what could still be called the "broad church" of the ANC, responses to Finance Minister Chris Liebenberg's Budget have been overwhelmingly positive — if largely uncomprehending.

Most rank-and-file parliamentarians have been expressing the fond hope that next year will see more done "for the poor." There is something disconcerting about the subtext of such a view: that the funds will somehow be there. But then the MPs are a privileged elite.

The take-home pay of the average parliamentarian — after party tithes — is in the region of R9 000 a month. This is a far cry from R7 a day — the sum paid to Natal labourers who recently built a bridge in terms of an RDP project awarded to a private contractor.

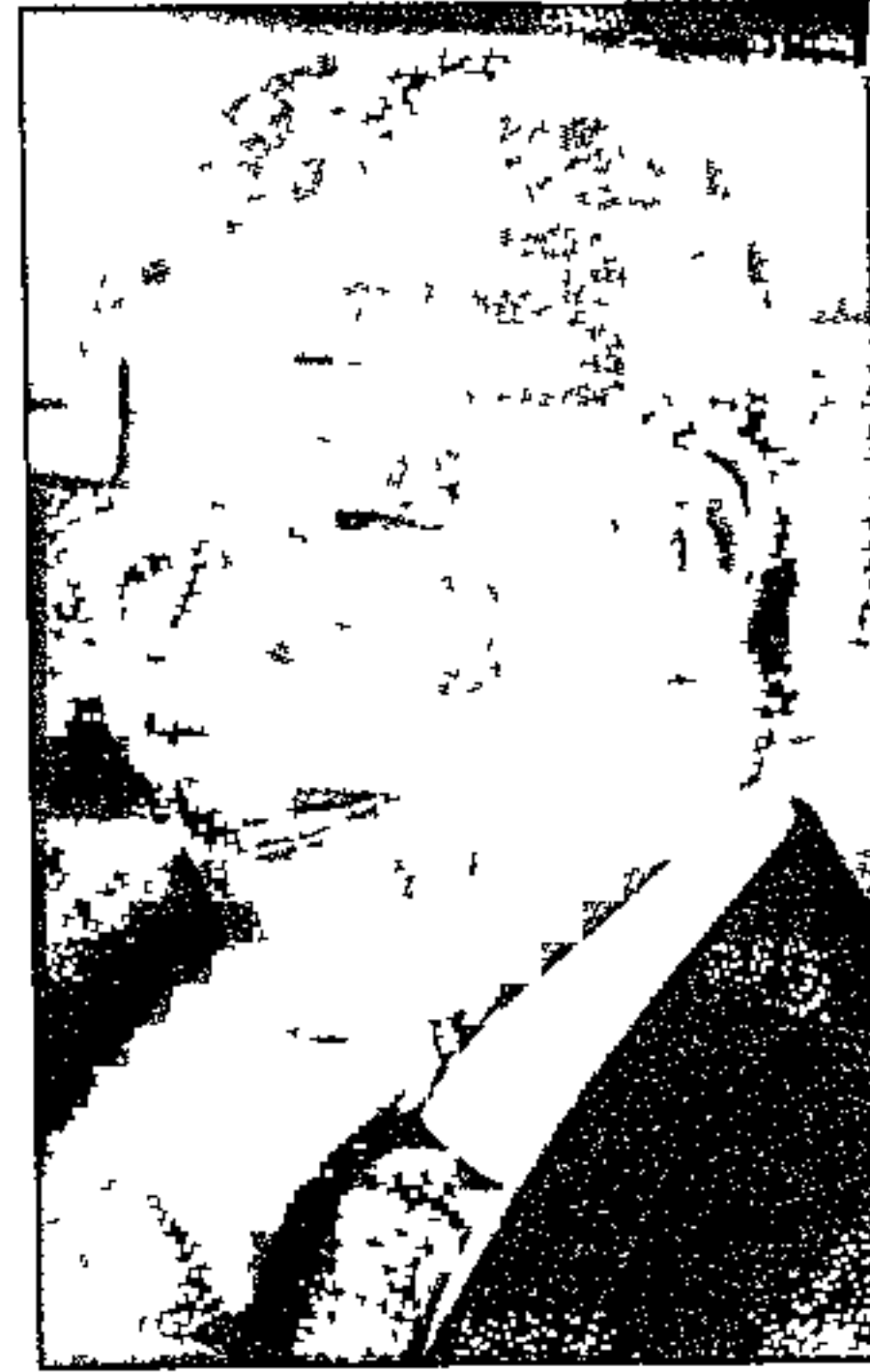
The huge gap is significant only in that, at grassroots level, it has caused an upwelling of

resentment, according to former priest and community worker Cosmas Desmond, who was banned in the Sixties for exposing the evils of resettlement at places like Limehill.

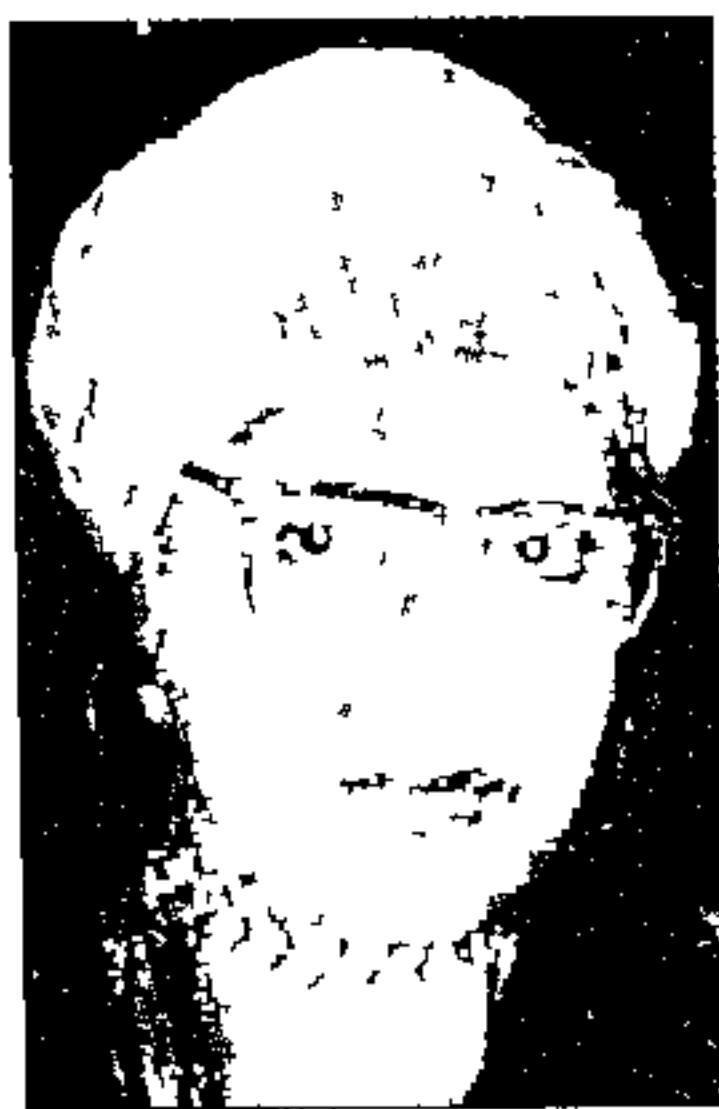
Rather than feeling that R7 a day is better



Mbeki



Mandela



Winnie Mandela



Desmond

than nothing, the workers feel cheated, according to Desmond — a white man who last year joined the Pan Africanist Congress and stood (unsuccessfully) in the national election.

"In its first year," he muses "government should have done some symbolic things. When I go to Limehill, nothing has happened for those people."

He feels that rather than RDP promises, visible improvements like community centres and soccer fields would have been more appropriate in indicating to "the people" that they had not been forgotten.

At executive level, one can contrast this perception with the extraordinary performance last week of the Deputy Minister of Defence, Ronnie Kasrils, who defended the need for guns and corvettes in Mettermichian terms.

"There are 16 wars in the world today," he intoned, addressing himself primarily to ANC "comrades" who want further Defence cuts.

Excluding special provisions for the integration of various armies, Kasrils claimed, "the Defence budget has come down 50% since 1988." It now stands at 2,1% of GDP — comparable with Italy and Germany, and, in Africa, Kenya.

However, to ensure national security and the smooth running of elections, "deployment now is at the same level as at the height of apartheid's dirty wars. Capital costs have been cut. If Defence is cut further, we will have the troops on the

RDP hopes 'impossible to satisfy'

Some progress has been made in the Reconstruction and Development Programme, but the high expectations for the future will be impossible to satisfy, Market Research Africa said yesterday.

MRA's RDP Index, which monitors the public's perception of the RDP's progress, quotes MRA chairman Professor Clive Corder as saying there is a high degree of public awareness of the RDP, particularly among blacks

Benefited

Findings indicated that one person in 11 — more than a million people — nearly all of them black — felt they had already benefited from the RDP.

These people said they had gained through the installation of electricity, education facilities, housing, access to water and an improved environment

"However, the high expectations of the future are a matter of concern, as they will be impossible to meet," Corder said — Sapa.

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Heartbreak Years — and the task of tackling poverty

ARLT 8/4/95

THE release of South Africa's first set of comprehensive statistics to include the former homelands and rural areas show the enormity of the task of tackling poverty in South Africa

The October Household Survey (OHS) contains statistics which paint a heartbreaking picture of the direct results of 46 years of racist policies

It accurately shows the skew access to social services, the unequal status of South Africans, the severe lack of infrastructure in rural areas and the desperate plight of women

Minister without Portfolio Jay Naidoo, responsible for the implementation of the reconstruction and development programme, told Weekend Argus that these statistics would enable the government to more accurately plot the allocation of money between government departments as well as between central and provincial governments

In addition to facilitating better planning, these figures would also allow the government to monitor the impact of state expenditure on its socio-economic goals

Turning to the use of statistics in planning policies, Mr Naidoo said it was difficult for any one of the nine provinces to shift its resources from, for example, tertiary health care to primary health care without knowing how many people lived in each province

But, Mr Naidoo added, the OHS was a test-run for the important census next year. He said 50 000 people were being trained to go into every household to conduct the census

Every year the government would use the OHS as an important indicator of South Africans' quality of life

The survey, he said, would be an instrument to test the success or failure of government policies

Furthermore, it would provide greater transparency and accountability in the implementation of government policies as well as expenditure, Mr Naidoo said

The survey shows that South Africa has a population of 40,7 million people

In terms of access to services, figures showed that 100 percent of white households had their refuse removed as opposed to 80 percent of black households. All the white households had a flush toilet, but in black households, only 34 percent had such facilities

Measurements of access to electricity showed that 98 percent of white households had electricity versus 31 percent of black households

In white households 98 percent have access to tapped water as opposed to 27 percent of black households

This trend continued with 87 percent of white households with access to telephones as opposed to 12 percent of black households

The disparities between rural and urban households were worse when the figures for black households were considered

Although 86 percent of urban houses had tapped water, only 29 percent of the rural black households had similar access

While 80 percent of urban black households had their refuse removed, the same services was only available to 5 percent of rural households. As far as flush toilets were concerned, the figures dropped from 72 percent in urban areas to 7 percent in rural areas

Unsurprisingly after decades of apartheid-

■ The government of national unity has its work cut out addressing poverty — a job it is acutely aware of. A report by **ESTHER WAUGH** of the Weekend Argus Political Staff.



□ **RDP CHIEF:** Jay Naidoo will look to the October Household Survey for some direction

based education, the survey found whites the most educated with 60 percent having had secondary education as opposed to Asians (55 percent), coloureds (41 percent) and blacks (32 percent)

Figures showed that 78 percent of whites have access to medical aid as opposed to 15 percent of blacks

While 19 percent of whites had to travel 5 km or more for medical services, 41 percent of blacks fell into the same category

Gauteng had the highest urban population with 6,9 million people and the second lowest rural population at 300 000

Unemployment rates were found to be the highest in the Northern Transvaal (47 percent), followed by 45 percent in the Eastern Cape. Gauteng had the third lowest unemployment rate (29 percent)

These rates, analysed in terms of gender, showed that more women than men were unemployed. The highest figure — 50 percent — was found among black women followed by coloureds (28 percent), Asians (24 percent) and whites (9 percent)

Figures on transport to work showed that 33 percent of blacks went to work on foot as opposed to 14 percent. On the other hand, 62 percent of whites travelled to work by car or motor bike versus 12 percent of blacks

Emigrants forced to leave funds behind

SUBSTANTIAL funds were left in SA by emigrants whose assets exceeded limits set by exchange control regulations, Reserve Bank spokesman John Postmas said last week.

However, specific calculations were impossible as most assets were left in the form of property, shares invested in the stock exchange and government bonds, with values fluctuating enormously.

Families leaving SA for safer shores could take R200 000 in cash plus household goods and a car to the value of R150 000 each. Individuals were entitled to half this.

Capital assets left in SA were blocked and could be used in SA only when emigrants returned on holiday. A tax-free allowance of R300 000 a year in interest could be remitted to the emigrant's new country of residence.

Since the financial demise on March 10, emigrants could take their funds in commercial rands as opposed to the weaker currency which had made some indentations into foreign reserves, Postmas said. The rand's stability since the abolition of the financial had softened the financial blow of emigration somewhat, but the reality of a weak currency generally meant emigrants arrived with little more than a deposit on a fairly modest house.

Postmas said the Reserve Bank made

some allowances for elderly or disabled emigrants who would be unable to work in their new countries and would need funds to purchase property.

However, these were "by far the exception" and additional funds would only be released having taken the applicant's world-wide funds into account and if the applicant complied with stringent criteria. In addition, if sufficient income would be generated from funds left in SA, the application would not be successful.

Emigrants had to apply for tax clearance from Inland Revenue before getting clearance for the release of foreign exchange and obtaining permission to have their property shipped from the country.

Both Inland Revenue and the Reserve Bank required about four weeks to clear applications which could delay emigration plans, an Inland Revenue spokesman said.

Surveyed foreign embassies said applications from potential SA emigrants were still being received, despite the relatively peaceful transition to democracy. However, recipient countries applied strict entrance criteria before accepting migrants.

Recent statistics indicated most SA emigrants went to Great Britain, followed by New Zealand and Australia.

Community project seeks to end poverty, illness

KATHRYN STACHAN

(297)

IN THE arid poverty-ridden town of Jane Furse in Sekhukhune, Northern Transvaal, a unique community project is unfolding to alleviate the desperate conditions in the area.

The project called Hlatilolang, "We share the burden", received a boost recently with the donation of R2m by the US-based Kaiser Family Foundation.

While the project has over the past three years made a determined effort to improve people's lives, the funds will enable the launch of an array of essential projects spanning health, agriculture and adult literacy.

With half of the children in Sekhukhune malnourished and with widespread disease and high levels of illiteracy and unemployment, the programmes are expected to make a significant impact on conditions.

The programme will begin with drawing up an accurate picture of the most pressing problems and especially children will be targeted.

The projects range from water and sanitation to supporting people in setting up income generating activities and literacy programmes.

The project is also unusual in that it incorporates the environment and is marked by the annual tree-planting event. Last year more than 1 000 trees were planted.

People were no longer able to live off the land in this vast area because of deforestation and erosion. Residents had also been hit by years of drought.

Heading the project was local nurse Rose Mazibuko who explained that while some of the projects were not directly related to health, anything dealing with socioeconomic problems was a way of improving health in the villages. "You have to change people's lives if you are going to keep kwashiorkor at bay," she said.

"Hlatilolang is a centre for transformation, a place to build people up and restore humanity and dignity and increase people's capacity to change their lives."

IDT and Kagiso Trust merger on the cards

By ROSS HERBERT

STAFF WRITER

The Independent Development Trust (IDT) and Kagiso Trust have reached an agreement to merge their development funding activities into a new National Development Agency.

IDT representatives at two meetings last week on financing of non-governmental organisations (NGOs) said the terms had been finalised and only awaited public announcement. However, IDT officials refused to comment officially, and its press office said it was not allowed to comment on the talks.

Kagiso officials were unavailable for comment.

IDT has dispensed more than R2,7 billion on development projects since 1990, and Kagiso is the primary channel for European and Japanese aid money.

Angelina Ramarora, director of capacity building in the RDP office, said 80 percent of RDP funds would be channelled through line ministries, with 20 percent going through the National Development Agency.

Uncertainty surrounding the new agency compounds concern among NGOs, who complain the government is creating an excessively complex mechanism for putting development money to work.

NGOs, who were briefed on the new agency at a Human Sciences Research Council meeting, said delays in deciding on procedures and funding criteria by the new agency and the RDP office were putting NGOs in increasing financial peril.

Foreign aid agencies and corporate funders, they said, are increasingly putting donations on hold as



IDT chairman Jan Steyn

they wait for cues from the government and RDP on spending priorities. And the Allan Boesak affair, many say, continues to exert a poisonous effect on NGO financing.

"A lot of projects will just collapse for lack of funds. There is a terrible hiatus and a bureaucratic logjam developing," said Jenny Williams, who does communications and fund-raising consulting for the Get Ahead Foundation.

The funding gauntlet looks something like this: Development funds from foreign governments will be funnelled through the International Development Coordinating Committee, which has not yet established the criteria whereby it will decide to accept foreign aid. The RDP Office also has a committee that will set funding criteria for each ministerial area.

At the provincial and national levels a manager in each ministry will use those criteria in deciding which projects and NGOs to fund. Then there is an NGO Providers Council, which was set up to

inform the government of NGO capabilities, but which critics say has no realistic way of getting those capabilities in front of government procurement officers deciding how best to implement RDP work.

Ramarora said the RDP office intends to rely on NGOs for a variety of services, but does not have the staff to deal with NGOs, much less oversee their proper use of funds.

"We don't have a strategy, although we see the need, to deal with NGOs. That's a dilemma that the RDP has where monies have been earmarked for communities but there is no structure to use it," she said.

Ramarora said what the government most needed was consulting services to help merge former homeland departments, establish proper accounting control systems, develop proper procedures, build administrative capacity and offer general reviews to ensure against duplication in government agencies.

She said some NGOs had a valuable role to play, but added, "Some NGOs have to be allowed to die because business is just finished for them and they are becoming employment agencies without any purpose."

"It is just mind-boggling," said Phaniel Mnguni, outreach coordinator at St Alban's College in Pretoria. "We can't play a wait-and-see game with our projects. The delay in funding is a Catch 22 for us."

"Clearly it's going to take longer for NGOs to get development money under the new system," said Grant Nupen, director of development at St Alban's.

"NGOs are under threat, there is no doubt."

(297) 25(BR) 10/4/95

...year after it should have the next replacement for Tsuneo

UN opportunity comes knocking

(297) CT(BE) 10/4/95

By ROSS HERBERT

STAFF WRITER

South Africa's location at the foot of the continent most prone to strife and disaster represents a significant opportunity that the United Nations would like South African business to consider

Purchases of goods and services by the various UN agencies amounted to R12,6 billion in 1993 — 40 percent more than in 1992. A disproportionate amount of those procurements went to peacekeeping and disaster relief in Africa.

With nine ports, plenty of aircraft and trained pilots and good rail and road networks, South Africa would make a natural relief hub for southern Africa. However, only R126 million of UN procure-

ments in 1993 came from South Africa. Sanctions, which were lifted in effect with the April 1994 elections, isolated South Africa from world bodies and limited commercial contacts.

To bring South African business further into the UN fold, the UN Development Programme's Inter-agency Procurement Services Office (Iapso) and the SA Foreign Trade Organisation (Safto) are running a conference on UN procurement in Johannesburg on May 2.

"We wish to create an information flow between the South African business community and the UN market, so the advantage of being near to the market for quick response in emergencies is not lost," an Iapso official said. "Opportunities for increased effi-

ciency of operations are also important considerations."

The conference will focus on procurements of goods and services related to health care, food, shelter, transport and logistics. UN buyers from the UN Children's Fund, High Commission for Refugees, Office of Project Services and World Food Programme will be on hand.

"The South African business sector has the potential to supply many of the goods and services required by the UN," Safto said. "However, companies need to become aware not only of the existing potential but also of the correct purchasing procedures and the quality demanded, and then adapt to the competitiveness of the UN market."

Naidoo is grilled on spending

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Govt struggles to meet RDP payout target

CAPE TOWN — Further evidence of the sluggish implementation of the reconstruction and development programme was disclosed yesterday when Minister without Portfolio Jay Naidoo confirmed that only R1,135bn had been paid out to projects so far.

According to this year's Budget Review, R2,06bn was expected to have been disbursed from the R2,5bn RDP fund during the 1994/95 financial year. Unspent funds were rolled over.

Responding to a question from DP finance spokesman Ken Andrew, Naidoo indicated the bulk of the funds had been used for primary school nutrition (R350m), education (R215m) and the provision of free health services (R256m).

The latest figures, indicating a large lag between the allocation and the spending of funds, suggested "these things are taking longer to get off the ground than we had thought", Andrew said.

While the RDP was only beginning to get off the ground, problems at this stage appeared to be located in the process of project identification and approval, Andrew said. "It is not necessarily a capacity problem but a process one at the moment."

Naidoo, meanwhile, lashed out at MPs for "not doing enough" to explain the RDP process or assist in the framing of business plans, particularly in rural areas.

"The RDP process is not understood by the people in the street, the business planning concept is too complex to be easily understood by the rural grassroots and MPs are not doing enough to respond to this need and to assist the line departments and RDP units," Naidoo told ANC MP

ADRIAN HADLAND

Geoffrey Doidge in a written reply to a question. The implementation of some projects, such as Transkei's rural water programme, had been delayed due to the rationalisation of former TBVC and self-governing territories' administrations.

He said these rationalisation initiatives, coupled with the court injunctions brought about by the previous public service restraining the provincial government from hiring new officials, delayed the normalisation of administrative processes to implement the RDP. While the province's department heads had been appointed last month, deputies, chief directors and directors had not yet been named. "It has therefore been difficult if not impossible to develop integrated RDP capacities."

Of the R1,135bn paid out so far, R3,7m had been spent on rural community water projects, R21m on the Culture of Learning literacy project, R1,5m on urban investment planning, R13,4m on urban renewal, R19,5m on the national public works programme and R18m on drought relief.

Asked about RDP-related electrification programmes in the Eastern Cape, Naidoo said considerable progress had been made. More than 5,000 homes, hospitals and schools were expected to be provided with electricity by July.

The Budget Review said the school nutrition programme now fed more than 4,5-million children, the rural water supply programme had targeted 411 000 people in 169 villages and the free health services had resulted in "several-fold increases" in many low-income areas.

Compulsory social security plan for SA?

(297) CT 11/4/95

ANTHONY JOHNSON

SOUTH AFRICA's entire social security network is to be dramatically restructured, the Minister of Welfare, Mr Abe Williams, announced yesterday.

The new dispensation could see the introduction of a compulsory savings scheme for the country for the first time.

Mr Williams — who is visiting Chile with senior officials of the departments of Finance, State Expenditure and Welfare — said the Chilean compulsory savings scheme had proved cost-effective and could hold the same advantages for South Africa.

"Chile's social security programme is internationally regarded as a success and South Africa can learn a lot from it," he said, noting that their social security programme had replaced a failing government one.

"It helped the country slash government spending and reduce its budget deficit," he said.

About 86% of South Africa's welfare budget goes towards social security.

Cash-strapped NGOs slam donors' new loyalties

By Ross Herbert

STAFF WRITER

Non-governmental organisations, meeting in a Gauteng summit conference in Johannesburg, yesterday criticised funding practices of the US Agency for International Development and the European Community.

They also called for significant changes in tax laws to preserve the vitality of non-governmental organisations (NGOs).

The meeting was held to establish a Gauteng provincial NGO council to help co-ordinate projects and funding with the government and better match NGO resources with RDP efforts.

Similar provincial councils have been established in the Eastern and Western Cape, Northern Transvaal and KwaZulu Natal.

Similar councils will be formed

in the Free State and Eastern Transvaal.

Rams Ramasha, chairman of the interim committee that brought the summit together, said "NGO relationships with donors have come under great strain."

Some donors were now saying "We have supported NGOs in order to enable them to undermine the apartheid regime (and) now that South Africa has a democratically elected government, we will stop funding NGOs and establish bilateral relations, in terms of which we shall only fund the government."

NGO representatives singled out USaid and the EC, saying they had been diverting money into government coffers and pulling the plug on NGOs that they had supported for years under the previous government.

Judi Fortuin, co-ordinator of the National Progressive Primary

Health Care Network, said a five-year, \$14 million Aids education programme funded by USaid had been cancelled because funds were diverted to the government — which would not tackle the issue for months or years.

The national NGO Coalition has proposed legislation designed to prevent the financial collapse of NGOs that are failing to raise enough funds in the post-apartheid era.

Tax deduction

The proposal calls for expanding the tax deduction for donations made to formal education institutions to include donations to all recognised NGOs. Some NGOs also want a new statutory body to certify NGOs, audit their financial statements and assist new NGOs in forming rules.

This idea is the subject of heated

debate. Organisations anxious to prevent Boesak-style scandals from killing off donations have called for the auditing of all NGOs, regardless of size, while others worry about the impact on smaller NGOs of such rules, and focus on other obstacles.

"We should scrap the fundraising act. It is bad law. It was set up to block NGOs from registering. It now takes 16 months to get a registration number. As a result, there is very low compliance," said Zane Dangor, convenor of the coalition's steering committee.

Dangor said the government did not have the staff resources or community contacts to do much RDP work, particularly in black and rural areas, without NGO assistance. That assistance, however, would not be forthcoming unless the government created a climate more conducive to fundraising and support of NGOs.

Call to retain right

of appeal in labour Bill

ERICA JANKOWITZ

EMPLOYERS were concerned about the removal of the right of appeal against decisions of the proposed conciliation, mediation and arbitration commission in labour disputes as set down in the draft Labour Relations Bill, according to a recent survey.

Management consultants FSA-Contact, in ascertaining employers' attitudes to the Bill, found a large proportion of respondents were opposed to a provision which disallowed appeals on arbitrated dismissal awards heard by appointed commissioners.

FSA-Contact IR division managing executive Pierre Wolmarans said dismissal disputes relating to employee conduct and capacity — common dispute triggers — would be referred to arbitration in terms of the Bill.

Neither party would be entitled to legal representation or to appeal the commissioner's decision. In contrast, appeals were permitted against Labour Court decisions, which seemed at variance with procedures for the proposed commission, Wolmarans said.

Respondents also expressed concern about the competence, fairness and experience of commissioners and the Bill's silence on selection criteria for commission panelists and stipulated minimum experience.

Also, a commissioner who assisted at a dismissal mediation could be appointed to act as arbitrator of the same dispute if no objection was raised.

Wolmarans said participants believed management lacked the necessary experience to conduct arbitration successfully, especially as they would not be backed by legal representatives. Respondents also saw worker participation provisions as challenging management prerogatives unless forums were restricted to discussing only shopfloor issues.

Govt's 'RDP neglect' ⁽²⁹⁷⁾ a cause for concern

GOVERNMENT's continued neglect of the potential contribution of non-governmental organisations within the reconstruction and development programme was cause for concern, the RDP Monitor said in its latest issue.

The publication said the national RDP office had not yet formulated a fixed policy on relationships with NGOs, and added that Minister without Portfolio Jay Naidoo's position was that "there would be no endorsement of any specific organisation".

Naidoo's refusal to endorse projects, and donors' insistence on it, had resulted in a stalemate with some countries delaying funding programmes, the Monitor said.

It said the uncertainties around the election period resulted in a "holding back" by corporate donors in the first half of 1994. Nervousness about a stringent tax regime held off funding for the second half of last year.

"However, the successful elections and the essentially favourable fiscal policy, along with repeated reassurances by the ANC to business, has not led to businesses redoubling their financial commitment to development and civil society."

A number of companies had displayed "an indecent haste" in taking advantage of the conciliatory new order to enrich themselves, the Monitor said.

Others were "genuinely confused" as to where and how they were to make a contribution, as the government had been slow in coming forward with clear guidelines and incentives.

"The business stand-off casts a shadow on

THEO RAWANA

business's perceived commitment to development, raises questions about its reliability as a development partner, and is damaging to the working relationships that have been established with community groups and NGOs," the Monitor said.

The March Budget had underscored government's determination to fund the RDP through savings rather than expenditure, and this would result in most core RDP areas of focus seeing little increase in funding in real terms, the publication said.

Even in housing, moneys allocated could only be used for leverage of further loan funding, rather than for wholesale provision. "Foreign funding takes up only a small proportion of the slack," the publication said.

It said that constraints meant that reallocations of resources from wealthier to poor provinces were increasing tensions between central and provincial administrations.

"These are likely to increase as the new Constitution is debated this year."

The slowness in delivery and in policy decisions, together with financial constraints, "gives heart to populist politicians" and encouraged the politics of frustration, such as land occupations and the destruction of universities, the Monitor said.

Soon the workshops and committees would have to start showing real progress. It was increasingly clear that dynamic Ministers in charge of departments could make a difference. "We need more of them," the publication said.

A financial adjustment commitment

■ BY ANITA ALLEN
SCIENCE WRITER

Clean and secure cities lie at the heart of Local Agenda 21 — a global action plan for long-term human happiness which is now being implemented in South Africa.

The plan stems from a protocol signed by 103 heads of state at the Rio Earth Summit in 1992.

The aim of Local Agenda 21 is sustainable development under the credo — think globally, but act locally — first at national government level then at local government level and ultimately at individual level.

Since 1992, South Africa has adjusted its national policies in line with Local Agenda 21 and is now embarking on the next phase — local implementation.

(297) (P231)
**Global plan
for human
wellbeing**

The strength of Local Agenda 21 is that it is not based on elitist green perspectives only, instead there is a strong focus on human well-being.

The official launch of Local Agenda 21 in South Africa, and Africa, took place at a two-day seminar in Midrand last week.

It was a joint venture by the Department of Environmental Affairs and Tourism and the International Council for Local Environmental Initiatives

STAN 17/4/95

Deputy Minister of Environment Affairs and Tourism Bantu Holomisa gave the keynote address and stressed the need to give people a sense of ownership of their environment.

In his opening address, director-general of the department Dr Colin Cameron said. "It will serve little purpose if we manage to cope with the ozone problem while people suffer from the consequences of urban decay and rural destruction."

The International Council for Local Environmental Initiatives is working with 21 selected municipalities worldwide to design, test and evaluate its plans over the next three years. Johannesburg, Durban and Cape Town are part of this programme.

RDP the focus of government's Budget plan

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BD 18/4/95

MANY of the issues raised in Business Day's editorial (April 12) concerning changes to the Budget were dealt with by Minister without Portfolio Jay Naidoo in his address to Parliament on March 29 in which he set out the changes which have been taking place in the Budget.

The point has been made many times that the reconstruction and development programme (RDP) is not something to be added on to the normal business of government. It is the core business of government and, as such, must be paid for from the Budget and by saving on costs.

Two very important initiatives have already been started in order to improve the efficacy and the efficiency of the use of government funds. The first of these is the business planning process, which was introduced through the Presidential lead programmes.

Spending departments and other agencies are required to specify what they will spend money on, how they will spend it, and when the results are expected. This makes it much easier to control the use of money to ensure that it is used in a properly planned manner and that it takes the RDP forward.

The business planning process also greatly increases transparency and accountability for the use of government money, because it makes the use of that money more explicit.

The second major initiative is the strategic planning process. This has been introduced in all departments and is being extended to the provinces. The Cabinet has made this a condition for the construction of the 1996/97 Budget.

The Budget will flow from the development of strategic planning for all departments and provinces. They are required to set out their major goals and their strategies for achieving the goals. This is being combined with the process of analysing the activities of all departments and their compliance with RDP criteria.

The result will be that low priority activities are weeded out, and high priority activities are properly planned and resourced with staff and funds. The strategic management process allows for a more effective use of resources. Again, this process makes government far more accountable by making its aims and targets more accessible.

The monitoring process that has been developed for the Presidential lead programmes and is now being extended as part of the strategic management process to the departments and provinces, will allow for substantial improvement in planning. By monitoring the results of programmes and strategies, planning and management can be improved and the efficacy of the programmes and strategies enhanced.

BERNIE FANAROFF

The 1994/95 Budget was written by the previous government. Although the 1995/96 Budget was largely compiled before the new government took office, some changes were still possible and these changes resulted in the diversion of funds to socioeconomic spending priorities.

This redirection took place both through the main body of the Budget and through the RDP fund. The details are set out in Naidoo's speech to Parliament. For instance, nearly R3bn has now been redirected to housing and the provision of municipal infrastructure and services.

However, these changes to the 1995/96 Budget are essentially ad hoc. The process for the 1996/97 Budget which has been approved by the Cabinet is a much more systematic process to redirect expenditures both within departments and between departments.

It is likely the large changes which may be necessary will be possible only over a period of some years. For this purpose, a five-year expenditure programme is being prepared for submission to Cabinet. This will set out recommendations for both absolute and relative spending levels for different functions of government.

The way in which the RDP fund has been used for 1995/96 was also set in some detail by the Minister in his talk, and detailed schedules have been released to the media.

The fund has been used to support transitional arrangements in certain departments such as Health, Education and Safety and Security. It has also been used to take forward the process of redirecting resources, and for that purpose, very substantial allocations have been made to the Housing Department for the housing subsidy programme and for support for the construction of infrastructure and municipal services.

Substantial amounts have also been given for further integrated urban and rural development programmes, and for the provision of community water resources. Maintenance and upgrading of roads has received a major allocation.

It is surprising that Business Day's editorial questions the granting of funds for the building of police stations. In almost all market research, the issue of peace and security for all of our people has featured as a major requirement. In order to achieve household security, many things have to be done including job creation, the improvement of municipal services and the improvement of policing services. These are of course part of RDP priorities.

The Cabinet in its bosheraad in

January set out peace and security as one of the socioeconomic priority delivery areas. The RDP office has therefore been working with the senior management of the SA Police Service to set out a programme which will utilise the core budget of safety and security as well as substantial RDP fund allocations to establish proper policing.

It must be borne in mind that about 80% of police stations are in predominantly white areas and that many police stations in black areas do not even have telephones or any vehicles. We regard this as a legitimate area for RDP fund expenditure, particularly because the programme is being constructed to accelerate the process of transition within the SAPS.

The editorial also refers to the Health and Education Department. Strategic planning in those departments is at an advanced stage. This planning is being translated into budgetary proposals, which will be accommodated in the 1996/97 Budget.

While it would clearly be unrealistic to expect complete planning or transition to occur before August this year, there have nonetheless been impressive changes made in the strategic goals and the allocation of resources within these departments.

□ Fanaroff is deputy director-general in Naidoo's office.

ETTER

Nissen takes Nats to task over RDP

ARG 20/4/95
Budget review in Cape urged

MICHAEL MORRIS
Political Correspondent

WESTERN Cape Minister of Economic Affairs Chris Nissen has challenged the National Party-dominated provincial government to stop moaning about under-funding and to get on with reconstruction and development

Introducing debate on the province's reconstruction and development programme budget yesterday, he warned against the "culture" of sitting back waiting for funds from national coffers "without attempting to change the budget within the province" to meet development goals

It would be wrong to adopt an "add-on" approach "while business continues as usual within the province"

There was also an attitude developing that "anything that redresses past imbalances, or is deemed to be reconstruction, will be left to the RDP office or projects"

"If we allow these attitudes to develop, then there is a very real danger that the RDP in the Western Cape will not be effectively implemented"

If this happened, the Western Cape government would have to take full responsibility

He added "The challenge facing us is how, within the constraints of limited resources, we re-orientate our

budgets towards the objectives of the RDP

"It is easier to sit back and say 'I can't do anything because I have not received enough,' but it is tougher to wade right in and say 'Okay, I may not have everything I wanted, but let's see how I can effectively utilise what I have'

"If we are committed to the RDP, we will accept the challenge"

He added that the "key issue is not the amount of funds in the (RDP budget) vote, but how other budget votes can be re-orientated towards the RDP. Ultimately, all other votes should be reflecting RDP goals"

Mr Nissen also disclosed that

- The Western Cape RDP office had received 110 project proposals from organisations, individuals and communities, which were now being evaluated and processed

- An RDP summit would be held in July to "finalise" the Western Cape RDP document, draft copies of which would be available from the end of next month, for comment

- Discussions were in progress with black small business sectors in the province to develop an economic empowerment programme

- Fifty-seven RDP forums, each of which had to meet strict guidelines, including non-partisanship, inclusivity and transparency — had been set up in the province

Concern over RDP priority
in W. Cape departments (297)

CT 2014/45

POLITICAL STAFF

Local minister queries RDP

(297)

NEWLY-appointed Western Cape Planning Minister Mr Lampie Fick yesterday appealed for "clarity" in his relationship with the RDP, saying the RDP could not be regarded as the "be-all and end-all" of long-term planning.

Speaking in the budget debate on Development Planning in the provincial legislature, Mr Fick said it was "perceived" that central government "could and should" prescribe provincial planning, with the provinces merely acting as executive administrators.

He said this was an incorrect interpretation of the interim constitution. CT 20/4/95

"It is necessary to establish a clear relationship between planning for the province as a permanent function and the RDP — which is a programme of projects," Mr Fick said. — Political Staff

Payouts draining welfare coffers

PRETORIA — Payment of state pensions and welfare grants is "fast becoming unsustainable", Deputy Welfare Minister Geraldine Fraser Moleketi told a conference of local and Dutch welfare delegates in Pretoria yesterday. (297)

She said pensions and grants accounted for 86,7% of the national welfare budget. 20/4/95

"The (government's) reconstruction and development programme promotes a compulsory contributory pension scheme, as well as social assistance in the form of cash or 'in-kind' benefits to those most at risk."

A White Paper on the social welfare system was being drafted.

"In line with our constitution, our social welfare system is required to undergo a fundamental transformation to ensure that social justice and equity is achieved and rights of individuals are protected."

"Family life, a social security net and the promotion of social developmental welfare" would be central.

Social policy would no longer be left up to social workers employed by the state and private bodies. "Policy decisions should involve the beneficiaries," Moleketi said — Sapa.

State welfare grants 'fast becoming unsustainable'

ET 20/4/95

(297) (SAP)

PRETORIA: Payment of state pensions and welfare grants was "fast becoming unsustainable", Deputy Minister of Welfare Ms Geraldine Fraser Moleketi told a conference of local and Dutch welfare delegates here yesterday.

She said pensions and grants accounted for 86,7% of the national welfare budget.

"The Reconstruction and Development Programme promotes a compulsory contributory pension scheme, as well as social assistance in the form of cash or

'in-kind' benefits to those most at risk," she said.

"In line with our constitution, our social welfare system is required to undergo a fundamental transformation to ensure that social justice and equity is achieved and rights of individuals are protected."

Social policy would no longer be left up to professional social workers employed by the state and private bodies. "Policy decisions should involve the beneficiaries," said Ms Moleketi — Sapa

Taiwanese donate to poor

Winter clothes warm hearts of many in Khayelitsha

Staff Reporter

TEACHING the rich to take care of the poor, so the poor can one day be in a position to help the needy. That's the philosophy behind a Taiwanese donation of 15 container loads of blankets and clothes for South Africa's underprivileged.

Volunteers of the Buddhist Tzu Chi compassionate giving) Charity Association emptied two containers of blankets, some wheelchairs and more than 20 000 pieces of good used clothing, handing the goods to the residents of Khayelitsha.

The Republic of China's Consul General R T Yang, together with Tzu Chi representatives from Taiwan, was here to make sure everything went

smoothly at a community centre in the township.

Mr Yang said the two containers were part of a consignment of 15 which were distributed to the needy in all the major urban centres and in Swaziland.

"Forty years ago Taiwan was a very poor country, probably worse than South Africa is today, but through hard work and commitment it has become quite wealthy.

"Now we want to share what we have with those communities that are less fortunate and I hope that in the not too distant future, South Africans will be wealthy and in turn be able to help others."

Tzu Chi spokesman Chen Chun-Hwaz said the association believed that people with better fortune regardless of their nationality, should

have the compassion to share it with those who are poor.

"This way of thinking motivated the more than four million members in Taiwan donate money and clothes to the association to be distributed to the needy of the world."

Mr Hwaz said they started their work in South Africa last year when they distributed less than one container of clothes and would continue as long as there were poor and needy people in the country.

"But our hope is for the people to work hard and uplift themselves so they can assist the needy in other parts of Africa."

At the community centre hundreds of people stood in long queues patiently waiting to enter the hall and collect their donations.

Sam Mvumbi, 79, said it was a wonderful experience to be given a box of clothes for himself and his family.

"I feel extremely happy and am sure my wife and children will appreciate these gifts. It's so wonderful to know there are still people in the world who care and think of people like us."

A jubilant mother of three, Klaas Nonkululeko, said in spite of her struggles to clothe her children she was afraid that they would be cold this winter as she was unable to buy them warm clothes.

"Now I can go home satisfied because I know my children will be prepared for the cold weather. I can't thank these wonderful people enough," she said, hugging one of the volunteers.



Pictures NIC BOTHA

WINTER WEARS: Republic of China Consul General R T Yang hands some warm winter clothes to a grateful Victoria Ngquzu at a community centre in Khayelitsha

W Cape 'last in line' for RDP

A low – and incorrect – jobless estimate could create problems in getting government funds, says Wesgro's Wolfgang Thomas

By AUDREY D'ANGELO

CAPE BUSINESS EDITOR

Unemployment in the Western Cape – officially 17,3 percent compared with the national figure of 32,6 percent – has probably been underestimated

This is the view of Wolfgang Thomas, an executive with the region's development agency Wesgro

At a presentation on the Western Cape economy organised by Wesgro and the Cape of Good Hope Bank yesterday, Thomas said that based on estimates by the Development Bank of Southern Africa and Wesgro, the province's black population was at least

375 000 higher than the official figure of 655 060

He also believed the unemployment figure for the rest of South Africa was too high, if jobs in the informal sector were taken into account

The unemployment figure for the Western Cape was probably not too high since the majority of the population were white and coloured.

As such they were more likely to seek permanent employment in the formal sector, he said.

"If we combine the adjusted figures for the African population with the other two segments of the provincial population, the average level of unemployment is increased

from 17,3 percent to about 21,6 percent, which seems more in line with the Gauteng average of 28,7 percent and the overall average of 32,7 percent"

Thomas said the Western Cape was fortunate in having a more stable economy than the rest of South Africa, because it was more broadly based and therefore less subject to fluctuation

But the disadvantage of apparent low unemployment, and a National Party majority in the provincial government, was that the province came last in line for RDP handouts

This affected projects such as job creation and improvements in

education Thomas warned that it would be natural for "official" unemployment figures quoted in the Central Statistical Services household survey to be taken as the basis for the allocation of RDP

funds

Even within the province the figures created a dangerous impression that there was no need to worry about unemployment and poverty

This could lead to political and social polarisation

The region had serious problems and challenges, most of

which could not be tackled effectively without central government support

The province's average unemployment figure should be revised upwards — to 21,6 percent

'Where we want to be in 25 years'

Naidoo certain RDP is on track

Star 25/4/95 (297)

■ BY PAULA FRAY

Minister without Portfolio Jay Naidoo is quietly confident the Reconstruction and Development Programme is on track.

Releasing his first year-long RDP report yesterday, Naidoo said the presidential lead projects were a "major success in transforming and ensuring efficient, transparent and accountable government"

"I would think of the RDP as a strategy to ensure that the quality of life of our people is improved. To achieve that we need a shift of resources to meet people's basic needs," he said

Naidoo said the R5-billion RDP Fund created for the 1995/96 financial year would be used as a lever to shift the rest of the core budget to meeting basic needs

An example of this was health, to which the RDP Fund had allocated R500-million to help shift expenditure from tertiary health to primary health care by rehabilitating or building new clinics

Key indicators — such as the

need to give 12-million people access to water, 1-million homes to be built over the next five years and 2,5-million homes to be electrified — had been identified and progress in meeting these needs would be monitored.

"The RDP is not an add-on... it is the core business of government. The RDP is a vision to where we want to be in 25 years' time," said Naidoo.

He listed the success of the programme's first year as:

■ Free health care programme: Four times more patients were now being treated in the rural areas. The RDP Fund had allocated R472,8-million and R500-million to free health in the 1994/95 and 1995/96 financial years respectively

■ Clinic-building programme: 172 clinics would be built or upgraded by April 1996.

■ Electrification: A total of 378 171 houses had been electrified last year, easily exceeding the RDP target of 300 000 houses.

■ Primary school nutrition scheme: More than 5-million chil-

dren in 12 800 schools benefited from this programme. The target was 6,8-million children.

■ Urban renewal programme: Major integrated development projects were being set up on the ground in the most crisis-ridden areas and R1,6-billion has been allocated from the RDP Fund.

■ Rural water provision: The RDP Fund had assisted the Department of Water Affairs and Forestry to redirect resources to community water provision.

■ October household survey: This was the first comprehensive survey of all South Africans and would be used as base information for future development planning and the census due to take place next year.

Naidoo said the Masakhane campaign, which focused on accelerating the delivery of services, was the main vehicle through which the RDP would be implemented at local level.

"The campaign is already bearing fruit. In Soweto, payment for electricity has increased from 20 to 65%."

196 000 HOMES IN THE PIPELINE

UNIVERSITY OF CAPE
SALDRU LIBR

RDP a 'major success'

25/4/95 (297) ESS CT

MINISTER without Portfolio Mr Jay Naidoo has proclaimed the first year of the RDP a success. It has helped transform the government, redirect funds to meet basic needs and boosted health care, electrification and water provision.

THE Reconstruction and Development Programme was a "major success" with 196 000 houses in the pipeline to prove it, Minister without Portfolio Mr Jay Naidoo said yesterday.

Releasing his first year-long RDP report in Pretoria yesterday, Mr Naidoo predicted a surge in the building industry next year, saying 196 000 housing subsidies had so far been approved.

The Presidential Lead Projects had been a "major success in transforming government and ensuring delivery".

Among the successes achieved so far

● Free health care

Four times more patients were being treated in the rural areas since the inception of the programme.

● Clinic building: 172 clinics would be built or upgraded by April 1996;

● Electrification:

A total of 378 171 houses were electrified last year, exceeding the target of 300 000.

● Primary school nutrition.

Over five million children in 12 800 schools benefited, against a target of 6.8m;

● Urban renewal. Major integrated development projects were being set up in the most crisis-ridden areas and R1,6 billion had been allocated from the RDP fund over a five-year period, and

● Rural water provision: The RDP fund had helped the Department of Water Affairs and Forestry redirect resources to community water provision. Several water projects have been launched and nearly 1,3m people will benefit this year.

Mr Naidoo said the Masakhane campaign was already bearing fruit. "In Soweto payment for electricity has increased from 20% to 65%. In Louis Trichardt payment for services went up from 0% to 90%," he said.

Finance Minister Mr Chris Liebenberg congratulated the government for having the political courage to exercise patience instead of "just rushing in to spend money".

He said criticism by foreign donors that the government had been dragging its heels was unfounded. "When you deal with a situation where the needs are greater than the funds available, you need a lot of discipline."

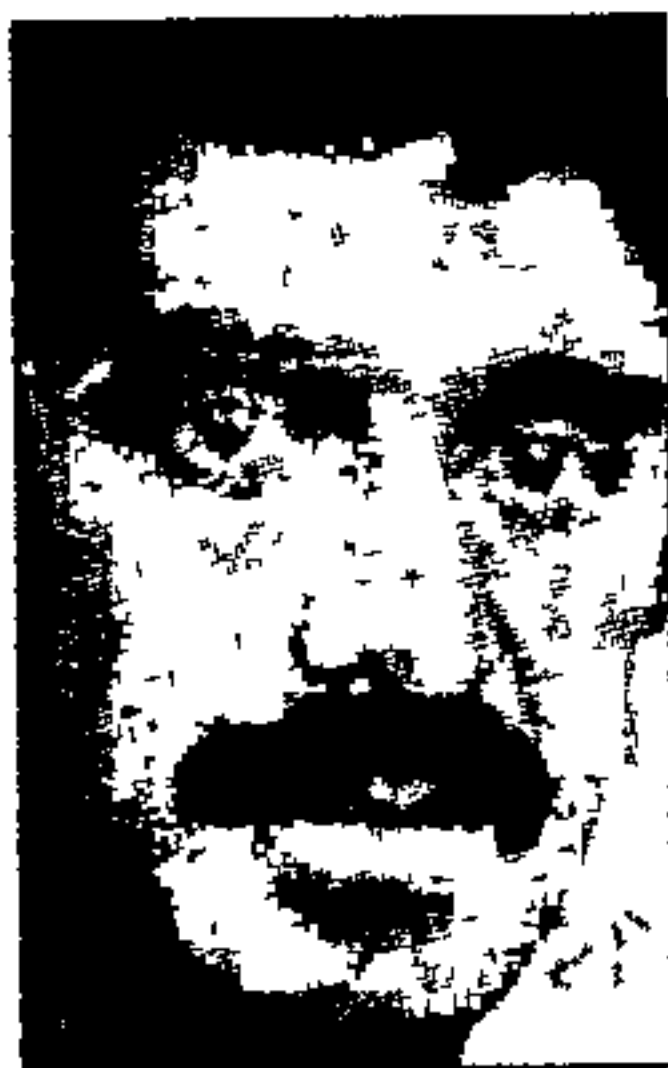
In an interview at the weekend, Mr Naidoo said there were still misconceptions that the RDP fund was a pool of money from which to draw for projects.

In fact, he said, the R5bn fund for the 1995/96 financial year would be used as a lever to shift the rest of the core budget to meeting basic needs.

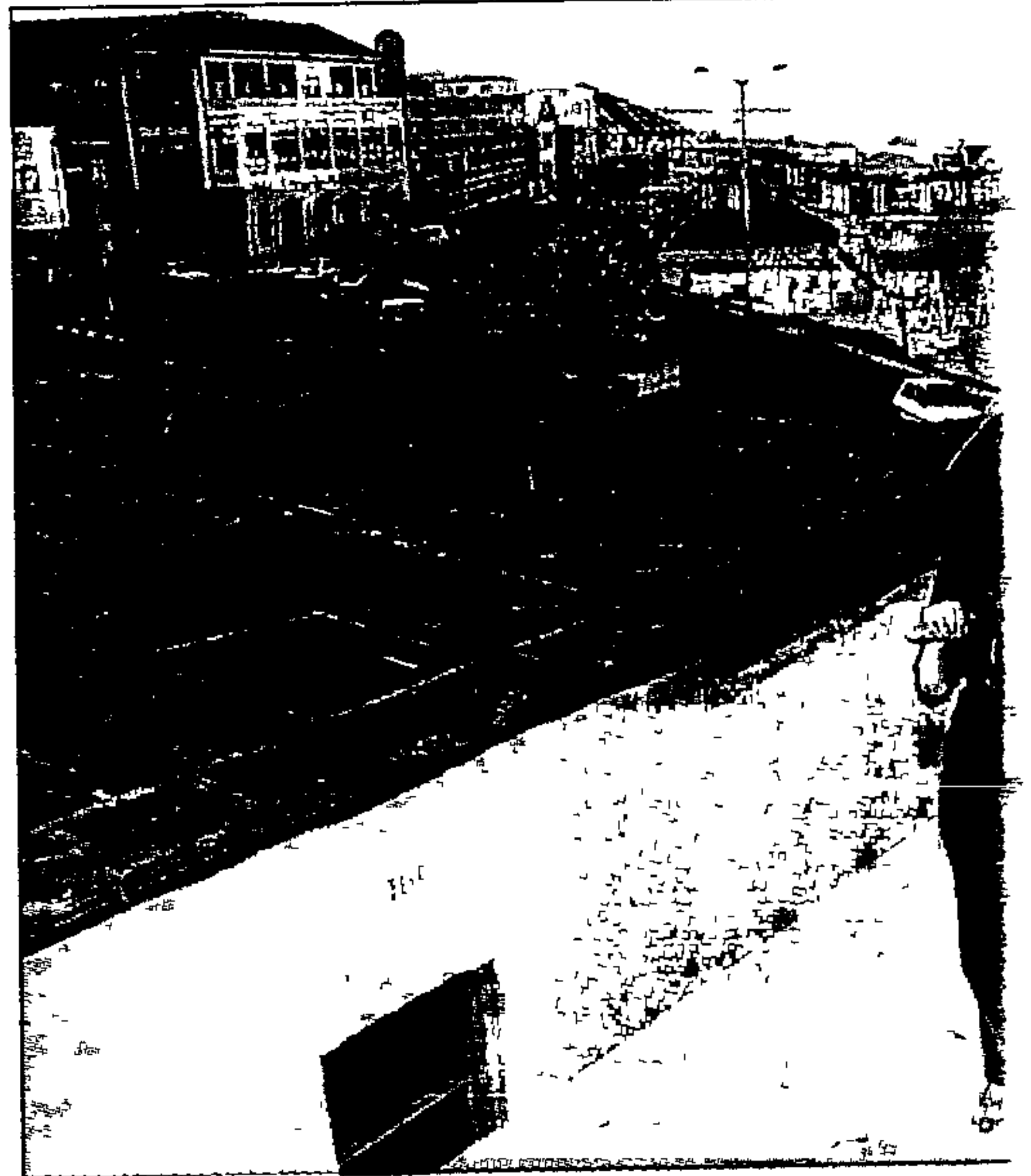
"The RDP is a strategy to improve the quality of life of our people. To achieve that we need a shift of resources," he said.

● South Africa's housing backlog of 1,5m units was growing by 200 000 every year, Housing Minister Ms Sankie Mthembi-Nkondo warned yesterday.

She told a housing conference in Nairobi the planned provision of a million housing opportunities by 1999 would create jobs and boost the economy, but cautioned against allowing quantity to dominate over quality. — Sapa, Special Correspondent, Political Staff



SUCCESSFUL: Minister without Portfolio Mr Jay Naidoo.



BEATING THE DRUM: Muizenberg residents Ms Lisa Jacobson and Mr Paul day protested against the demolition of five council-owned buildings at Surfer's Corner. Demonstrations and demolition workers occurred when workers began to demolish the buildings.

Protesters, demolition

STAFF REPORTER

DEMOLITION work on five council-owned buildings at Surfer's Corner in Muizenberg began yesterday, immediately resulting in a clash between demolition workers and protesters opposed to the demolition.

Some protesters, beating a drum and ringing a bell to draw attention to their cause, chained themselves to the chimney of one of the houses targeted by the demolition workers.

Two blocks of flats and three houses have are to be demolished.

Protesters feel the buildings — some nearly a century old — are part of Muizenberg's architectural heritage.

They also feel there has not been enough consultation and with no future plans for the site, the area left standing open.

After being warned by police that they were trespassing, the protesters demanded that the demolition be prevented further.

The executive committee of the transitional council last week overwhelmingly — for the second time — to demolish the five buildings, are to fall under the control of a Peninsula local authority next month.

"They (the council) are impeding this demolition. They have no plan to develop the area," Interim Muizenberg Residents' Committee (Imrec) spokeswoman Mrs Cornelia Bullen-Smith said.

Ministers' roadshow takes RDP overseas

CT 26/4/95

(297)

LONDON: The RDP will feature prominently in the international roadshow being conducted for foreign investors next month.

Minister without Portfolio Mr Jay Naidoo will join Finance Minister Mr Chris Liebenberg and Reserve Bank governor Dr Chris Stals in visits to London, Europe, and Japan to try to convince foreign investors and financiers that the government of national unity is on the right path.

Diplomats said the greatest concern of foreign investors was whether the RDP would be successful in meeting people's expectations — the cornerstone of future stability — Own Correspondent

Export subsidy linked to RDP compliance

NICOLA JENVEY

297

DURBAN — Exporters already facing the longer-term demise of GEIS will soon have to submit claims which also detail their performances on reconstruction and development programme (RDP) objectives before they receive full payment.

A notice circulated to exporters says the Trade and Industry Department and the National Economic Development and Labour Council (Nedlac) will investigate ways to reserve "a small portion" of GEIS payments due to claimants. This amount would be paid out only on receipt of documentary evidence that the company had adhered to RDP targets on human resource development, work organisation and research and development.

Trade and Industry director-general Zav Rustonjee said yesterday the details of the new clause, which had been inserted into GEIS guidelines, would be discussed within Nedlac. There was no indication yet of how much would be withheld from exporters for RDP purposes.

A recent Monitor report on competitiveness indicated GEIS had increased the number of exporters as well as their profits in the short term, but was of "questionable sustainability". Too few of the benefits derived from GEIS had been used to tackle uncompetitiveness, human resource development, work organisation and research and development.

"This clause will ensure firms produce concrete evidence of their international competitiveness. The scheme is not there to subsidise inefficient exporters," Rustonjee said.

Exporters responded angrily. Export company director Nora Hill said it "was amazing" that the department could even contemplate such a scheme. "The precedent created against exporters is damning and the suggestion that a portion of hard-earned GEIS repayments be channelled

□ To Page 2

GEIS (297)

From Page 1

into the RDP is remarkable. It is inter-department budget-swallowing to the ultimate detriment of the foreign exchange which would be earned," she said.

The industry had already suffered minimum 50% cuts in GEIS benefits. Hill believed many exporters would "think seriously" of curtailing exports should the proposal be considered. "The department is demanding we pay yet another tax for the luxury of being exporters."

Hill questioned the implications of the scheme for manufacturers who did not

export, particularly when Trade and Industry Minister Trevor Manuel was calling for an increase in exports to ensure the success of SA's economy.

Rustonjee said the proposal indicated the direction in which government and the department were moving. Taking aggregate figures, GEIS had not increased competitiveness and this "was no longer acceptable. It is our responsibility to ensure taxpayers' money is spent resourcefully and this new proposal will do that in terms of GEIS spending."

Country is 'ready to address poverty'

SA's improved economic performance, coupled with the reconstruction and development programme, had put the country in a much stronger position to address poverty and unemployment, the SA Chamber of Business said yesterday.

Considerable progress had been made since elections brought democracy to SA, and the economy had made its contribution to reconciliation and nation-building, a Sacob spokesman said in a statement to mark Freedom Day.

Renewed access to foreign markets for trade and capital, both of which were

vital for economic prosperity, were among the most fundamental changes to the country's economic position.

And business confidence, as seen in fixed private investment, reflected a positive view of economic prospects.

The challenge of the next year, Sacob said, was to pursue the right policies to consolidate political and economic gains.

Existing expectations left no room for complacency, and escalating crime and low productivity were major problems which urgently needed to be tackled, Sacob said. — Sapa.

DEVELOPMENT LEGISLATION

Ready to roll (297)

FM 28/4/95

Cabinet has approved the draft Development Facilitation Bill, which will be put before parliament — probably within three weeks.

The Bill creates a new policy framework for land development. It is intended to cut through the bureaucratic and technical delays which have in the past pushed up holding costs in new developments.

But it is only an urgent interim measure. A number of land development and tenure issues are still to be addressed.

The introduction of communal tenure and other reforms of planning and engineering standards, for example, must still be tackled.

These and other more fundamental changes to policy practice and law will be dealt with by a development and planning commission created by the Bill, which will

advise government. It will comprise provincial representatives, experts and others.

The Bill is expected to differ from the draft, published in the *Government Gazette* in October last year, in detail only.

It focuses on two problem areas.

The first is the spatial patterns created by laws introduced in the apartheid era — long distances between cities and towns and the separate townships that were created to provide labour for them.

The second is the diversity of procedures for land development in different regions. There are, for example, separate laws in former self-governing states, TBVC territories, group areas, free settlement zones, controlled, scheduled, released and developing areas.

There are laws which may be common to

more than one area but do not apply universally. For example, in the new Eastern Cape province, there are four deeds registrars with jurisdiction to register different forms of title depending on where a property is.

To create common procedures, the Bill has had to clarify which government tier exercises jurisdiction in land development matters.

In terms of the interim constitution, national government has overriding jurisdiction over general norms and standards and land registration matters.

But provinces have jurisdiction over most procedural matters relating to land development and can create laws which are in conflict with national laws. On procedural matters, provincial law would override na-

THE POWERS OF THE TRIBUNALS

Tribunals are proposed in the draft Development Facilitation Bill to cut through bureaucratic and technical delays. They will handle applications.

Their most controversial power will be to suspend the operation of any law which stands in the way of a speedy land development. Some see in this the risk that laws such as the Subdivision of Agricultural Land Act will be thrown out the window.

But Hofmeyr Van der Merwe attorney Johan Latsky, who led the Bill drafting team, believes this would be an extreme case.

"The tribunal cannot suspend a law without hearing the department administering the law. An applicant asking for a law to be uplifted should be hit with a costs order if the department was never approached and, if it had been approached, it would have given the go-ahead for the development," he says.

"Provincial administrators of the previous era had similar powers, without the checks and balances of the Bill."

The tribunals will hear disputes of the sort which cause delays, especially where low cost housing projects, informal settlements, or land invasions are involved. Affected parties can require a tribunal to consider such a disputed case. They may be the communities themselves, neighbouring owners who feel their property values are negatively affected, holders of registered rights, for example, holders of mineral rights; own-

ers themselves, and responsible authorities.

In a land invasion, for instance, a report will be written for the tribunal and all parties will be given an opportunity to put their case.

The tribunal will decide whether government can support the process. Criteria for the decision will be whether services can be provided, or whether government can expropriate the owner's land.

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 Bill (see above).

Since they will be obliged to make the reasons for their decisions available for publication, an informal "precedent system" will be developed in each province.

Tribunals will not be part of provincial government. But members will be appointed by provincial legislatures based on proposals made by premiers.

Members will have knowledge or experience of legal or land development matters. Half will be drawn from the ranks of provincial and local government officials, the rest from civil society. They will include planners, surveyors and lawyers.

Stakeholders who have been able to hold up a project simply by not providing comments will be subpoenaed to attend tribunal hearings. This should

encourage bulk service suppliers, water boards, roads departments, mineral rights holders, local authorities, education departments and neighbouring owners, to respond promptly.

Tribunals will be able to

☐ Suspend restrictive conditions of title — compensation will be paid — to cut delays which on occasion last up to 18 months,

☐ Order adjustments to existing town planning schemes, originally designed to uphold British planning standards in apartheid white areas, so that new developments can be integrated into cities and towns,

☐ Force local authorities to adopt more appropriate levels and standards of engineering services,

☐ Bring inequitable contributions to bulk services into the open and ensure that local government assumes appropriate responsibilities,

☐ Set aside unreasonable building standards and order building plans to be submitted in accordance with more realistic standards acceptable to banks providing loans for the project,

☐ Provide protection for long-term occupiers about to be thrown off development land because apartheid or poverty precluded them from getting title in the past,

☐ Refuse to support a land invasion, and

☐ Respond favourably to applications for greater density in existing areas

HOW DEVELOPMENT DECISIONS WILL BE TAKEN

Statutory principles

Reasons in writing

Provincial principles

Development tribunals

Local development plans

Review by Supreme Court

tional law in terms of the constitution

Hence the term "vulnerable" used in relation to national government's jurisdiction in certain instances in the Bill

The Bill reinforces national government's exclusive jurisdiction in land development matters to apply uniform norms and standards or where the matter cannot be dealt with effectively in a provincial law

If there is a conflict about exclusive jurisdiction, the interim constitution provides that the national law should prevail over a contrary provincial law

This would apply even if the subject is included in the range of provincial responsibilities housing, urban and rural development, local government, regional planning, the environment, certain transport matters and so on

Hofmeyr Van der Merwe attorney Johan Latsky, who led the Bill's drafting team, says it is hoped that provinces will not find it necessary to create laws in conflict with national laws in the short term and that the Bill will give them the breathing space to tackle longer-term reforms

The Bill proposes to change the historical approach to land development in various ways. It states general principles on countering urban sprawl and promoting optimal use of infrastructure

Details will be published in the *Government Gazette* by the Ministers of Housing & Land Affairs. At provincial level, the premiers can cater for special provincial circumstances by making known provincial policies which are usually not formally documented

Specific and practical development planning will be undertaken by local government

The Bill also caters for communities that do not wish to subdivide their land but want to hold it on a common basis, for example through a land trust or through traditional or customary tenure

It will apply in rural areas, opening the way for small-scale farming developments and rural residential settlements

In residential settlements, the Bill will allow for the registration of secure title early in the development process

This means that a mortgage bond can be raised from the stage when a layout or sketch plan has been surveyed up to the point where beacons have been placed for individual sites

In complex cadastral cases, such as the

proposed Cato Manor development in Durban, cash flow in new developments can start up to 20 months earlier than would otherwise be possible

The Bill provides consumer protection, based on guarantees that the remaining developmental steps will be completed or, if they are not money will be available to the authorities — bank guarantees — to ensure completion

The processes leading up to registration fall within the ambit of the provincial government. But they require nationally uniform registration procedures to provide consumer protection at all stages of the process



Latsky simplifying the complex

The Act will operate alongside existing provincial laws

Applicants can choose which procedure they wish to use

Any application for development (residential, commercial, industrial or small-scale farming) can be brought under the Bill

Where backlogs develop in tribunals (see box), the tribunal registrars will be required to first attend to projects that affect the most people in greatest need — the kind that will take priority under the RDP

In the event of a land invasion, all parties will submit reports to a tribunal. This will give government the opportunity to recognise the informal land delivery process which occurs in developing countries all over the world

PENSION FUNDS

Management switch

Management of a portfolio of 45 buildings, valued at about R500m, has been taken over by RMB Properties

The portfolio belongs to the Motor Industries Pension Fund, Misa Pension Fund, Auto Workers Pension Fund and the Co-parties Pension Fund. It was previously managed by Motor Industries Fund Administration (Mifa). RMB says Mifa recently decided to contract all aspects of the management to a property management organisation and RMB Properties won the contract on a selective tender basis

Properties include the Boulders Shopping Centre and the Mifa Industrial Park in Midrand, Stuttafords Town Square and The Terraces office block in Cape Town, and the Tzaneen Mall. Mifa says the vacancy factor in the portfolio — which is 40% retail, 30% office and 30% industrial — is 5%

Mifa has kept a low profile following legal battles with developer Shelstaton Holdings in March 1993 (*Property* March 5, 1993 and December 6 and 13, 1991)

The battle centred around contract disagreements between the parties over the Boulders Shopping Centre and Mifa Industrial Park with Shelstaton the developer and Mifa the financier. These led to a R98m defamation suit brought by Shelstaton MD Martin Janit and his company against Mifa and its related companies, making what was said to be the biggest claim for defamation ever in SA

In the course of the battle, which began in August 1991 when the companies parted ways, Mifa's GM and property manager were dismissed for allegedly mismanaging Mifa's contracts with Shelstaton. Janit said Shelstaton had severed relations with Mifa in 1991 (*Property* December 6, 1991) when he learnt its employees had been suspended (initially then dismissed). He said it became apparent to him, after the suspensions, "that management of Mifa became virtually nonexistent, obstructive and made it impossible for Shelstaton to continue to do business with Mifa"

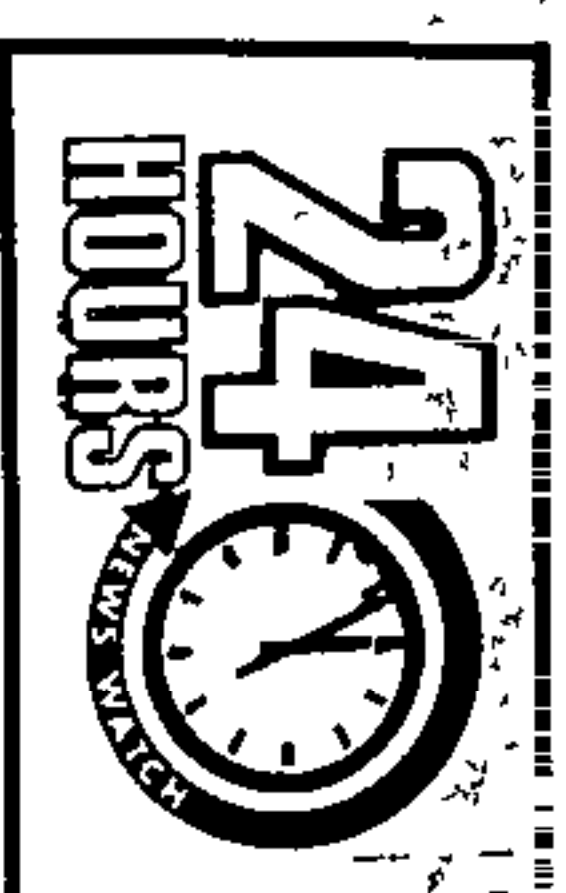
The court case continues

Mifa property manager Hector MacGregor says the defamation suit and related court cases have influenced Mifa's decision to contract out its management services

On the properties concerned, he says Boulders' retail space is 99% let and its offices 80% taken up. The Mifa Industrial Park is fully let. Both properties are getting market-related rentals

RMB Properties financial director Warren Schultze says RMB is not a party to the legal action. He says RMB will be evaluating the portfolio. RMB also manages the Momentum Life property portfolio, valued at about R1,3bn, as well as Unilever Pension Fund's direct property holdings valued at just over R70m

'We deliver'



(297) Akg 28/4/95

Western Cape 'miles ahead' in Reconstruction and Development race

Braavies, sunny skies, six-cylinder engines and rugby epitomised the idyllic lifestyle of whites in the old South Africa. Putting food on all plates, providing access to resources, transport and sporting facilities for all South Africans, are just some of the aims of the ambitious Reconstruction and Development Programme. Staff Reporter ROGER FRIEDMAN examines the progress of the RDP in the Western Cape.

THE Reconstruction and Development Programme celebrated its first birthday, along with the new South Africa.

Both President Mandela and Minister without Portfolio Jay Naidoo — the de facto RDP minister — have expressed disappointment that delivery of the RDP seems to be taking longer than initially hoped.

Certainly, the announcement of the RDP raised expectations throughout the land. Remember the promise of a million houses in five years?

Now, cynics say the ANC-dominated government will never be able to deliver all that it promised in its sweep to electoral victory last April.

Nothing besides government has changed, they say, apart from the soaring crime rate.

The homeless are still roofless, the hungry still desperate, and the illiterate still marginalised.

How long must they continue to wait?

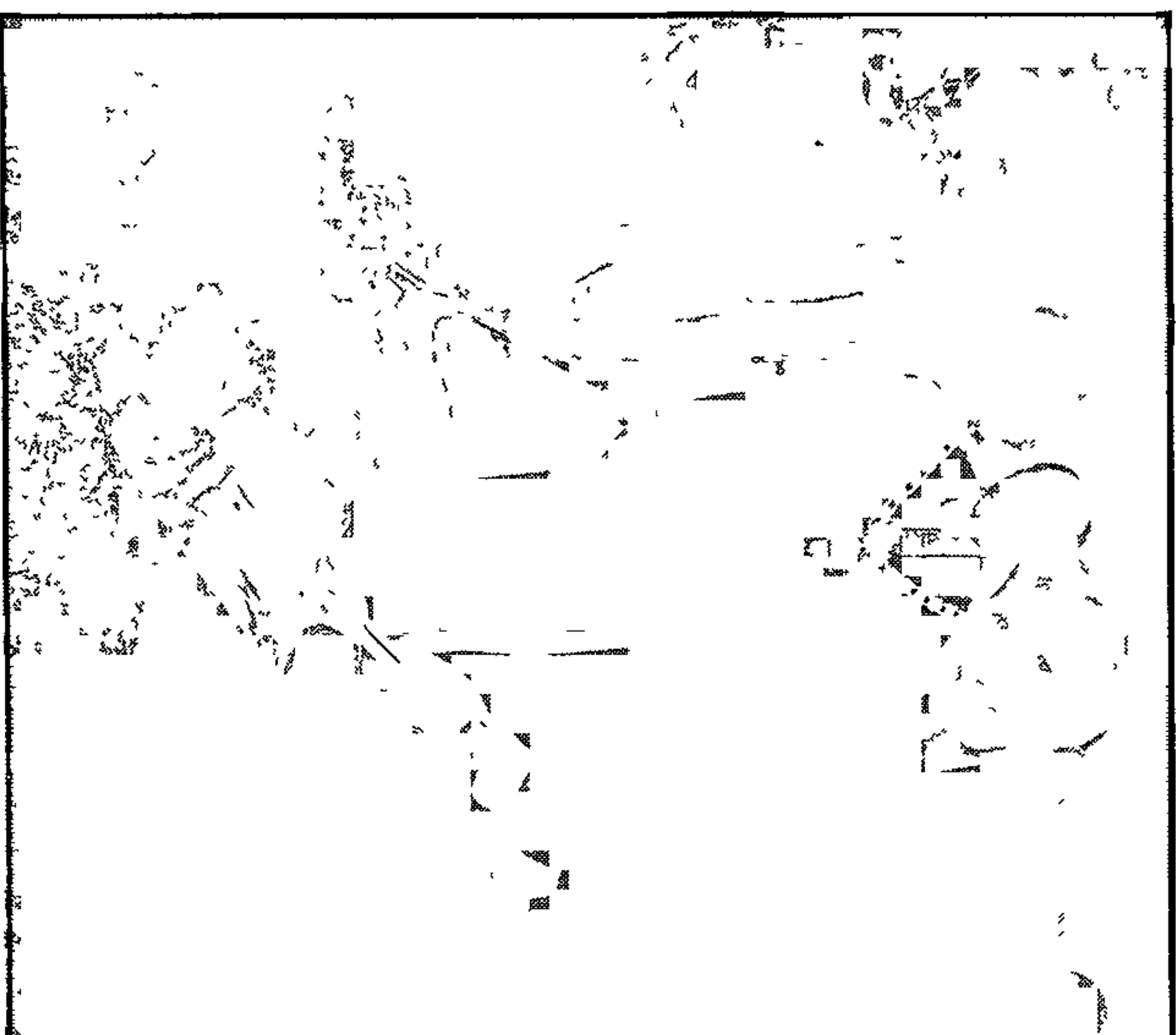
But effective and sustainable reconstruction and development projects was what had occupied those in charge of setting up the programme in the first year, Mr Rutters said.

The Western Cape was "miles ahead" of the other provinces, he said.

The required internal structures were in place, 57 RDP area forums had been established with another 43 in the pipeline, an RDP white paper (dubbed the green paper because of the connotations of white) had been passed by the cabinet, and a statement of intent (supporting the RDP) was due to be signed by all major political parties in the next few weeks.

And the Western Cape government's budget was being reworked by the RDP office in conjunction with the finance department to ensure all projects undertaken by the province were in keeping with the objectives of the RDP.

Mr Rutters said 1995 was "the year of implementation", and as of June 1, "effective implementation begins".



Picture HANNES THART, The Argus

DIGGING IN: Archbishop Desmond Tutu helps plant a tree with Robert Stodel, whose nursery donated plants for the new Philani Centre

R4 billion needed

MORE than R4 billion is the initial estimate of what the RDP will cost in the Western Cape in the next five years — not a trifling amount in an age of financial austerity and slow economic growth.

Through a lengthy process of consultation with all relevant role-players — a major reason behind the perception that the RDP has been off the starting blocks — 2414 projects have been identified by the regional government to be implemented by 1999.

The Western Cape's RDP office is convinced the projects are achievable.

The bulk of the money will be raised through a provincial government belt-tightening exercise and the reworking of the provincial budget.

According to Western Cape RDP co-ordinator Tony Rutters, "in the next year, every job in local government will be reassessed, as will every activity of government — a cutting back and streamlining process".

And the provincial budget is in the process of being reworked to achieve what has been termed "zero budgeting" — basically, ensuring that all projects undertaken by the government are in keeping

with the objectives of the RDP. Those projects not in keeping would be discarded.

Mr Rutters said zero-budgeting would profoundly affect this year's budget, and next year's "will be almost completely based on zero budgeting".

The year after that — 1997/1998 — both the national and provincial budgets would be "entirely RDP", allowing the government to scrap the special RDP Fund set up last year, he said.

But let us return to the present. In major projects — where the province could not afford to foot the entire bill — money could be accessed either through the national RDP Fund or through the national "line department", the national ministry under which the project would fall, Mr Rutters explained.

"Hopefully, with the re-prioritisation process already underway, we will be able to meet most of our objectives ourselves — topped up by the national line departments."

"But where neither the provincial nor national governments are able to make up the full amount, money will be accessed from the private sector."

the Western Cape, says Tony Rutters, Western Cape co-ordinator of the RDP and acting head of economic affairs

People were, understandably, in a hurry to see progress they wanted to count houses, clinics and schools, Mr Rutters said

But there was no point in blindly going into an area where no developer had gone before, and building houses that nobody wanted

Setting up the structures to de-

How the RDP process works

THE RDP promises much, but delivery has been slow

Most of the time spent by those involved in the RDP over the past year has involved setting up structures, consulting relevant organisations and individuals, and generally paving the way to implementing desirable and sustainable projects

Top of the heap (in terms of RDP structures in the Western Cape) is the RDP cabinet Committee chaired by Economic Affairs Minister Chris Nissen, which is responsible for key decisions on co-ordination and implementation. It works closely with the RDP advisory and consensus body comprising business, labour, civics and government

Then, there is the inter-departmental technical team comprising senior representatives of government departments. Its job is to ensure projects conform to national RDP criteria and co-ordinated

Beneath the technical team is a clinical committee divided into three task teams: Urban renewal, rural development and human resources and capacity building. The first two teams must ensure an in-

and regional ANC chairman Chris Nissen, will "spearhead the implementation of the RDP"

All government departments have to submit RDP progress reports by May 2. These reports will be sent to the national RDP office for Mr Naidoo's perusal

The first RDP area forum training programme — lasting 12 days — starts on June 1 on the West Coast. All West Coast forums have been invited

egrated approach to urban and rural development, while the third team assesses whether departments and the people employed by them have the capacity to deliver the RDP

The latter task team is also responsible for the training of area RDP forums

And then there is the core committee headed by director-general Herbert Beukes and comprising heads of department. It manages funds

Outside government, 57 Area RDP Forums have been established, another 43 interim structures have yet to be launched

Many forums have submitted proposals for projects. Each forum must be accredited by the provincial cabinet before projects can be implemented

Accreditation is to begin on June 1

"Once they are accredited, money will begin to flow," said regional RDP co-ordinator Tony Rutters

The final structures are to be RDP offices set up by all transitional local councils to forge links between local and provincial government

Excitement at Philani opening

Staff Reporter

ARCHBISHOP Desmond Tutu led a crowd of excited people in a chant of "Viva Philani!" in a ceremony to open a new Philani development centre in Khayelitsha

It is the sixth Philani ("get well") centre to have opened its doors

Philani aims to address the urgent issues of unemployment and malnutrition among the 500 000 people living in the surrounding informal settlements

The Philani development, made possible by a R276 000 grant from Ingen, will serve as a workshop for 60 women who have been trained in weaving

"The workshop will enable destitute mothers to develop economic independence," said Joe Lata-

gomo, Ingen's social investment manager

Philani is a non-profit making venture established on the initiative of women health workers in Crossroads

Queen Elizabeth stopped at Philani during her recent visit to Cape Town and was presented with a hand-woven carpet

Philani has since had a weaving order from the British High Commission and has done weaving for the University of Cape Town and a hotel group

Archbishop Tutu paid a special tribute to Philani's medical doctor Ingrid le Roux for her work to "empower our people", and also the workers at the centre

He helped plant a tree and danced with the crowd while a band and a choir provided the entertainment

Water, electricity, sewerage and housing top the list

THE Western Cape interim list of RDP projects has been compiled after the RDP office sifted through hundreds of submissions made by all tiers of government, RDP forums, community and political organisations and individuals

According to the list, the government will have to come up with R1,5 billion to fulfil all the projects set down for this year

The list includes one item which may never be built: An Olympic stadium in Philippi East, included in the 1999 budget at a cost of R150 million

Projects up and running

PROJECTS under way in the Western Cape

● The region's RDP "flagship" is the Integrated Service Land Project announced by President Mandela. It is essentially a housing development project spanning townships and squatter areas throughout the region

Central government has already provided R42 million for this project which is set to cost around R100 million this year

It hopes to eventually deliver 23 000 houses. Three schools are being built. The houses would have inside toilets

Money from this project is also being used to fix houses damaged by winter storms, notably in Mamre, for which R400 000 has been set aside

● The development of District 6

● Under the Culture of Learning Project, attempts are being made

to identify schools in need of repair. So far, 45 schools have been repaired, with another 35 schools on the list

● Planning is advanced on the construction of "multi-purpose centres" in townships to include shops, police stations, post-offices, banks and social welfare offices

● The school-feeding scheme feeds about 320 000 primary children daily, and provides jobs for 147 people. About 35 000 Khayelitsha children, 12 000 from Guguletu and 7 500 from Elsie's River are among the beneficiaries

● Primary health care for children under six, mothers and mothers-to-be initially caused chaos at hospitals as people streamed. But the health budget is being reprioritised and things seem to have fallen into place. Sixteen clinics are under construction and three have been opened by regional Health Minister Ebrahim Rasool

● Fencing and gates in Bokmakierie, Athlone (R250 000),

● Upgrading Langa cemetery (R450 000),

● Providing inside toilets and water supply in Site C, Khayelitsha (R4,7 million),

● Two sports complexes in Khayelitsha (R6,5 million),

● Bulk services for Philippi East (R11,5 million),

● Servicing 160 sites in Sedgfield (R920 000),

● A community centre for Fairytland, Paarl (R160 000), and

● Servicing 3 300 sites in Thembaletu, George (nearly R30 million)

NGOs must play key role in new South Africa, conference told

297

Spar 1/5/95

Brussels — South Africa and its neighbours must be treated as equal partners in their relations with Europe

This was the conclusion of a two-day conference of non-governmental organisations (NGOs) dealing with Africa, which was held in Brussels at the weekend

A key contributor was Vasu Gounden, of the Durban-based NGO, the Agency for Co-operation and Research in Development

"Africa needs to build self-confidence," he said "At the same time, Europe must allow Africa into the decision-making process, and not just make decisions on our behalf

"We are moving into a new

world order, coming out of the Cold War era. We must have a new approach to each other, characterised by mutual respect and by a genuine co-operation, with a partnership based on equality. We are in the age of the global village"

Gounden stressed that NGOs should continue to play a key role in building the new South Africa.

There was some nervousness that this year the European Union would direct its aid to SA through the Government — a break with the past, when aid went directly to NGOs

However, EU officials gave assurances to delegates at the con-

ference that the NGOs would continue to play an important part in the future

"Certainly for South Africa there is a role for NGOs, and the Government has made that clear," said Gounden

"They are an important component"

This view was echoed by the other South African speaker at the conference, ANC deputy secretary-general Cheryl Carolus

"The Government on its own cannot be sensitive enough to the needs of all the people in the country," she said

"There will still be an important role for the NGOs"

The EU is currently finalising its plans for a multi-annual aid

programme for SA, which will be formally launched this week when EU commissioner Joao de Deus Pinheiro pays a two-day visit to SA.

This will involve channelling most funds through the Government, but at the same time ensuring that EU aid continues to be spread among NGOs and local groups

Carolus told the conference that South Africa had a lot to share with the rest of the world, from its experience in settling conflicts

"South Africa is the negotiation capital of the world," she suggested "You give us anything — and we'll negotiate it" — Star Foreign Service

Donors warn Africans to deliver results

BY BRUCE CAMERON

POLITICAL EDITOR

(297)
Donor countries and international organisations have issued a warning to English-speaking countries in Africa, including South Africa, that support will be cut if they do not get positive results

The warning was made at a conference on public service reform in Somerset West at the weekend

After a series of workshops, donors pledged their assistance in the reform process, but warned they would "avoid past mistakes that came from supporting programmes that lacked sufficient support from political leaders"

They said rich countries were becoming more selective, focusing on projects that had a realistic chance of yielding positive results. They would, however, consider each country's economic development and leave programme design to the recipients

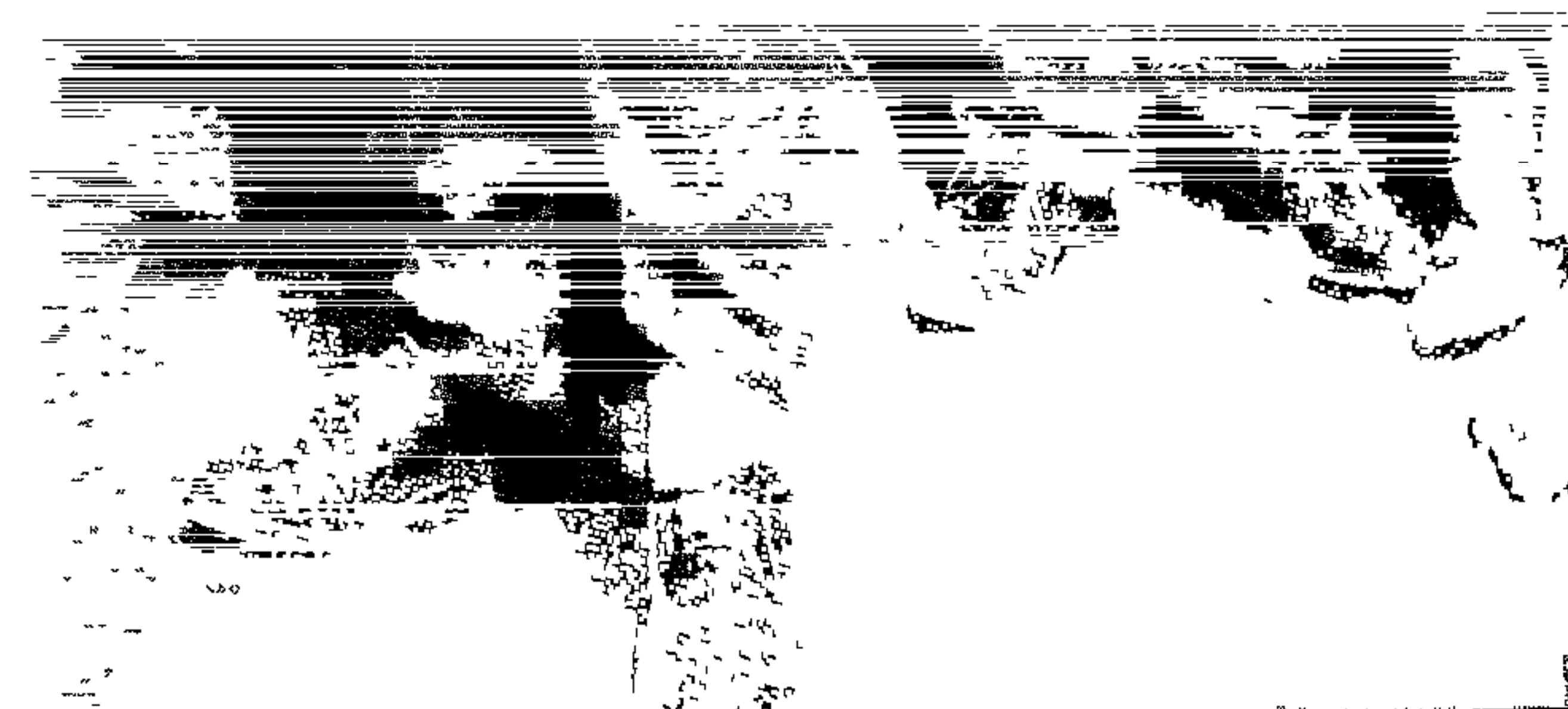
The delegates accepted that donors and recipients should be on an equal footing, while understanding each others' constraints

The conference recommended that reform had to be underpinned by the principles of ethics, transparency and accountability

*deal of a missionary trying
ment Programme. Paula Fray
ie Northern Cape*

i the agenda

star 11/5/98 (297)



Portfolio Jay Naidoo (left) and Northern Cape Premier Manne Dipico
primary health care clinic in a township. PICTURE PAULA FRAY

PICTURE PAULA FRAY

Life round the TV for UK youth

London — British Columbia's
 government is not the
 only one in the world
 to have a "Sovereign
 Wealth Fund" (SWF).
 The British Columbia
 SWF is a "Sovereign
 Wealth Fund" (SWF).

and all-round pep-
a in powder or
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It is also an ex-
aid, and helpful
lite
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THE AFRICA: CATORS

DRY

ENTRE

Minister without Portfolio Jay Naidoo has the
to spread the gospel of the Reconstruction and Develo.
followed him during a recent crusade in.

Keeping the RDP o.

It's just after 9am at the Waterkloof airbase outside Pretoria and the chartered flight to Kimberley has been delayed while Minister without Portfolio Jay Naidoo briefs President Mandela on the Reconstruction and Development Programme (RDP).

It is by no means his last RDP meeting of the day. A quick airline breakfast and Naidoo is ready to share his vision of the RDP over the drone of the aircraft.

"I would think of the RDP as a strategy to ensure that the quality of life of our people is improved. To achieve that we need a shift of resources whether it is financial, people or activities.

"The RDP is an integrated policy which harnesses all institutions in society, all financial resources in society, towards improving the quality of life," he says. Naidoo's day in Kimberley last week was one of many similar crusades to other centres.

If Naidoo talks in RDP-speak, it's probably because he is a born-again RDP-er who wants to spread the message to the furthest corners of the land. And, like most missionaries, he calls for faith in a sea of scepticism.

A year after the elections, many critics say there is little tangible evidence of RDP promises being delivered. But Naidoo is adamant that progress, albeit slow, is on track.

The RDP is not a fund, he says. "An RDP Fund has been created of R5-billion for this financial year. This will be used as a lever to shift the rest of the core budget to meeting the basic needs," he says, citing the example of health where R500-million has been allocated to shift Government spending from tertiary to primary health care through the building of clinics.

"This means we've got to start downscaling certain tertiary hospitals. An example of this is the Western Cape where we have two hospitals doing the same thing — Tygerberg and Groote Schuur.

Referral system

"Then you put into place a primary health care system so that you have a referral system for these hospitals," he explains.

"You see, the RDP is there to change the pattern of spending to where our priorities lie. In a second way, it is used to increase the allocation of particular departments — such as housing — which are RDP priorities. This is the most rapid way of getting additional money to a department.

Indicators to measure the success of the programme include whether there is community involvement, how many jobs are created, how many women benefit, whether there is accountability of the money spent, and what is the actual impact is.

By delivering basic infrastructure through the RDP, Naidoo believes we are laying the foundation for an economic boom.

Through RDP projects, he says, a niche is being created for small and medium enterprises which is linked to training and the empowerment of women.

"We're doing a study at the moment. How many hours in the life of a rural woman is spent carrying water? It's several hours a day — so imagine the contribution to productivity when these women now have taps about 200m from their homes instead of having to walk 5km," he says.

The target goals are set by actual needs such as 12-million people who do not have

direct access to water; a housing backlog of 1-million which needs to be addressed in the next five years, 2,5-million homes need to be electrified.

The integrated approach means government department functions are not seen in isolation. In order to deliver housing, he says, bulk infrastructure needs to be supplied and the Government must set the scene for a successful housing project.

Already 196 000 subsidies have been approved, consumer guarantees such as the builders warranty are being negotiated and banks are ready to lend again.

"We can't talk of housing until we have dealt with bulk infrastructure so you don't have the situation of toilets in the veld."

Then, it is the community which identifies the need — instead of the Government sending in experts to determine that need. In this way, he says, the community takes ownership and responsibility for the project.

Increased demand

Once the housing programme is in full swing, the economy will benefit through an increased demand for furniture and electrical appliances, he believes.

It is, Naidoo adds, essential that the RDP programme is sustainable. "Our goal is that in five years we should not have an RDP Fund because the whole budget will be an RDP budget," he says.

"The RDP is a vision of where we want to be in 25 years time."

Minutes later, the plane lands and Naidoo is whisked to the Northern Cape legislature to address it.

As Freedom Front members sit alongside their ANC colleagues, Naidoo exhorts them to continue their RDP efforts. "The RDP in this province is not an add-on — it's really the core business of Government. We need to facilitate the transformation of Government departments to meet the needs of the RDP."

A quick drive to nearby Barkly West to turn the sod for the first clinic in Mataleng where a community hands Naidoo a shovel to show "the Government is working."

Handshakes aplenty and then Naidoo addresses a mass meeting of local residents who clamour to meet the former unionist.

"I am coming here not to make promises but to say we will improve our lives because we are all going to do so," he tells the overflowing hall. "The RDP is not about charity, it is about empowerment."

The meeting is followed by a quick press conference and a rushed lunch with civic leaders where he encourages their RDP efforts before leaving for a Kimberley meeting with the combined transitional local councils of the region.

He urges local councillors to redouble their efforts to register voters for a successful local government elections saying "Without that layer of government, I don't think we can implement the RDP — yours is the most vital layer."

It's late in the afternoon but Naidoo still has courtesy visits to two townships and a final meeting with Northern Cape Premier Manne Dipico.

At about 5pm, the RDP roadshow embarks on the plane back to Pretoria. Everyone is exhausted except Naidoo, whose enthusiasm has been buoyed by the hectic schedule.

By the time the plane lands at a dark and wet Waterkloof Airbase, Naidoo is already reading up for his RDP crusade the next day.



Building the RDP . . . Minister without Portfolio Jay Naidoo (holding spade) turns the first sod for

- conditions, if not, why not, if so, what are the relevant details,
- (3) whether any problems are being experienced with the current supplier of such meat in regard to the (a) regularity of deliveries and (b) quality of the meat supplied, if so,
- (4) whether any steps are being taken in this regard, if not, why not, if so, what steps,
- (5) (a) how many tenders for the supply of red meat to the above hospitals were received and (b) on what grounds was the successful tender awarded?

The MINISTER FOR HEALTH

N298E

- (1) Unknown The matter was dealt with by the tender authority of the previous Transkei Government. All efforts to get the information via the MEC for Health and Welfare of the Eastern Cape Province from the former Transkei tender authority were unsuccessful,
- (2) unknown; as stated under point (1),
- (3) (a) unknown and (b) unknown, as stated under point (1),
- (4) unknown, as stated under point (1),
- (5) (a) unknown and (b) unknown

Appointments in terms of the Security Forces Board of Inquiry Act, 1993

155 Dr I M PHILLIPS asked the Minister of Justice

- (1) Whether the Security Forces Board of Inquiry and/or any Area Directors and/or staff of this Board were appointed in terms of the Security Forces Board of Inquiry Act, 1993 (Act No 95 of 1993), on or after 1 March 1994, if not, why not, if so, (a) who were appointed, (b) to which positions were they so appointed and (c) when,

(a) Projects

Clinic building

Primary school nutrition

(b) R7000

R 25 000

R 350 000

(c) Department/Province

Department of Health

Department of Health

- (2) whether any allegations in terms of section 10 of the Act have been reported to the Board or any Area Directors, if so, what are the relevant details,
- (3) whether any investigations have been conducted into these allegations, if not, why not, if so,
- (4) whether any reports have been submitted as a result, if not, why not, if so, what was the content of such reports;
- (5) whether he will make a statement on the matter?

The MINISTER OF JUSTICE.

N301E

- (1) No The question whether or not the Security Forces Board of Inquiry Act, 1993 (Act 95 of 1993), should be put into operation, is still being investigated in view of the provisions of section 222 of the Constitution of the Republic of South Africa, 1993 (Act 200 of 1993), which provides for an independent mechanism under civilian control to investigate complaints against the police
- (2) to (5) Fall away

Moneys paid out in respect of the RDP projects

157 Mr K M ANDREW asked the Minister without Portfolio

Whether, with reference to his reply to Question No 1 on 16 November 1994 transferred for oral reply in terms of Rule 202, any moneys have been paid out in respect of the RDP projects to which they were allocated; if so, (a) in respect of which projects was such money paid out, (b) what amount has been paid out in respect of each of these projects, (c) to whom was the money paid in each case and (d) how is the expenditure of these funds monitored to ensure that they are spent on the project for which they were allocated?

N303E

The MINISTER WITHOUT PORTFOLIO.

Following, is a table setting out (a) which projects funds have been paid out, (b) what amount has been paid out in respect of each of these projects, and (c) to whom the funds have been paid out

(a) Projects

Clinic building

Primary school nutrition

(b) R7000

R 25 000

R 350 000

(c) Department/Province

Department of Health

Department of Health

(a) Projects	(b) R7000	(c) Department/Province
Rural community water	R 3 716	Department of Water Affairs (Arabsia, Kutama, Nzebele, Shemula, Vulindlela, Transkei, Winterville, Moretele)
Culture of learning	R 1 000	Department of Education
	R 8 600	Western Cape Province
	R 11 400	Gauteng
Provincial project preparation facilities	R 3 000	Northern Cape Province
	R 3 000	Western Cape Province
	R 3 000	Northern Transvaal Province
	R 3 000	Eastern Transvaal Province
Urban investment planning team	R 1 500	Department of Housing
Urban renewal (SPP)	R 7 557	Department of Housing
—Services land project	R 5 864	Department of Housing
—Katorus	R 19 139	Department of Constitutional Development
Upgrading of municipal services	R 13 000	Northern Transvaal Province
Provincial RDP allocations	R 19 554	Department of Public Works
National public works programme	R 38 413	Department of Constitutional Development
Local Government Elections	R 127 733	Department of Constitutional Development
Intergovernmental grants	R 215 000	Department of Education
Additional funds—education	R 18 000	Department of Water Affairs
Drought relief	R 500	Department of Correctional Services
Youth development centre	R 211 447	Gauteng
Free health Services	R 21 016	Free State Province
	R 24 837	North West Province
TOTAL	R1 135 276	

(d) Drawings on the Vote must be shown in the books of spending agencies as transfer payments. All expenses will be shown as drawings against the Vote, on each spending agency's Appropriation Account. On or before 31 May spending agencies must submit statements to the Office of the RDP reflecting the state of programmes. A certificate, signed by the accounting officer, must be submitted on which there must be certified that all amounts made available to the said institutions were used exclusively for RDP projects. The Appropriation Accounts of all spending agencies are also subject to auditing

Advisers/consultants appointed to advise Ministers/Department

160 Ms M SMUTS asked the Minister of Home Affairs:

- (1) Whether he has appointed any (a) advisers and/or (b) consultants to advise him or his Department, if so, (i) what (aa) is the name and (bb) are the qualifications of
- (2) whether any fringe benefits are payable to any such advisers and/or consultants, if so, what are the relevant details in each case,

Hibberdene	84 000	Raid on residences of certain complainants by SAPS/members of public
Hilton	42 000	
Howick	322 000	
Ixopo	42 000	98 Mr G Q DOIDGE asked the Minister for Safety and Security
Kokstad	280 000	
Kranskop	8 400	(1) Whether, with reference to certain particulars which have been furnished to the South African Police Service for the purpose of his reply, any members of a certain police station, together with members of the public, carried out a raid on the residences of certain complainants on or about 2 December 1994, if so, (a) what is the name of the police station involved, (b) how many members of the (i) police and (ii) public were involved, (c) under what circumstances did the police carry out the raid and (d) why were members of the public deployed during the raid,
Ladysmith	1 400 000	(2) whether any charges have been laid in this regard, if so, what are the details of the charges,
Mandeni	441 000	(3) whether any goods allegedly confiscated from the said complainants have been returned, if not, why not, if so, what are the relevant details,
Margate	448 000	(4) whether the complainants will be compensated in any respect, if not, why not, if so, what are the relevant details?
Matatiele	56 000	
Meimoth	35 000	
Moor River	140 000	
Mtubatuba	35 000	
Mtunzini	35 000	
New Hanover	14 000	
Newcastle	3 080 000	
Nongoma	21 000	
Paulpietersburg	140 000	
Pennington	98 000	
Pietermaritzburg	4 200 000	
Pongola	84 000	
Port Shepstone	252 000	
Port Edward	49 000	
Richards Bay	910 000	
Richmond	420 000	
Scottburgh/Umzimto North	182 000	
Southbroom	70 000	
St Lucia	9 800	
Stanger	700 000	
Ujundi	280 000	
Umkomaas	280 000	
Underberg	12 600	
Utrecht	22 400	
Vryheid	700 000	
Warburg	14 000	
Weenen	140 000	
Winterton	7 000	
Zinkwazi Beach	420 000	
TOTAL	45 089 800	

The estimated budget for the rural areas amounts to R37 606 700, and for the province as a whole to R82 696 500

EASTERN CAPE

No information has been received from the Eastern Cape. The information required by the honourable member will be supplied to him as soon as a response is received from the Provincial Administration of the Eastern Cape

- (2) Yes Seven cases were registered and ten persons were charged with either dealing in or possession of dagga. All ten accused were found guilty and they were fined R1 000 or two years' imprisonment each
- (3) No Only dagga was confiscated and this was not returned

- (4) No No legal reason exists why the complainants should receive any compensation

Business plans from the RDP received from certain districts

99 Mr G Q DOIDGE asked the Minister without Portfolio

- (1) Whether any business plans in respect of the Reconstruction and Development Programme had been received from

(a) Mount Fletcher, (b) Maluti, (c) Matatiele, (d) Cedarville, (e) Kokstad, (f) Mount Ayliff, (g) Mount Frere, (h) Umzimkulu and (i) Tabankulu as at the latest specified date for which information is available, if so, what are the relevant details, if not, why not,

- (2) whether the Eastern Cape RDP Unit has taken any steps to assist rural communities in respect of the submission of business plans, if not, why not, if so, what steps?

N171E

THE MINISTER WITHOUT PORTFOLIO

The questions raises concerns with regard to the matter of communication and interaction in the RDP process at Provincial level. Business Plans originate from communities, go through Provincial procedures before reaching national levels. Active MPs at local levels would have been involved in the processes of generating such business plans at local levels. Such information should also enrich Provincial Cabinets and Legislature the themes of which is the RDP

In as far as the Presidential Lead Programmes are concerned, Transkei's Rural Water Programme was approved on 19 January 1995. Some of the districts listed in the question are

included in this programme (details are attached)

The rationalisation of civil service structures in line departments in Eastern Cape has been delayed by the legislative processes in addressing the appointment of the Public Service Commission

Thus, coupled with the court injunctions brought about by previous civil service restructuring the Provincial Government from hiring new officials delayed the normalisation of administrative processes to carry the RDP implementation. Heads of Departments were appointed three weeks ago, Deputies, Chief Directors and Directors are not appointed yet. It has therefore been difficult if not impossible to develop integrated RDP capacities. The implementation of the RDP is the responsibility of the line departments supported and facilitated by the RDP unit, using their redirected and reprioritised budgets with the RDP Fund as a leverage and top-up fund. The RDP unit operates with four seconded staff, the Head of which has not been appointed yet. The unit is doing its best to respond to urgent requests from communities

There is a lot of capacity vested in the MPs most of whom come from rural areas. The RDP process is not understood by the people in the street, the business planning concept is too complex to be easily understood by the rural grassroots and MPs are not doing enough to respond to this need and to assist the line departments and the RDP units. The MPs are not assisting the RDP units and the Provincial Government to identify which communities need assistance and what level and type of assistance

However, R3m has been approved for facilitating the identification of projects, writing of project proposals and business plans in the Province. An accelerated process of RDP orientation and facilitation in the Province is scheduled to start by April 1995

PROPOSED SUBPROJECTS FOR PRESIDENTIAL RDP PROJECT PHASE 1

District	Village	Population	Total Cost (R)	No of Jobs	Cumulative Cost (R)
Bizana	Emanitu	1 816	272 427	2 562	272 427
Bizana	Ntshamali	1 309	166 377	1 565	438 804
Bizana	Kayamandi	1 763	166 377	1 565	605 181
Bizana	Ntsingizi	1 053	134 439	1 265	739 620

2

PROPOSED SUBPROJECTS FOR PRESIDENTIAL RDP PROJECT PHASE 2									
	District	Village	Population	Total Cost (R)	No of Jobs	Cumulative Cost (R)			
Bizana	Bizana	Mbobeni	920	276 000	2 898	276 000			
Bizana	Bizana	Mbobeni	1 015	304 500	3 197	580 500			
Bizana	Bizana	Various	18 783	2 206 900	23 172	2 787 400			
Bizana	Bizana	Nkondwane	100	30 000	315	2 617 400			
Bizana	Bizana	Ejoyweni	1 353	405 900	4 262	3 223 300			
Bizana	Bizana	Engqokweni	1 647	454 100	5 188	3 717 400			
Bizana	Bizana	Emangqangqa	905	271 500	2 851	3 988 900			
Bizana	Bizana	Ncizele	735	220 500	2 315	4 209 400			
Bizana	Bizana	Mafusini	800	180 000	1 680	4 369 400			
Bizana	Bizana	Drayni	800	180 000	1 680	4 529 400			
Bizana	Bizana	Moongi	800	240 000	2 520	4 769 400			
Bizana	Bizana	Nqubenguka	800	240 000	2 520	5 006 400			
Bizana	Bizana	Kumbanga	1 601	480 300	5 043	5 489 700			
Bizana	Bizana	Kwaskomo	800	240 000	2 520	5 729 700			
Bizana	Bizana	Cobosi	1 800	540 000	5 670	6 269 700			
Bizana	Bizana	Kwambekeni	1 837	549 300	5 768	6 519 000			
Bizana	Bizana	Magopeni	1 952	597 600	6 275	7 416 600			
Bizana	Bizana	Kwatsatshu	701	210 300	2 208	7 626 900			
Bizana	Bizana	Ejoyweni	1 169	350 700	3 662	7 977 600			
Bizana	Bizana	Zadungeni 1	703	210 900	2 214	8 168 500			
Bizana	Bizana	Nkungweni	963	288 900	3 033	8 477 400			
Bizana	Bizana	Zadungeni 2	703	210 900	2 214	8 688 300			
Bizana	Bizana	Mamapondomiseni	800	327 568	3 439	9 015 888			
Bizana	Bizana	Sitebe	547	290 443	3 050	9 306 311			
Bizana	Bizana	Ntlimi	467	290 443	3 050	9 596 754			
Bizana	Bizana	Suntingville	243	290 443	3 050	9 867 197			
Bizana	Bizana	Tukele	641	290 443	3 050	10 177 641			
Bizana	Bizana	Ntsaka	884	293 036	3 077	10 470 677			
Bizana	Bizana	Kwazulu	501	342 035	3 591	10 812 712			
Bizana	Bizana	Jovu	834	327 588	3 439	11 147 847			
Bizana	Bizana	Tshisabantu	834	327 588	3 439	11 626 047			
Bizana	Bizana	Mfabantu	534	160 200	1 882	11 909 819			
Bizana	Bizana	Nkantuni	900	281 572	2 957	12 237 186			
Bizana	Bizana	Nyxekeweni	530	327 568	3 439	12 510 159			
Bizana	Bizana	Mamondomiseni	1 205	272 973	2 866	12 763 132			
Bizana	Bizana	Mdumazulu	1 272	272 973	2 866	13 123 120			
Bizana	Bizana	Kulambeni	945	339 988	3 570	13 434 719			
Bizana	Bizana	Nodushe	931	311 599	3 272	13 848 519			
Bizana	Bizana	Nlasnguka	664	414 100	4 348	14 379 069			
Bizana	Bizana	Mdazatweni	1 895	530 250	5 568	14 740 212			
Bizana	Bizana	Kuxundwela	468	361 143	3 792	15 038 162			
Bizana	Bizana	Hluhlekwa	400	297 950	3 128	15 468 162			
Bizana	Bizana	Noxova	1 400	420 000	4 410	15 897 549			
Bizana	Bizana	Mipinsa	727	439 485	4 515	16 328 673			
Bizana	Bizana	Miposa	1 299	431 024	4 526	16 544 185			
Bizana	Bizana	Ntunsane	850	215 512	2 263	16 620 570			
Bizana	Bizana	Zipongwe	715	276 385	2 902	17 096 955			
Bizana	Bizana	Mageza	715	276 385	2 902	17 373 840			
Bizana	Bizana	Mjikweni	2 100	1 022 693	10 738	18 119 549			
Bizana	Bizana	Ohandu	700	737 982	7 749	18 857 631			
Bizana	Bizana	Lower Qotira	700	578 430	6 074	19 436 061			

TUESDAY, 2 MAY 1995

Qumbo	Middle Qouira	700	414 919	4 357	19 850 960
Qumbo	Mafošim	2 800	1 818 409	19 093	21 669 389
Tabankulu	Kuqudeka	1 467	440 100	4 621	22 109 489
Tabankulu	Madwaba	1 100	330 000	3 465	22 439 489
Tabankulu	Kundile	592	177 600	1 885	22 617 089
Umzimkulu	Lwandlana	296	88 800	932	22 705 889
Willowvale	Varous	8 000	2 400 000	25 200	25 105 889
Willowvale	Mqorwane	564	169 200	1 777	25 276 089
Willowvale	Kulc'aransa	1 022	306 600	3 219	25 581 889
Willowvale	Nikabane	2 414	724 200	7 804	26 305 889
Willowvale	Kwanokataka	532	159 450	1 674	25 265 339
Willowvale	Askazana	532	159 450	1 674	26 624 789
Willowvale	Mrihlozi	800	240 000	2 620	26 884 789
Willowvale	Brongweni	717	215 100	2 259	26 079 889
Willowvale	Upper Mhangcolo	765	229 500	2 410	26 309 389
TOTAL		87 820	27 309 389	288 749	

Hardenberg Mission: Eskom turned down application for link up with electrification programme

100 Mr G Q DOIDGE asked the Minister for Public Enterprises

- (1) Whether Eskom has turned down an application from the Hardenberg Mission in the Maluti district to be linked up with an electrification programme, if so, why,
- (2) whether Eskom intends taking any steps in this regard, if not, why not, if so, what steps?

The MINISTER FOR PUBLIC ENTERPRISES

N172E

- (1) No, Eskom has not turned down an application from the Hardenberg Mission in the Maluti district to be linked up with the electrification programme

The MINISTER WITHOUT PORTFOLIO

N193E

Eskom and the former Transkei have, as part of its electrification programme, already commenced with the following projects

Area	Village and envisaged progress	Target date
(a) Mount Fletcher	Retiulation will be done in the town of Mount Fletcher and electricity will be supplied by means of a diesel generator. One school and one hospital has already been electrified.	1 February 1995
(b) Maluti	Ramohlokoana Village (Hadenberg) 400 units will be electrified.	1 May 1995
	Koapa plans are being set in place for electrifying this area 280 units will be electrified.	1 June 1995
(c) Umzimkulu	Retiuel plans are being set in place for electrifying this area 500 units will be electrified.	1 July 1995

TUESDAY, 2 MAY 1995

Area	Village and envisaged progress	Target date
(d) Mount Frere	Lubaowen plans are being set in place for electrifying this area 500 units will be electrified.	21 July 1995
(e) Tabankulu	Umzinto plans are being set in place for electrifying this area 500 units will be electrified.	21 June 1995
	Kubhonxa plans are being set in place for electrifying this area 800 units will be electrified.	2 June 1995
(f) Flagstaff	Gabayana plans are being set in place for electrifying this area 400 units will be electrified.	1996
(g) Bizana	Ludeke plans are being set in place for electrifying this area 500 units will be electrified.	22 June 1995
	Mzamba plans are being set in place for electrifying this area 500 units will be electrified.	15 May 1995
(h) Lusikiski	Holy Cross Mission plans are being set in place for electrifying this area 800 units will be electrified.	1 October 1995
	Dumasi plans for electrification are set in place 247 units will be electrified.	1996
	Cungeni plans for electrification are set in place 216 units will be electrified.	1996
	Mdlakana plans for electrification are set in place 255 units will be electrified.	1996
	Moume plans for electrification are set in place 300 units will be electrified.	1996
	Umhlanga plans for electrification are set in place 1 000 units will be electrified.	1996
	Dolepm plans for electrification are set in place 500 units will be electrified.	1996
	Ramza plans for electrification are set in place 800 units will be electrified.	1996
(i) Mount Ayliff	Rode (Phase 11) plans for electrification are being set in place 188 units will be electrified.	30 April 1995
	Mount Ayliff Town plans for electrification are being set in place 350 units will be electrified.	22 May 1995
(j) Kokstad	Voveni (Bobeni) 188 units have already been electrified. KwaZulu-Natal Filling under Municipality area of supply. Eskom does not have the rights of supply in Kokstad.	Completed

Eskom has appointed a consultant to compile a master plan for the former Transkei area. This plan will facilitate the development of electricity networks as well as further electrification projects. It also needs to be mentioned that electrification projects are identified and prioritised with the co-operation of the Transkei Electrification Forum, a body representative of the recognised structures in the former Transkei.

Workers urged to help make RDP a success

(134)
(297)

ARG 2/5/95

□ *SACP calls for struggle to continue*

Staff Reporter

THE government's Reconstruction and Development Programme cannot go ahead if workers do not continue the struggle, says Jeremy Cronin, assistant general secretary of the Communist Party

He told a Cosatu May Day rally on the Grand Parade yesterday that the RDP was not a "fried chicken delivery" for which workers could simply wait

They had to support the Masakhane programme and be prepared to pay their way

The rally drew about 800 people, who carried national flags and union banners and cheered after every point made by the speakers

Beginning his speech with the slogans, "Voetsek capitalism, voetsek" and "Phambili socialism, phambili", Mr Cronin said the success of last year's elections was owing, not to a miracle, but to millions of ordinary people who voted together in peace

"We must work and pay our way but we must also fight for change and force change in this country

"Since April last year, the bosses have been forced to pay lip service to the RDP. Before that, they said the RDP was unattainable and merely an election manifesto

"Warren Clulow of Barlows was overheard when he said

MAKING A POINT: Communist Party assistant general secretary Jeremy Cronin urges workers to work and to pay their way as they continue to fight for change

the RDP was a carcass they (capitalists) could pick for years to come"

This showed that workers had to continue their struggle against capitalism and to establish a socialist system and workers had to become the ruling class in the true sense of the word

Workers should fight to prevent the privatisation of public corporations such as Telkom, the SABC, Eskom, Transnet and the post office. They should also fight to have the public service extended

Public sector bosses who backed privatisation should be removed from office, he said

Trade unionist and African National Congress stalwart Joe

Vorster said bosses had used apartheid to divide the workforce and make huge profits

"The struggle continues as long as workers are exploited. Unity is strength and paramount in the struggle," he said

"On Saturday they launched a coloured party. They have used all the tricks in the book and even the Press to divide us

"We know the Press is not in the hands of the workers. They put things in the newspaper so we should believe it and allow ourselves to be divided

"They have used affirmative action for blacks only, simply to divide us. We should keep the government on its toes"

Mr Vorster implored people to register for the local government elections

'Pay up, make RDP work'

ET 2/5/95 (297)

PEOPLE must speak up and pay up if the Reconstruction and Development Programme is to work, Simon's Town mayor Mrs Pauline van Eck said yesterday.

Mrs Van Eck was speaking after the last Cape Municipal Association meeting, held in Port Elizabeth, which she says broke up before getting down to business.

It failed to deal with its agenda amid fighting for places on 20-person steering committees which will represent the three new regions, she said.

Mrs Van Eck complained that women had failed to secure a single place on the 10-person statutory side of the new Western Cape steering committee, although she

said the 10-person non-statutory side "properly represented us". Four of 10 members on the non-statutory committee are women.

The only Western Cape women representative on the statutory committee was an alternative only — former Simon's Town mayor Ms Nicki Holderness.

"The RDP will not really get going or work at all until local government is properly up and running, and women have a vital role to play in getting things moving," said Mrs Van Eck.

It was vital that people at grassroots level made "some payment" for the services they got — Sapa.

Violent crime on the increase in Douglasdale



Patrols . . . on horseback are Natalie Scott, Penny MacIldowie, Jacqui Moltena and David Ndebele. Standing are Bryan Cassel and Christopher Thatcher.

PICTURE CHRIS ADLAM

New police forum

■ BY ANNA COX

The Douglasdale Police

Community policing in the rural areas of Sandton and Randburg has

during the week and sometimes four times a day on weekends —

ternative, scramblers, horses are environmentally friendly."

■ BY RODNEY VICTOR

A campaign against pornography started months ago by a Johannesburg woman escalated to national level and has led to a number of South African largest chain stores moving pornography magazines from the check-out counters.

The success of the campaign shows that even one woman can make a difference if she is prepared to take a stand on an issue, says Charmaine Talbot Mondeor.

Talbot, who is the wife of the minister of Education, started her campaign against pornography in October last year.

At the time she and her husband were co-selling a couple who's marriage was under severe stress because of the effects of pornography. The counsel made her realise how damaging pornography can be, she says.

Shortly after this woman she knew had her a pornographic magazine that she'd found the possession of her year-old son.

The woman asked Talbot if she knew what material was available on the supermarket shelves, and Talbot replied that she preferred not to know.

Nevertheless

Child Welfare go-slow

STAFF REPORTER

(297) (52)
SOCIAL workers and Child Welfare Society staffers are staging a go-slow while awaiting the outcome of urgent pay talks

CT 4/5/95
Almost 100 Child Welfare Society staffers from institutions across the Peninsula participated in a sit-in and picket protest from Wednesday last week, but they returned to work yesterday.

The workers are angry that government subsidies to the society will not include salary increases. Society director Mr Alan Jackson said he is striving to redress the problem.

Boesak: Mandela warns against quick conclusions

ARC 4/5/95

Political Staff

PRESIDENT Mandela has cautioned the government against jumping to conclusions based on Advocate Mojanku Gumbi's clearing Allan Boesak of alleged misappropriation of public funds

Mr Mandela also hinted he should have had the final decision in this unilateral probe

Without naming the former head of the Foundation for Peace and Justice or Deputy President Thabo Mbeki's legal adviser, Mr Mandela said yesterday he wanted to "reaffirm the imperative of due process"

In his closing address on the president's budget speech debate in the assembly, Mr Mandela said "The government needs to be most circumspect in drawing conclusions from informal procedures in such cases

"It is, therefore, necessary to consider whether, in advance of

the completion of possibly protracted formal investigation, any private investigation merits a final decision by myself"

If not, the government would not be in a position to take a final decision concerning any official appointment, said Mr Mandela

At the same time, it was only fair and just that such formal investigations be completed as soon as possible

● Mr Mandela called on convicts and society to use the Freedom Day amnesty to reduce levels of crime

Last week, he announced a maximum six months' remission to all prisoners except child abusers

He said he had decided to shorten the sentences of most prisoners, as those who had committed crimes were not lost to society.

"They now have the opportuni-

ty to become law-abiding citizens of our democracy and to contribute to its reconstruction and development

"They also should know that the government's commitment to deal firmly with those who break the law is unshakeable.

"Those who do not mend their ways will face swift action, without the hope of similar remission on a future occasion," he said.

Society could help reduce the problem of crime by helping released prisoners assume useful roles. Rehabilitation and reintegration had to form part of the approach to crime.

"The main thrust of the government's action for safety and security will be aimed at prevention of crime and measures against those who break the law."

Stability and security were essential for reconstruction and development and for economic growth and job creation

RDP (297)
FM 5/5/95
Check you later

"This booklet outlines the concrete steps that have been taken thus far, in the long journey towards a better life for all" Thus President Nelson Mandela in his introduction to Minister without Portfolio Jay Naidoo's account of the first year of the Reconstruction & Development Programme

Naidoo's "annual report" adds little that is new to exactly how the transformation of society is to be achieved. But it is a useful checklist of RDP goals — in particular, those defined as "presidential lead projects", the precursors of the wholesale reorientation of spending priorities that is to bring to the masses the benefits of democracy for which they voted.

The RDP has become a touchstone of political correctness, yet it suffers from the drawbacks of any State-sanctioned plan to balance socially desirable objectives with the availability of resources. As Naidoo has been at pains to emphasise in his comments on progress thus far, the past year has largely been devoted to laying the groundwork for the benefits that should begin to flow through over the next 12 months.



Naidoo groundwork for later

Sifting hard information from the report shows significant changes in the following areas:

□ **Land reform** This includes redistribution and restitution and has so far benefited a total of 6 570 families. RDP funds have helped 2 406 families in gaining access to land for settlement, while a further 4 164 families dispossessed under apartheid are returning to their land. (The process of restitution will ultimately be assisted by the work of the Land Claims Court.) The land in question has been under State or trust control — that is, appropriated for homeland consolidation or in the removal of "black spots."

□ **Health care** No child under six or any pregnant woman may be turned away from a clinic and the number of rural patients has increased fourfold in the rural areas over the past year. R972,8m has been allocated from the RDP fund for "free" health care for the years 1994-1996.

□ **The culture of learning** R100m of RDP funding was allocated for 1994-1995 to "fund school renovation, promote school governance programmes, work to improve attendance and encourage parents, students and the broader school community to contribute to discipline, maintenance and ongoing improvement of schools."

□ **Electrification** This has been a marked success story, with 16 000 farm workers' houses getting electricity in 1994 out of a total of 378 171 new connections — against an RDP target of 300 000.

□ **Municipal services and infrastructure** By the end of 1996, R830m will have been diverted to local councils for specific projects involving their own regions. There is a link to the Masakhane Campaign — designed to reinvigorate the will and ability of utility consumers to pay for their own services. The money spent up-front, however, is designed to prepare the ground for the fulfilment of the campaign.

□ **Public works** This is an exercise in depression-era economics, involving the building of bridges, roads, reservoirs, etc, using local contractors and labour. The 1994-1995 budget is R250m.

□ **Public school nutrition** At present, 6,8m primary schoolchildren get one free meal each day — colloquially known as the "Mandela sandwich." Upon this base there is a planned expansion of immunisation and other primary health services — "nutrition" in the broadest sense.

□ **Small-scale farming** Information is limited, but the Boskop training centre near Potchef-

stroom has taken in "a number of groups." The sugar industry is commended by Naidoo for initiating programmes for training small producers.

□ **Rural water** The Department of Water Affairs & Forestry has been instructed to redirect its resources to provide water for previously deprived communities, like those in the Transkei and North-West province. In fact, the department is contributing more to this goal — R360m as against the RDP fund's R30m — than ever before and is also a vector of job creation.

□ **Urban renewal** Here the focus falls on repairing the damage of neglect and the liberation war — entailing the physical repair of buildings, roads and community facilities. The RDP Ministry acts as a facilitator, drawing in private sector, community, labour and other affected parties in defining appropriate projects and seeking ways to fund them.

All these bits and bobs hardly add up to a fullscale programme of massive upliftment of the poor; nor are they intended as such. The RDP is specifically designed as an all-party agreement on how public funds can best, and most immediately, be identified and deployed as effective short-term remedies for poverty. It is there to reinforce the normal workings of the Budget — not the be-all-and-end-all of policy.

Naidoo's problem — and it is that of the ANC — is that the RDP has been allowed to become a sacred cow rather than a

provisional tool of policy. Its function is to inculcate hope, not act as some kind of model of central planning. In terms of its achievements in its first year, it probably has improved the outlook for a large number of people. The ANC need feel no embarrassment that it has not solved the nation's problems — that will take rather longer than a year.

Commission seeks public input on cutting red tape

(297) AR 5/5/75

Municipal Reporter

A COMMISSION of inquiry looking at ways of cutting red tape hampering development is asking the public to voice their opinions on certain laws governing land use

At a press conference yesterday, commission chairman Chris Heunis said they would advertise for public comment and input on specific issues with regard to three laws

These are the Land Use Planning Ordinance 1985, Ordinance 15 of 1985, the Less For-

mal Township Establishment Act 1991, Act 113 of 1991, and the Removal of Restrictions Act 1967, Act 84 of 1967

Mr Heunis said development was crucial to the welfare of communities, which made it important to ensure decisions were taken in the shortest possible period to aid developers who had a lot of money at stake

Priority was being given to physical development issues

He gave the reassurance, however, that the commission's brief was not to eliminate con-

sultation with communities but to remove difficulties within the administrative process

"One has to consider the question of consultation which is necessary to ensure that development programmes are as acceptable as possible to these communities," he said

An example of delays due to red tape was the 700 applications for the lifting of title-deed restrictions currently being considered by the province. Each of these could take between six and nine months to process

Mr Heunis said more representative local government would also expedite the consultative process

There were 14 laws in the province, and a further 26 at central government level, which had a bearing on development

Commission members are Mr Heunis, Mr Curry, Marius de Jager, Theo Crous, Quinton Pavitt, Johan Pauw, Michael Schultz and Nona Goso

● For more information contact Melanie Dedekind
☎ 483 4248

Link between RDP and adult literacy

By Claire Keeton (297)

"LITERACY for development" is high on the national agenda, with Adult Basic Education and Training the key to the implementation of the Reconstruction and Development Programme.

National Literacy Cooperation director Mr Kumi Naidoo told more than 100 participants at an ABET information seminar at Midrand yesterday that organisation was not solely an education project, but also an economic and political one. *Sowetan*

Out of 21 million adults in South Africa, about eight million have no literacy, and another seven to eight million are not functionally literate. *5/5/95*

"Human resource development is one of the five pillars of the RDP. The key has to be ABET. If ABET is not prioritised the RDP will not be successful," Naidoo warned.

He said adult basic education and training must be integrated with the pillars dealing with basic needs and building the economy.

A recent study of 41 countries found South Africa had infrastructure in the top ten but was last in terms of human resources development.

SA is 86th on human development scale

ARG 8/5/95 (297) (244)

RESULTS of the first South African Human Development Index list Northern Transvaal as the nation's least developed province and rank South Africa 86th on the world development table — alongside Paraguay

The minister in charge of the Reconstruction and Development Programme, Jay Naidoo, said in Cape Town that the UN-linked human development index would be updated annually as a measure of South Africa's post-apartheid development.

He said the index, based on life expectancy, income, education and literacy, provided a useful single-figure table on which to measure the impact of the five-year, R37,5 billion rand RDP

Today's results put Northern

Transvaal as the only province in the "low human development" category at 0,470 on the zero-to-one scale

The Western Cape at 0,826 and Gauteng at 0,818 were the only provinces in the "high human development" range

Mr Naidoo said the index highlighted the gap between black and white living standards, ranking "white South Africa" 19th among the 173 countries on the international index and "black South Africa" 119th

White society rated 0,901 on the human development index, and the Asian community, also in the high development category, at 0,836 The coloured community was measured at 0,663 and black society the lowest at 0,500 — Reuter

Take rural issues more seriously

ARG 8/5/95

— Naidoo

RESULTS of a survey showing huge underdevelopment in rural areas, including unemployment of more than 60 percent among black women in the Eastern Cape, have been released by Central Statistical Services.

Minister without Portfolio Jay Naidoo said today at a media conference that the figures showed the "complete inequality" in allocation of resources to urban and rural areas.

"The starkness of the figures has been a revelation to me," he said.

"We've got to take issues related to rural development much more seriously."

The Household Survey is carried out annually in October by CSS, but the 1994 survey, released today, was the first to include the former homelands.

CSS also released the latest Human Development Index, a measurement of people's ability to live a long and healthy life, which ranked South Africa 86th of 173 countries, near Paraguay, Botswana and China.

Mr Naidoo's office said the CSS survey showed that 32,6 percent of the economically active population, or 4,7-million people, were jobless.

The formal sector provided jobs to 56,9 percent of those able to work, and the informal sector 10,4 percent.

The Northern Transvaal had the highest unemployment rate at 47 percent, and the Western Cape the lowest of 17,3 percent.

The Eastern Cape had the highest rural joblessness rate, at 56,3 percent of the economically active population.

In all race groups more women than men were unemployed. The worst unemployment for women in urban areas was 47 percent in the Northern Cape, while the highest rate in rural areas was the Eastern Cape — with 64,1 percent.

The statement said the lack of easily-accessible water for household use was most severe in the Eastern Cape, where 81,1 percent of the rural population had no tap in their dwellings or on site, and the Free State, where 15,4 percent of the urban population had no tap.

In the North-West province 81,3 percent of people in rural areas had no walking-distance access to a phone.

The statement said South Africa's Human Development Index rating of 0,677 placed it in the "medium" category. Countries below 0,5 were considered to have a low level of human development, and those of 0,8 or more a high level.

The HDI was a measurement of "people's ability to live a long and healthy life, to communicate and to have sufficient means to afford a decent living".

By province, the Western Cape (0,826) and Gauteng (0,818) ranked in the high scale. The Northern Transvaal, with 0,470, fell in the low category, and other provinces in the medium

Jan 8/5/95

► To Page 3

5/20/85

Blanche has warned that 1995/96 is only the start of a 'lean future for welfare in Gauteng.

746 227108

Welfare denies funds for Gauteng slashed

(297) BD 9/5/98
THE national Welfare Department denied reports yesterday that Gauteng's budget had been slashed, saying the province's allocation had in fact been increased by R45m from last year's amount.

The Gauteng welfare department said at the weekend that its allocation for this year was R77m short of what was needed.

A spokesman for the national Welfare Ministry said welfare had been unable to start the trend of achieving parity between the provinces this year, and the process of restructuring budgets would only begin next year.

The R1,79bn allocated to Gauteng this year would be divided between pensions and welfare services. It was entirely up to the province to decide on what amount would be allocated to these two areas, but it had been calculated pensions would take up a larger percentage this year.

It was estimated that once pensions and grants had been deducted, Gau-

KATHRYN STRACHAN
teng would have R345m available for welfare services, as opposed to R352 last year.

This represented a cut of R7m, he said.

Gauteng had quantified its shortfall in an unrealistic way by making an estimate of what it needed, rather than making a comparison with its previous allocation.

Gauteng deputy director-general for welfare Vernon van Wyk reiterated that the shortfall for welfare was R77m. He said the national department had given Gauteng an extra R98m which was earmarked for pensions. However, the ministry denied this.

The ministry said Gauteng's allocation was 19% of the total budget, the same as last year, yet its population was only 16% of the country's population.

While the department was committed to achieving parity, this process could not start until the next budget.

was received by the Department of Agriculture on 18 April 1995. A decision will only be taken after all the relevant factors have been investigated and taken into account.

The issuing of permits for the importation of live animals is always subject to the most stringent veterinary conditions to safeguard the health of the South African livestock population.

In the case of small numbers of high quality and well-cared-for breeding animals being imported, the treatment and welfare of the animals while in transit usually pose no problems. In the case of thousands of slaughter sheep having to be transported from overseas by ocean liner, the logistics and animal welfare issues become more important. Because the South African authorities have no experience of this practice, I have instructed the Department to conduct a thorough investigation of all aspects pertaining to the welfare of animals transported in this manner. This investigation must stretch from the farm in the country of origin to the eventual destination in the abattoir where the animals are slaughtered in the importing country.

Building of timber house hut for President of Republic/dignitaries

*21 Mr H A SMIT asked the Minister of Water Affairs and Forestry:†

- (1) Whether, with reference to his reply to Question No 5 on 15 March 1995, he or his Department gave instructions after 10 May 1994 for (a) the building of a timber house for the exclusive use of the President of the Republic or any other dignitary in the woods in the vicinity of Knysna and (b) money from the Departmental allocation to be used for it, if not, what is the position in this regard, if so, what are the relevant details,

- (2) whether he will make a statement on the matter? N333E

THE MINISTER OF WATER AFFAIRS AND FORESTRY

- (1) (a) No

(b) Money has been made available on the Departmental budget to construct infrastructure and a hut for the promotion of eco-tourism in the forests in the Knysna area for the benefit of all South Africans and visitors to our country.

- (2) Yes. When the idea of a hut in the forest was first mooted, I was delighted to learn that the guide plan for the development of outdoor recreational facilities in the area produced by the Department made provision for forest camps in which huts would be provided. This plan was completed in January 1994, before I became Minister. I visited the sites selected for this purpose late in 1994 and my involvement gave momentum to the development of the project. The infrastructure that is being developed will be able to serve a number of huts, but each one will be a separate unit. The initial funds allocated, to which I referred to in my reply to Question 5 on 15 March 1995, will go towards the establishment of the infrastructure and for the construction of the first hut. The erection of more huts will depend on the future availability of funds. The huts will be available to anyone who wishes to visit the area.

There has never been any secrecy about this project and I cannot imagine the motive or frame of mind behind these questions, except, possibly, that it reflects a cast of mind rooted in an era when State funds were misused on a large scale.

Mr H A SMIT: Mr Speaker, arising out of the reply of the hon the Minister, and referring to a specific hut, can the Minister give the House the assurance that he has not been involved personally in any survey or investigation with regard to the development of such a facility for the use of the President of this country?

THE DEPUTY SPEAKER: Order! I have a feeling that we have dealt with this question before. The hon the Minister may proceed.

THE MINISTER OF WATER AFFAIRS AND FORESTRY: Mr Speaker, it costs a lot of money to prepare questions. On 5 March 1995 the full answer to this question was provided. If members do not turn their attention to this, that will be an abuse of public funds. However, for the purpose of clarity, let me just inform the questioner, and I mean this seriously.

AN HON MEMBER: Answer the question.

THE MINISTER: No, do not say that, because there will be those who never hear if they do not want to hear.

This was proposed long before President Mandela was appointed. The question on 5 March was whether I was going to be the sole resident of this hut, and I answered that question. This was debated in *Die Burger*, a newspaper to which, on occasion, I have had access to. This matter was referred to in an SABC discussion.

The categorical answer is that Safcol and my department have a number of such amenities throughout the country. [Interjections.] As I said on 5 April, and the hon member may agree and have that permanent ricinus on his face for which I am not responsible. [Laughter.] This is the first opportunity we have had of creating recreational centres that will be available to people from Khayelitsha, Lansdowne, Athlone and the poorer parts of South Africa—the people who would normally not have had access to them. This is the most accessible place.

Do you agree with me, Mr Questioner? I cannot help you if you cannot understand the sensitivity of this. [Interjections.] I therefore do not seek your protection, Mr Speaker. There is malice aforesought in this.

Let me say categorically that it was not built for me. It was not built for the President. It was built, as are the Safcol huts and the department's huts, for the people of South Africa.

Mr H A SMIT: Mr Speaker, in my follow-on I will tell the truth and nothing but the truth. The DEPUTY SPEAKER: Order! Your question please.

Mr H A SMIT: Mr Speaker, further arising from the answer by the hon the Minister, I would like to hear whether he has ordered investigations by his department or any other body regarding the development of such a facility.

THE MINISTER: Mr Speaker, as I explained, this was initiated before I became President.

THE DEPUTY SPEAKER: No, Minister. [Laughter.]

THE MINISTER: I am in firm of body, not of mind, and it is the infirmity of body that caused this lapse.

As I explained, this project was initiated before I became Minister. I think the questioner must accept this in good faith. I supported it as a wonderful attempt at ecotourism. I was asked to go and visit the Knysna forest to help the department find the right place. I gave no instructions for anything. Therefore it has been entirely in the public domain.

There is nothing secret and nothing to hide and I would like to know, possibly later on in the restaurant, what the real motive behind this question is.

*24 Comdt A BLAAS—Transport + [Question standing over.]

Question standing over from Wednesday, 3 May 1995 (originally put on the Question Paper for reply on 26 April 1995).

RDP: refusal to approve funding

*59 Mr P W COETZER asked the Minister without Portfolio:†

- (1) Whether he or the administration of the Reconstruction and Development Programme has refused to approve the funding of certain projects of the Department of Water Affairs and Forestry from the RDP, if so, (a) on what grounds, (b) what projects and (c) what amounts were budgeted for these projects,

(2) whether the Minister of Water Affairs and Forestry was consulted before the decision was taken to refuse the granting of such approval, if not, why not, if so, what are the relevant details,

(3) whether Cabinet approved this decision, if so, what are the relevant details? N451E

Answered 10/5/95

The MINISTER WITHOUT PORTFOLIO

- (1) (a) and (b) During a process of negotiations between the RDP Office and the Department of Water Affairs and Forestry for the allocation of Presidential Projects from the 1994/95 RDP Fund, it was agreed that projects had to meet certain criteria. These were that the projects had to be ready to be implemented in a very short period of time, and that the projects had to be spread evenly across all nine provinces, stating that some provinces were in greater need than others. It was then identified that three of the projects proposed did not fit into the set criteria.

For the 1995/96 RDP Fund, it was agreed in negotiations between the RDP Office and the Department that R300 million would be allocated to the Department and that this would satisfy their requirements, with further funding to be provided from the 1996/97 and future allocations. The R629 million requested covered more than the 1995/96 period.

- (c) No amounts were budgeted for as the remaining three projects were to be funded from the Department's own budget.

- (2) The Department was actively involved in the entire negotiation process.

- (3) Cabinet approved the decision when they approved the allocations from the RDP Fund.

Perhaps I should add a word of advice. On certain occasions one should not take the Minister literally when he makes statements in the newspaper.

Questions standing over from Wednesday, 3 May 1995

Marketing scheme for maize

*73 Dr E A SCHOEMAN asked the Minister of Agriculture †

- (1) Whether a new marketing scheme for maize has been or is to be introduced, if not, what is the position in this regard, if so, whether this scheme has already been finalised, if not, when is it expected that it will be finalised, if so, what basic market-

ing guidelines will be applied in respect of this scheme,

- (3) whether the said scheme meets with the approval of all the role players of the maize industry, if not, what is the position in this regard, if so, what are the relevant details,

- (4) whether this scheme will be able to ensure the availability of maize products to a large part of the population over the medium and long term, if not, why not, if so, what are the relevant details?

N412E

†The MINISTER OF AGRICULTURE

- (1) During April 1995 I approved the proposed amendment to the Summer Grain Scheme as negotiated by the Maize Facilitating Committee during March 1995 and decided upon by the Maize Board for implementation in the 1995/96 marketing season.

- (2) Yes, the new Maize Marketing Scheme which came into operation on 1 May 1995 mainly involves the rescinding of the single-channel embargo authorisation for and control of maize so as to enable free trade of maize on the local market. In order to ensure some measure of price stability for producers, the Maize Board will implement a floor price-system and an export pool.

- (3) Yes, the Maize Marketing Scheme has been negotiated by the Maize Facilitating Committee consisting of all the role players of the industry. The details of the Scheme entail that buyers and sellers negotiate the sale of maize without intervention by the Maize Board or the Minister. The Board only acts as buyer of last resort for which it administers a floor price and export pool. In this regard the Board acts as the sole exporter of maize. Quantitative import control on maize has been abolished. Anyone can therefore import maize.
- (4) Yes, the new Scheme, like the previous Scheme, will ensure the availability of maize and maize products. However the size of the annual crop is determined by climatic conditions. If shortages should occur maize and maize products can be supplemented by imports.

Business interrupted in accordance with Rule 199(3) of the Standing Rules for the National Assembly

SA member of UNESCO

*76 Mr M F CASSIM asked the Minister of Education

Whether South Africa is a member of the UN Educational, Scientific and Cultural Organisation (UNESCO), if not, why not, if so, (a) from what date and (b) on what conditions?

N418E

The MINISTER OF EDUCATION

Yes

- (a) South Africa became a member of UNESCO on 12 December 1994.

- (b) South Africa became a member of UNESCO, as all other members, in accordance with Article XV of the Constitution of UNESCO. The "Agreement between UNESCO and the Republic of South Africa concerning the establishment of a UNESCO office in Pretoria" is in the process of being drawn up by the Legal Sections of the Departments of Education and Foreign Affairs.

Two Eastern Cape missionary schools under control of Department/organisation

*77 Mr M J ELLIS asked the Minister of Education

- (1) Whether two former Eastern Cape missionary schools, the names of which have been furnished to his Department for the purpose of his reply, fall under the control of his Department, if not, (a) under the control of which organisation do they currently fall and (b) when was such control transferred to this organisation, if so,

- (2) whether the said schools are currently being used for any educational purposes, if so, for what specified educational purposes, if not, (a) why not and (b) for what purposes are they being used,
- (3) whether he intends recommissioning them for educational purposes, if not, why not, if so, at what cost?

N433E

The MINISTER OF EDUCATION

- (1) No

- (a) The two schools concerned previously fell under the Ciskei Government and now resort under the Eastern Cape Education Department.

- (b) 1 July 1994

- (2) Yes. The one as an in-service training centre for teachers and the other as a combined school.

- (a) Falls away

- (b) Falls away

- (3) Falls away

Enterprises causing pollution prosecuted/closed down

*80 Mr P W SAIMAN asked the Minister of Water Affairs and Forestry

Whether over the latest specified period of three years for which information is available any enterprises were (a) prosecuted and/or (b) closed down as a result of such enterprises causing pollution, if so, (i) which enterprises and (ii) in respect of what kind of pollution in each case?

N447E

The MINISTER OF WATER AFFAIRS AND FORESTRY

- (a) Yes

- (i) For the period 1 April 1992 to 31 March 1995 the following companies were prosecuted

Ceres Food Industries (Pty) Ltd
Municipality of Ceres
Orrus River Municipality
Orsmund Aerial Spray
Municipality of Witbank
Tiger Chemical Treatment (Pty) Ltd
Smith Brothers Boerdery (Pty) Ltd
Delta G Scientific (Pty) Ltd
Manro Chemicals
Towerkop Suwel Korporasie
Witbank Oil
J Bally and Taylor
Drumcor (Pty) Ltd
Municipality of Verwoerdburg
Rainbow Chickens (Pty) Ltd
Sanbonani Holiday Spa
Municipality of Germiston

Hans said 10/5/95

10 percentage points lower than other more privileged children living away from these areas. It is of grave importance to us to address this problem as quickly as possible.

Lastly, I want to deal with people who are exposed.

THE PRESIDENT OF THE SENATE: Order! Senator Moorcroft, I think you have triggered something very serious. Senators are now identifying colleagues who have been living close to highways and main roads, which is obviously not permissible! [Laughter] I regret that your time has expired, Senator Moorcroft.

*Senator J R DE VILLIE: Mr President, the interpellation touches on a very important matter, not only with regard to other parts of the country, but especially with regard to the Eastern Transvaal.

The level of air pollution to which individuals are exposed on the Eastern Transvaal Highway is totally unacceptable. The inhabitants there expect something to be done about this matter, and thus far nobody seems willing to do anything about it. We want action. We do not want statistics.

I think hon senators can attest to the fact that I looked far better when I came to the Senate for the first time! [Laughter] Senator Moorcroft referred to lead poisoning, but that is not what ails me! I speak of the terrible air pollution on the Eastern Transvaal Highway.

The Eastern Transvaal power stations are causing a serious acid rain problem on the Highway, and this is having a serious pollution effect on human, animal and plant life which could assume catastrophic proportions. If this pollution is not properly monitored, one will not be able fully to determine the extent to which pollution has taken place.

I am afraid the hon the Deputy Minister has not yet given us any answers today with regard to the problem. I want to ask him to make use of his last two minutes to assure us that he will pay serious attention to the air pollution problem, especially in the Eastern Transvaal.

Senator S P GROVÉ: Mr President, because of time constraints, I will only refer to the second part of the question.

THE PRESIDENT OF THE SENATE: Order! Could we have the sound system in order please? The hon senator may continue.

Senator S P GROVÉ: Photo-chemical smog is usually referred to as "brown haze". An investigation into this was done by the CSIR. The results were published in the South African Journal of Science, volume 88, July 1992. I quote from their report:

Peroxyacetyl nitrate (PAN), an important component of photo-chemical smog, has been measured over a few months in Pretoria, Johannesburg and Cape Town. The monthly average daytime concentrations were in the range of 0,1 to 0,6 parts per billion, with the highest level of 2,8 ppb obtained at Cape Town City Hall in April 1989. A maximum PAN level of 8,56 ppb, was obtained in Cape Town on 7 April 1989 at 13 00. These values were in the range of those reported from European, Canadian and lesser-polluted US cities, but well below the high levels found in southern California.

Senator J SELFE: Mr President, I would like to thank the other speakers in this interpellation. I think all of us are aware of the potential dangers that are posed by this particular smog in our cities.

I would also like to say how delighted I am—and I mean it—that at long last the Directorate of Air Pollution Control is now where it belongs, which is in the Department of Environmental Affairs and Tourism, because for many years, as the hon the Deputy Minister will be aware, we had a situation in which the control of the environment was spread over at least six Government departments, a number of parastatals, a number of provincial administrations and city councils. Under those circumstances it made it extremely difficult to come up with a concrete and enforceable policy.

Having said that I am delighted that he is in charge, believe me, I am going to keep the Deputy Minister under some sort of microscope, and I would like him at least to deal with the following aspect. Firstly, I would like to know whether the Deputy Minister has approached the Minister of Mineral and Energy Affairs to lower the tax on lead-free petrol so that it becomes an incentive for motorists actually to use such petrol and to convert their cars. At the moment the cost of the conversion is as little as R250, but

lead-free petrol is about 9% more expensive than leaded petrol, and there has to be some sort of incentive for people to buy it.

Secondly, the Deputy Minister might be able to tell me whether any discussion with the car manufacturers has taken place or whether it is envisaged that regulations will be promulgated which will require new cars to be fitted with catalysers, because unless we start fitting catalysers in new cars, we are not going to be able to deal with the problem in the long term.

Thirdly, I would like to know what ongoing co-operation there is between the Deputy Minister and his department, and the city councils in the various metropolitan areas, on a structured basis, so that one can start acting constructively and goal-orientatedly towards the eradication of photo-chemical smog in our cities.

THE DEPUTY MINISTER OF ENVIRONMENTAL AFFAIRS AND TOURISM: Mr President, firstly, I would like to thank the senator for introducing this interesting topic, which is also a complex one.

I fully agree with him that there have been some delays in implementing the President's Council's recommendation, and many others, owing to the fact that last year, when we brought in a new Government, we had to bring on board those who were sidelined in the past. As a result of that many people have asked for an extension to comment on that document, and I am happy to announce that on 15 June this year there will be a conference in Pretoria at the CSIR to discuss the integrated pollution control.

From that conference, we hope that we can come up with some suggestions which will map the way forward, including taking over some of the environmental issues which are scattered all over these departments. The senator has already confirmed that air pollution now falls under the control of the Department of Environmental Affairs and Tourism as from 1 April this year.

I can also confirm that the Cabinet did recently discuss the question of introducing catalytic converters into our motor car industry with the hope of reducing emissions once again. The Minister of Mineral and Energy Affairs was tasked to consult further with the other industrial players in this matter. We hope that he will come

back to us soon. It is, however, receiving the highest priority within the Government.

In Durban, as hon senators will recall, there have recently been complaints by the people who called for the Engen plant, and other companies which are located in the immediate surroundings, to reduce their emissions. As a result of that we established a forum in Durban on 4 May to deal specifically with air pollution, and a steering committee has been set up which is composed of the municipality, the provincial government, the national Government, labour, business and the community. We are trying to find a solution for the short, medium and long term. We are calling upon business to show commitment in reducing emissions.

Unfortunately it seems as though there were no strict policies in the past which demanded that there should be environmental impact assessment studies, and now we are faced with a crisis. I think if we form forums such as this one in each province or in each metropolitan area, we should be in a position to identify the main polluters and penalise them. [Time expired.]

Debate concluded.

RDP: houses built

(297)

2 Senator S D FISHER asked the Minister of Housing

Hansard 18/5/95

(1) How many houses were built in terms of the Reconstruction and Development Programme in the 1994-95 financial year,

(2) whether she or her Department has set a target in respect of the number of houses to be built in the 1995-96 financial year, if not, why not, if so, what is this target?

S192E INT

THE MINISTER OF HOUSING: Mr President, the response to the first question asked by Senator Fisher is as follows. If senators want me to read the questions first I will do so, but I do not think it is necessary. The reply to the first question is none. Housing support to households in the low income group is provided within the framework of the Government's housing policy as contained in the White Paper on Housing, with specific reference to the Government's housing subsidy scheme, and housing policies in

accordance with the principles of the Reconstruction and Development Programme

The new housing subsidy scheme was implemented on 15 March 1994, on a project-linked basis, pending the development of further options on the way in which access to subsidies may be gained. The following information in respect of project-linked subsidies for the 1994-95 financial year is furnished. Twelve projects were approved up to 31 March 1995 in the Northern Transvaal. The number of project-linked subsidies approved was 12 538. With regard to projects which were initiated, we do not have the information as yet. We also do not have information on housing units completed as at 31 March 1995.

In the Eastern Transvaal 22 projects were approved up to 31 March 1995. For Gauteng it was 65, for the North West it was 35, for the Western Cape it was 19, for the Eastern Cape it was 11, for the Free State it was 11, for KwaZulu-Natal it was 92, for Northern Cape it was 7. The total number of projects approved up to 31 March 1995 was 274.

With regard to projects linked with subsidies, for the Eastern Transvaal we had 29 092, for Gauteng we had 78 205, for the North West we had 28 740, for the Western Cape we had 5 249, for the Eastern Cape we had 6 296, for the Free State we had 4 201, for KwaZulu-Natal we had 37 446, for the Northern Cape we had 1 253. We have a total of 203 020 projects linked with subsidies approved.

With regard to projects which were initiated, for the Eastern Transvaal we had 3, for Gauteng we had 12, for the North West we had 4, for the Western Cape we had 6, for the Eastern Cape we had none, for the Free State we had 8, for KwaZulu-Natal we had 40, for the Northern Cape we had 7. The total is 80.

With regard to housing units completed at 31 March 1995, for the Eastern Transvaal we had 99, for Gauteng we had 652, for the North West we had 348, for the Western Cape we had 85, for the Eastern Cape we had none, for the Free State we had 1 500, for KwaZulu-Natal we had 38, for the Northern Cape we had none. The total is 2 722.

The response to part two of the question. The PRESIDENT OF THE SENATE Order! I wonder whether the hon the Minister would not allow Senator Fisher, who by now is burning to enter the debate, to do so?

*Senator S D FISHER. Mr President, I listened to the Minister, but I have not yet received an answer to the question on the Order Paper. My question arises from the particulars on the number of houses built in the 1994-95 financial year, and I want to repeat my question.

According to the information available, the figures with regard to the backlog in the different provinces are as follows: Western Cape, 171 542, Eastern Cape, 150 543, Northern Cape, 23 465, Free State, 77 306, KwaZulu-Natal, 303 632, North West, 86 911, Gauteng, 566 853, Eastern Transvaal, 23 987, and Northern Transvaal, 55 091.

†This gives us a total backlog of 1 459 321.

*My question arises from this information. If the figures the Minister has just mentioned reflect the backlogs for this financial year, this means that only 257 000 units were erected.

My follow-up question is therefore whether the Minister and the department have already set a goal for the new financial year. If so, what is going to happen about the backlogs of the new year, because they have not yet been eliminated. Is the quota now going to double? What is the present position?

Senator M P E MOGALE. Mr President, housing is one of the important issues that we have to consider in this country. I find it very strange at this point in time that Senator Fisher has to question the hon the Minister of Housing, instead of the RDP Minister, who would be able to give the correct figures.

Senator A E VAN NIEKERK. Is Senator Fisher wrong?

Senator M P E MOGALE. He is totally wrong. I think we have to co-operate well, and not bring in some sort of traps. I regard what Senator Fisher has said as a sort of a trap in which he wants to find out from the hon the Minister of Housing whether she has knowledge of what is happening in the RDP. [Interjections.] Senator Van Niekerk might snarl, but a fact will remain a fact. When we are in this Senate we have to work

as a unit, we have to co-operate for the benefit of all South Africans. We must not try to question whether one is knowledgeable.

Senator C P MOLOTO. Viva Mogale, viva!

Senator M P E MOGALE. Senator Fisher is very much aware of the situation in the country, and we have been with him in the Northern and the Eastern Transvaal. No wonder he is asking these questions because he was in that situation, and he saw for himself the problems that the provinces are facing. For him, those were just the points that he wanted to come and score in this House. He has not scored any. [Laughter.] For us. [Time expired.]

Senator D M MALATSI. Mr President, I follow on Senator Mogale who does not know exactly what is happening in the Department of Housing. I believe that he should have informed himself much better and found out what exactly the situation is with regard to housing.

I congratulate the hon the Minister for taking up her position. I want to say to the hon the Minister that it is very important that when it comes to housing, we should know what is happening in our own provinces. Fortunately, I come from the Eastern Transvaal, and in my opinion, very little is being done. The housing backlog is up to almost 30 000 and less than a thousand houses have been built throughout the province in the past financial year. I would like to say to the hon the Minister that she should take this up as a matter of importance and urgency.

We have one area in the former KwaNdebele area in the Eastern Transvaal, called Ekangala, for which the Eastern Transvaal provincial housing board has approved a project for 1 055 units on land that belongs to the Government. It is not that the developer is going to develop that land. Services were provided for by the previous government on that land, and the developer is coming up with a project on that land, wishing and hoping that the R7 500 capital subsidy system would be applied on land which was built by government funds for less than the R7 500 per stand in 1986. I wish that the hon the Minister could take this up and find out. [Time expired.]

Senator W F MNISI. Mr President, before one starts asking about the number of houses built in terms of the RDP, one should look at the

obstacles that might hamper the delivery of houses in many provinces.

We should look at whether the provinces have sorted out their respective departments with the proper accounting procedure which will control the money in the right way. It is easy for Senator Fisher to ask such a question, because the words "accounting" or "accountability" do not exist in the NP's vocabulary. [Interjections.]

However, having said that, I ask the Minister to look seriously at some of the provinces and to devise mechanisms to try to help them, so that they can actually create the capacity to handle finances and other operative functions.

Senator C H WERTH. Mr President, to be as gracious as I can about the question put here by Senator Fisher—I do not want to accuse him of anything but sincerely wanting to know these figures—I would think a question would have been better than an interpellation. However, I must say that if this had not been placed on the Order Paper prior to our visits to the provinces, I doubt whether Senator Fisher would have put this on the Order Paper.

The fact is that, if one has heard what is being said in the provinces about how the programme is being implemented, and if one has participated in the activities of the housing committee of the Senate, then these things would be apparent to one. The rest are simply figures which one can establish very easily.

I personally would like to say that from what we have heard in the provinces it is clear that the Senate must keep this contact with the provinces very closely, then we will not have to ask these questions. It is important that we do that, because it is the only way in which we can do our jobs properly.

Senator N SINGH. Mr President, infrastructural development costs account for a major portion of the subsidy allocated to an individual. These costs vary from R7 500 up to R13 000 depending on circumstances which exist in different provinces. From these figures one could assume that really to build houses within these constraints is going to be a herculean task. I would therefore like to think that what will happen is that the maximum number of housing opportunities will be made possible.

This brings me to the 1995-96 allocation from the RDP funding, which amounts to approximately R1,5 billion. It is noted that R700 million would be allocated to subsidies, which would complement the amount allocated in terms of the Housing budget. What is of concern though, is that with regard to the R700 million of RDP funding allocated for the provision of infrastructure, no policy is yet in place to determine how this provision would take place. I believe that this should be addressed as a matter of urgency in order to enable us to expedite delivery and build houses on the ground.

*Senator S D FISHER: Mr President, Senator Werth of all people should know that the reason for the visit to the provinces was to single out those shortcomings in the provinces in the Senate. This is basically part of it [Interjections].

*Senator C H WERTH: There is a Vote discussion on it today.

*The PRESIDENT OF THE SENATE: Order!

*Senator S D FISHER: Senator Werth knows about the shortcomings. I am not going to react to what Senator Mnsi said, because he did not even understand his own questions on Mineral and Energy Affairs. He will understand even less about housing.

To come back to Senator Mogale, he said here in the House precisely what the provinces told us. Senator Mogale said I should ask Minister Jay Naidoo the question. What he actually said is that there is no communication between this Minister and Minister Jay Naidoo. This is precisely what we heard in the provinces, namely that there is no communication between the Ministers at central level and the provinces.

The MINISTER OF HOUSING: Mr President, I thank you. I would like to try to make hon senators aware of the fact that, whenever we talk of housing, we should move away from the concept of just seeing physical houses, because building a house does not happen in one day. The process of putting up a house involves the infrastructures that have been set up, it involves the availability of material and it involves the human resources that we need to build that house. So it is not true to say that no houses are being built in the Eastern Transvaal. It depends on what one understands under the term "house".

It is also not true to say that there is no communication between the Ministry of Housing and the RDP. We have regular weekly meetings on an interministerial level to discuss issues of common interest. When the allocation of R700 million was given to us, it was after discussion sessions. That senator need not fear that there is no communication. If nothing else, we have introduced intergovernmental ministerial communication and interaction.

Another issue which needs to be addressed is that whilst there may not be capacity or clear committee structures in the provinces—Senator Mnsi said that we needed to create capacity—we should also look at the question of the resource skills in the provinces. We do have people in the provinces. They need the exposure and to become skilled. That in itself needs resources. When we moved into office, we realised that the coffers were half empty. However, we are addressing that issue.

Senator Singh spoke of the opportunities of which we should avail ourselves. The mere fact that we made an announcement on the subsidy scales that are given to different income levels, is in itself availing ourselves of the opportunity and it is also empowerment for those people who earn very little and whose income levels are very low. It is not a problem which they created. I am sure that we know of the bigger problems which were created 48 years ago in this country.

When it comes to allocation, it is true that we received R700 million from the RDP. There would be no point in the Ministry starting to dish out the money unless we were sure of the following. We must have the infrastructure which will take up the utilisation of the funds in a responsible and accountable manner.

Secondly, there will be no point in dishing out money unless the provinces themselves have the capacity to spend it. Let me just inform this House that when we allocated resources to the provinces we made it very clear that the Ministry of Housing did not look at political faces when looking at the MECs responsible for housing. What we are looking at is authority and officials who have to liaise with us.

We gave the allocation according to the criteria which were agreed upon with the provinces. We furthermore made it clear that the provinces which have the capacity to spend can come back.

so that we can add to their income. There is no possibility of our becoming involved in a situation in which we just dish out money whilst there is no productivity. In the past the approach and the attitude was to give money when problems were supposed to be solved [Time expired].

Debate concluded

For written reply

Names of gangs operating in Mitchell's Plain/
Hanover Park

85 Sen Dr G W KOORNHOF asked the Minister for Safety and Security:

- (1) (a) What are the names of the gangs operating in (i) Mitchell's Plain and (ii) Hanover Park, (b) in how many incidents of violence was each of these gangs involved during the latest specified period of two years for which information is available, (c) how many persons were (i) killed and (ii) seriously injured in these incidents of violence and (d) in how many cases have prosecutions been instituted by the South African Police Service,
- (2) whether he will make a statement on the matter?

S165E

The MINISTER FOR SAFETY AND SECURITY

- (1) (a) (i) The Americans
The Naughty Boys
The Mongrels
The Nice Time Kids
The Sewe Lewens
The Cisco Yakkies
The Dixie Boys
The Hard Living Kids
The Genuine Ones
The Casanovas
The Sexy Boys
The Stout Motors
The Park Kids
The Kroonkatte
The Laughing Boys
- (ii) The Mongrels
The Sewe Lewens
The British Boys
The Guilty Cats
The New York Yanks

- The Park Kids
The Five Boys
The Lonely Boys
The Vultures
The Laughing Boys
The Genuine TV Kids
The Music Makers
The Ma Se Kind
The Candy State Boys
The Love Bite Kids
The Lonesome Boys
The Vulture Kids

- (b) According to a case study made by the Gang Investigation Unit of the South African Police Service to determine the impact of gang-related crime on the incidence of crime in general, it was established that gangs in Mitchell's Plain, Manenberg, Philippi, Bishop Lavis, Bellville South and Elsies River were responsible for 125 of the 253 reported murders (ie 49% of the reported murders committed in these areas) during the period 1 October 1994 to 31 March 1995. Gangs were also responsible for 307 of the 637 reported cases of attempted murder in these areas (ie 48%).
- (c) (i) 125 persons were killed in gang-related violence
- (ii) 307 persons were seriously injured in gang-related violence

- (d) Since the inception of the Gang Investigation Unit on 12 February 1995, this unit has investigated 202 reported gang-related crimes, of which 119 were solved

(2) No

People killed/injured in taxi violence

91 Sen J SELFIE asked the Minister for Safety and Security:

How many people were (a) killed and (b) injured in violence related to the minibus taxi industry in each of the provinces (i) in 1994 and (ii) during the period 1 January 1995 up to the latest specified date for which figures are available?

S171E

ET 10/5/95
SA gets UK
business arm
(297)

LONDON: The UK arm of the newly established National Business Initiative (NBI) was launched here last night by SA Labour Minister Mr Tito Mboweni. The South African Business Initiative for Reconstruction and Development, the new name of the Urban Foundation in London, is a registered charity and will channel contributions from donors in the UK to its projects and other causes in SA.

Welfare budget cuts explained

BY JO-ANNE COLLINGE

The R77-million shortfall in the Gauteng welfare budget represents the gap between what MEC Sakkie Blanche would like to have received from central Government and what he actually got. ~~(277)~~ (297)

The bulk of this amount would have been spent in wiping out the backlog of "adjustment subsidies" owed to welfare organisations for the past few years, said Gauteng Welfare Department chief director for administration Louis du Toit.

The R77-million was not intended to extend subsidies to service groups which had previously been excluded from subsidies, Du Toit told The Star.

Not only did Gauteng fail to secure this increase on its 1994/95 budget, it actually found itself having to manage a substantial cut on the three programmes which have to do with direct service delivery.

In 1994/95 Gauteng budgeted R290-million for state social work services, subsidies to non-state social work organisations and social development work. In 1995/96 it has only R280,2-million for this work.

It is this actual cutback that has caused a critical R1-million reduction in subsidies to the Johannesburg Child Welfare Society and a reduction of R3,3-million in subsidies to homes for old people.

4/10/95

BY PATRICK BULGER
POLITICAL CORRESPONDENT

Curbed oil sales could affect RDP

(297)

Cape Town — Mineral and Energy Affairs Minister Pk Botha yesterday put the brakes on strategic oil sales by South Africa until the effects of the dispute between the US and oil supplier Iran became clear.

The move could have implications for the Reconstruction and Development Programme which is being funded in part by the sale of strategic oil reserves.

Botha concluded the debate in the National Assembly on his department's budget vote by saying he had instructed the Central Energy Fund to slow down sales, which currently

stand at four months' supply.

US President Bill Clinton, accusing Iran of building a nuclear arsenal, last week signed an executive order banning US companies and their subsidiaries from trading with Iran. Botha said it was not clear how the US decision would affect trade with Iran and world oil supply.

South Africa's private sector buys the bulk of the country's oil from Iran. South Africa's strategic oil reserves were built up in

the apartheid era as a guard against effective United Nations oil sanctions on this country.

In the 1995/96 financial year, R600-million was to have been raised for RDP capital projects. Botha said the US-Iran dispute had added new uncertainty into the international supply and demand of oil.

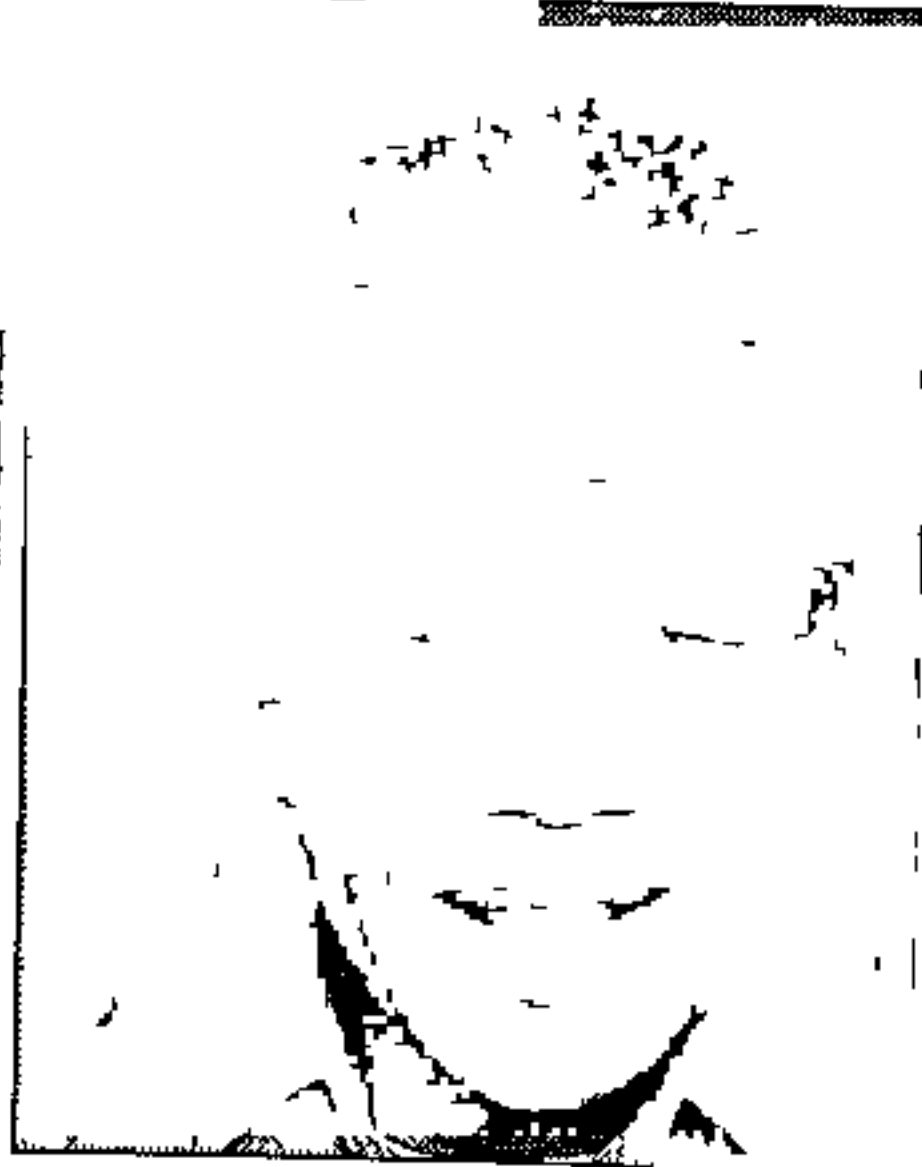
"We do not know what can happen tomorrow if the subsidiaries of American companies are buying oil for South Africa,"

refineries. I understand that many of these companies are not so much subsidiaries as independent entities and will probably not be affected by the executive order. I hope that this is the position," Botha said.

"But we are not sure whether that will remain the position. The issue has become so politicised that commentators find it difficult to predict what the anti-Iran climate may produce."

He also hit back at the portfolio committee on mineral and energy affairs, which criticised his department for dressing up normal expenditure as RDP expenditure, saying his department contributed to the RDP.

SAW 10/5/95



MANDELA Opening the EU's southern African summit



PINHEIRO Pushing for special trade status for SA

EU clears way for R555m aid package

297
CT(BR)11/sks

By JOHN FRASER

ARGUS FOREIGN SERVICE

Brussels — The European Union commission yesterday agreed on a legal framework for future aid to South Africa

This clears the way for the signing of a deal with the government on this year's R555 million EU aid package. The framework will allow Europe to work directly with the South African authorities.

This contrasts with the EU's stance during the apartheid era, when it side-stepped the Pretoria regime and gave aid directly to non-governmental organisations (NGOs).

The EU's commissioner for SA Joao de Deus Pinheiro is to sign the agreement during a three-day visit

beginning today. One important new element of the EU's approach to aid is that it will be focusing on programmes which span more than one year. Many NGOs will closely watch what happens to ensure they continue to receive funding on which they have come to depend.

Pinheiro recently gave an assurance that the EU does want to see some of its aid continuing to go to NGOs even if the money initially passes through the government.

The European Parliament will also watch the new set-up to ensure proper scrutiny of assisted projects and that schemes are effectively evaluated before they are funded. If all seems above-board, the EU assembly is expected to boost aid to South Africa in the next few years.

EU agree on aid for SA

■ BY JOHN FRASER
STAR FOREIGN SERVICE

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This contrasts with the EU's

stance during the apartheid era, when it side-stepped the SA government, and gave aid directly to non-governmental organisations (NGOs).

The EU's Commissioner for SA, Joao de Deus Pinheiro, is expected to agree on aid policy with SA ministers during a three-day visit, beginning today.

One important new element of the EU's approach to aid is that it will be focussing on programmes which span more than one year.

Star 11/8/95

first priority

"No political democracy can survive and flourish if the majority of its people remain in poverty, without land, without their basic needs being met and without tangible prospects for a better life."

In its focus on "Economic environment for social development", the report notes that the Government of National Unity had inherited an economy characterised by a range of structural problems

"For years, both formal and informal 'colour bars', discriminatory labour laws and other regulations benefited whites at the expense of black people, regional market disparities were exploited to ensure a steady flow of migrant labourers to the economy; productivity was low and there was an overdependency on mineral exports," says the report

"The results were capital flight; the creation of cartels; the lack of a vibrant small and medium enterprise sector and, ultimately, stagnation rather than economic growth.

"The challenge is therefore to correct structural problems and remove distortions in the economy while pursuing equitable distribution of resources through effective social investment"

In outlining macro-economic policies for sus-

wards capital investment

When considering the RDP, crucial questions include where that growth occurs, how sustainable it is, how it is distributed, the degree to which it contributes to building long-term productive capacity and human resource development, and what impact it has on the environment

Key areas

The RDP integrates growth, development, reconstruction and distribution into a unified programme, and the key to this link is an infrastructural programme that will provide access to modern and effective services such as electricity, water, telecommunications, transport, health, education and training for all South Africans

Government has also identified key areas where existing policies are insufficient to cope with the demands on the economy and are hindering equitable economic growth

A successful growth strategy, says the report, depends on an increase in investment in the productive sectors of the economy from both public and private sources

"Public investments must lead the way in alleviating poverty by improving the much-needed infrastructure and human resource develop-

long-term development programme, the Budget will from 1996/97 be a multi-year, programme-based budget. It will result from a strategic management programme to be undertaken by each department," says the report, adding that this process is already underway

All Government activities and programmes will also be tested against the criteria of the RDP and a system of key performance indicators will be implemented to monitor progress, the report notes.

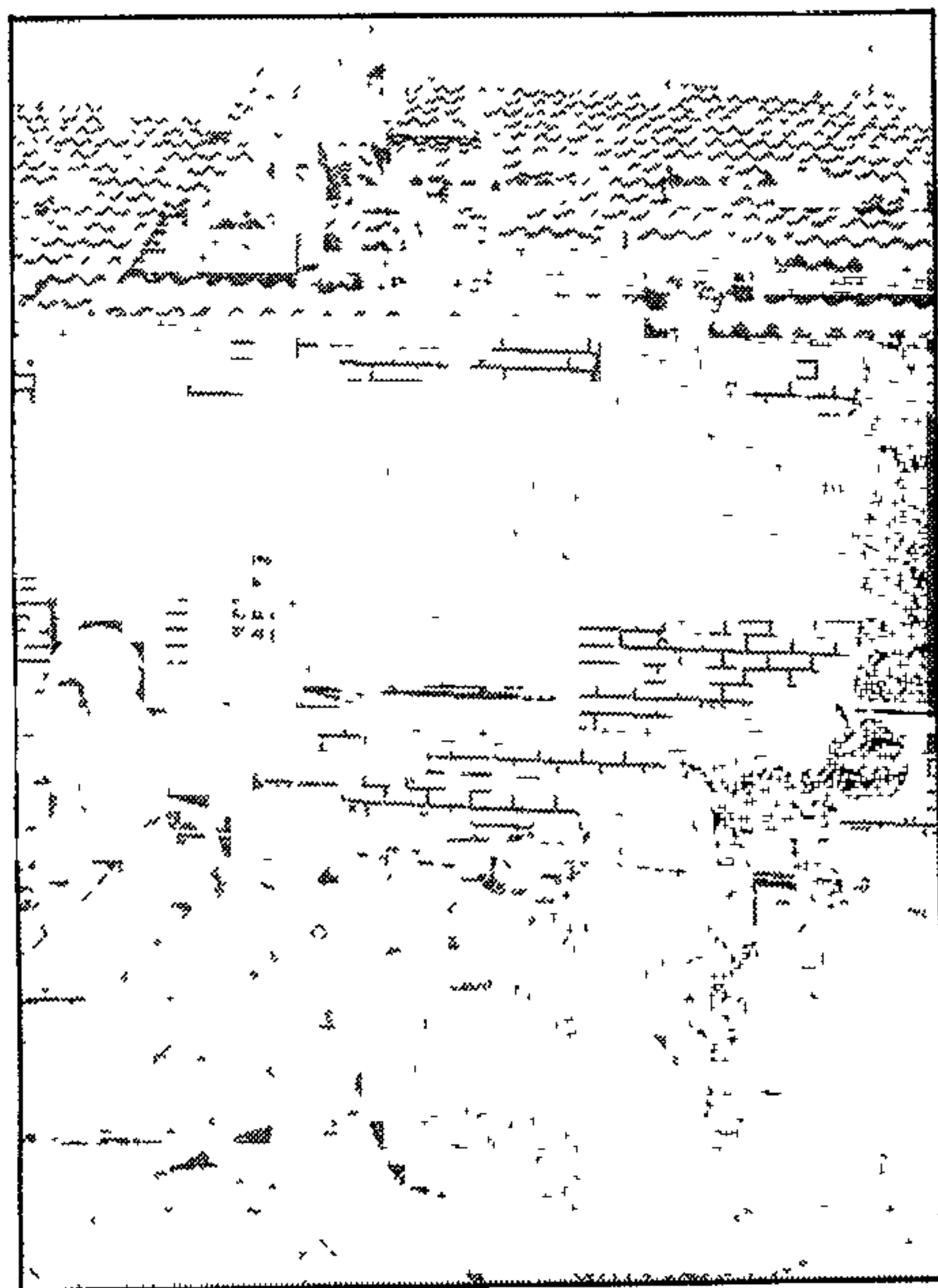
"The Government is also setting out a five-year expenditure and income plan. This will facilitate the transfer of resources between Government functions to ensure that the allocation complies with the RDP's priorities"

A long-term infrastructure programme also forms part of the expenditure plan and the public service is being restructured.

The report says the RDP is being implemented within strict financial discipline

Finally, in terms of creating competitive and equitably accessible markets, the report says "South Africa recognises the need to open its economy and gain access to international markets for its goods in a mutually beneficial way"

Key sector
... The building industry is expected to stimulate job creation and increase demand for consumer goods.



Your country needs you

Ask not what your country can do for you, ask rather what you can do for yourself and your country

That, says Minister without Portfolio Jay Naidoo, is the message of the Masakhane Campaign, the vehicle for implementing the Reconstruction and Development Programme and transforming South Africa.

He says the success of the RDP is dependant on an effective partnership between Government, communities and the private sector. It must be an integrated policy which harnesses all institutions in society and all financial resources. It must bring previously alienated government departments into contact in order to facilitate an integrated approach to supplying basic needs.

But, he stresses, the key message is that the RDP has to happen on the ground. "It's the community deciding what the needs of that community are."

"I also think the private sector can play a key role," he adds

Naidoo says there are certain indicators governing RDP initiatives such as:

- Whether there is community involvement
- How many jobs are created.
- How many women are benefiting.
- Whether there is accountability for money spent
- Whether it has impact and meets real needs

A monitoring system is being put into place to measure the actual impact of expenditure.

Naidoo expects the economy to be stimulated by the programme. The provision of basic services such as water and electricity will result in an increased demand in consumer goods and in the ability of people to start their own small businesses.

As the housing programme prepares to get underway in earnest, Naidoo says the construction sector is already gearing up. "If people have housing, we're going to create jobs. If people have housing, they want to buy furniture and electrical ap-

pliances".

He says the project will unleash training opportunities, citing the example of Eskom which, in its bid to electrify the country, has been asked to create small business opportunities.

Furthermore, where the RDP identifies a need — such as mobile pension payouts to cut down leakages in rural areas — the developed product could possibly be sold on the international market.

Naidoo cites Uitenhage as an exciting example of the RDP partnership between Government, communities and the private sector. There local authorities shifted expenditure towards meeting the needs of the people and integrated the work of their different departments. "They now find they are saving money," says Naidoo.

Then the authorities went to local businesses to ask for contributions to create a capacity for the RDP Fund in order to shift their expenditure.

Once they began assessing

their housing programme, local businesses were once again called on, this time to assist in training local artisans in their workshops.

Communities were approached to assist in clean-up campaigns and local labour was eventually used — putting money back into the community.

Another project was to look at the utilisation of a local clinic structure — with different facilities provided by three different local authorities in the previous dispensation.

A clinic complex was being staffed by 40 nurses working from 8am to 4pm. The community saw a need for a 24-hour facility with some staff being shifted into satellite clinics.

"That's when you start to say the RDP is working. When people don't wait for instructions from us. The RDP is about unleashing your creativity, about driving the shift of resources, about being ruthless about corruption," says Naidoo.

Minister without Portfolio...
Jay Naidoo.

RDP: that's what SA is aiming for

South Africa's Reconstruction and Development Programme (RDP) is essentially a development agenda for the country which aims to eradicate poverty, to build a free and democratic society and create national unity.

This is according to the National Social Development Report presented by South Africa to the World Summit on Social Development in Copenhagen, Denmark, earlier this year.

According to the report, Government regards attacking poverty

as a sustainable development, the report says the Government realises it has a large role to play in addressing the existing economic problems which are mainly structural and so "create an environment conducive to investment".

Having inherited a huge deficit, government consumption expenditure is more than 20% of the GDP and its interest repayments are more than 17% of the budget. Government has therefore committed itself to reducing consumption expenditure and reprioritising

taxation is at present under review with the Government studying the Katz Commission's report on improvements to the tax structure.

The role of the central bank in the economy is also under review and a Labour Market Commission has been established to investigate and report on all aspects of labour market policy.

RDP funding is done through the Budget and calls for an intensive process of reprioritisation of resources.

"To facilitate this pro-

SAR 12/5/95

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BUILDING TOGETHER NOW

SA, EU close huge aid deal for RDP projects

(297)

CT 12/5/95

JOHANNESBURG: South Africa and the European Union (EU) signed a huge aid agreement here yesterday, freeing European funds for Reconstruction and Development programmes

EU commissioner Mr Joao de Deus Pinheiro and Mr Jay Naidoo, the minister responsible for the implementation of the RDP, signed a declaration of intent to release about R546 million in European aid funds this year

"The contribution of the EU is very important to us," Mr Naidoo said at the signing ceremony.

In a joint statement, the EU and SA said the funds were ear-

marked for education, health, urban and rural development, economic co-operation and trade and investment promotion

"The EU and SA are looking to a fruitful relationship based on mutual understanding to ensure the optimal development of the country economically, socially and politically," the statement said

The EU is South Africa's largest trading partner, with European countries receiving 40% of all South African exports.

In 1993, trade between SA and countries belonging to the EU was in the region of R60 billion —
Reuter

Council, bid company consider own contract

MUNICIPAL REPORTER

BEFORE public controversy over the legality of the Cape Town City Council's contract with Nocsa has died down, the new Olympic Bid Company is due to consider a second, similar contract at its first meeting today.

In its contract with Nocsa the council undertook to meet obligations which are the responsibility of the bid company. This second contract, between the council and the bid company, would transfer those obligations to the company.

It is also expected that 40 or more directors of the new compa-

ny will be chosen at today's meeting. The election of Mr Raymond Ackerman as chief executive officer should be a formality.

Prospective members of the company are reminded on the invitation to the meeting that they will only be personally liable to the extent of R1 each in the event of the company being wound up.

Should the bid company fail, the council would ultimately have to pick up the tab, as it has underwritten the bid by signing the Nocsa contract. But council officials say there are many safeguards in place to ensure that the council's exposure is always small.

Charity fraud: Staff suspended

CT 12/5/95 (297)
JOHANNESBURG: Two Operation Hunger staff members have been suspended because of fraud involving more than R1 million in the Bloemfontein area last December, the board of trustees said yesterday.

Chairman Mr Phiroshaw Camay said all feeding programmes in the area were stopped as a result.

OR An investigation was launched

and the matter referred to the police.

The probe was kept confidential "to enable Operation Hunger to secure evidence ... the amount involved could exceed R1m".

Mr Camay said the "unfortunate event" in no way affected internationally-funded community projects run by Operation Hunger. — Sapa

Too late for classification

Welfare budget shortfall 'will hit the needy'

B0 12/5/95 (297)

THE poor would suffer because of a serious shortfall in social welfare funds for this financial year, Gauteng welfare and population development minister Sakkie Blanche said in his budget speech yesterday.

Sapa reports he said the shortfall would not have an impact only on department services, but also on those rendered by the voluntary sector and subsidised by the department.

Blanche said the shortfall was equivalent to the cost of 2 000 places in homes for the aged or disabled, or the cost of 500 social workers.

"The shortfall places serious obstacles in the way of developing new services in historically disadvantaged communities, where there is a dearth of essential services," he said.

NOMAVENDA MATHIANE reports that although legislature members were unhappy about Blanche's figures, they adopted the budget while agreeing to look at strategies to augment finances to meet welfare obligations.

DP member Brian Goodall said he could not understand the basis for allocating Gauteng's budget, given that the province had 1-million unemployed people more than other provinces, and it had 23,8% more shacks than any other province in SA.

Goodall said one option was to establish partnerships with the non-governmental organisations operating in the welfare field.

Audrey Coleman (ANC) criticised Blanche for not consulting widely

enough when drawing up the budget. She said the days of arbitrary decisions by one group were gone.

□ Meanwhile at a conference yesterday on peaceful protest, Gauteng premier Tokyo Sexwale recommended the drafting of a code of conduct for the people of Gauteng.

Sexwale referred to the document as The Gauteng Way, and said that as Gauteng was the hub of economic activity which produced 40% of the wealth in SA, it was important to have a code of conduct that would direct the way business and government was carried out in the province.

Sexwale also said South Africans should begin to inculcate a feeling of patriotism, and a move away from protest politics to nation building.

Coke cash for FPJ 'astray'

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ARG 13/5/95

GLYNNIS UNDERHILL
Weekend Argus Reporter

MONEY donated to Allan Boesak's Foundation for Peace and Justice by the Coca-Cola Foundation in America for distribution to pre-school projects in impoverished areas of the Karoo never reached its destination, it has been claimed.

Assistant director at the Office for Serious Economic Offences (Oseo) Tommy Prins, who is investigating the financial irregularities at the Foundation for Peace and Justice (FPJ), is to visit Carnarvon in the Karoo next week to discuss the funding issue with staff at Caravan Community Organisation Projects.

Chairman of the Caravan pre-school project Glen Phike said he was aware R150 000 donated by the Coca-Cola Foundation to the Foundation for Peace and Justice (FPJ) was intended for their pre-school projects, but only R30 000 was received from the FPJ for the projects.

Mr Phike said the money was meant for the pre-schools

■ Claims are being made that money donated by the Coca-Cola Foundation to the Foundation for Peace and Justice could have gone astray.

in Carnarvon and Van Wyksvlei and the organisation still expected to get the money. They would fight for it if necessary.

Manager of public relations at Coca-Cola Company, Kerry Traubert confirmed with Weekend Argus a grant of R150 000 had been made in 1992 for the Caravan Projects and the company had accepted the FPJ reporting on the distribution of the funds in "good faith".

While Coca-Cola Foundation was now aware of the problems that had arisen at the FPJ, it did not intend taking any action, said Ms Traubert.

The plight of the community organisations in the Karoo first came to the attention of the public when Nordic funding agencies last year began probing the financial irregularities at the FPJ.

Mr Phike said the subsidised pre-schools in the small Karoo towns cater for impoverished local parents, many of whom are unemployed.

There are 85 children being cared for at the Carnarvon pre-school and 30 children at the Van Wyksvlei pre-school and they did not have money to pay for electricity, buy food for the children or pay workers' salaries.

Weekend Argus has a copy of a document written by Norman Michaels, then personal assistant to Dr Boesak, thanking the Coca-Cola Foundation for its injection of R150 000 for the Caravan Projects.

Former bookkeeper at the Foundation for Peace and Justice Freddie Steenkamp wrote to the Coca-Cola Foundation: "We cannot over-emphasise the tremendous difference your generous grant has made for the people in Carnarvon. We are indeed thankful for your kind assistance in the plight of the impoverished and disadvantaged community, who are still at this very moment exposed to the stark reality of white oppression in Carnarvon."

Coke's cash for the FPJ missing

GLYNNIS UNDERHILL

CAPE TOWN — Money donated to Allan Boesak's Foundation for Peace and Justice by the Coca-Cola Foundation in the US did not reach its destination, it has been claimed.

The funds were intended for pre-school projects in impoverished areas of the Karoo. *Stav 13/5/98*

Glen Phike, chairman of the Caravan pre-school project, said Office for Serious Economic Offences assistant director Tommy Prins would be travelling to Carnarvon next week to discuss the funding issue with staff at the Caravan Community Organisation Projects.

Phike said he was aware that R150 000 donated by the Coca-Cola Foundation to the FPJ was intended for its pre-school projects. Only R30 000 was received from the FPJ for the projects, he claimed.

"The money was meant for our pre-schools in Van Wyksvlei and Carnarvon but we never received it," he said.

Kerry Traubert, manager of public relations at the Coca-Cola Company, based in Atlanta, Georgia, said the company had accepted in good faith the FPJ reporting on the distribution of the funds.

Phike said the subsidised pre-schools in the small Karoo towns cater for impoverished local parents, many of whom are unemployed. There are also 115 children being cared for at the two schools, he said.

Bank rejects SA request

(297)
SOUTH AFRICA'S entry to the African Development Bank is not yet certain, although the bank's annual meeting, where memberships will be discussed, takes place later this month.

Secretary-general of the bank Hedi Meliane said the bank had not been able to meet the conditions South Africa set. "We have not been able to respond favourably to their demands," he said, speaking from Abidjan.

"Everything depends on them. We re-

main open... but we are in no more of a hurry than they are."

South Africa has asked for concessions, such as being excused from liability for loans made before it joins.

The African Development Bank, set up in 1963, groups African and non-African members. Africans have a voting majority.

South Africa was barred from joining until last year's democratic elections — Sapa-Reuter

New Op Hunger boss in cash scandal

By NICOLA KOZ

THE man who replaced Ina Perlman as head of Operation Hunger has been suspended following allegations of fraud exceeding R1-million.

Mpho Mashinini, who was appointed executive director of the charity with great fanfare nine months ago, was suspended this week after the organisation investigated allegations of irregularities and misappropriation of funds.

The manager of the organisation's Bloemfontein region, Anthony Mfola, was also suspended.

The alleged fraud, believed to include several Operation Hunger staff members and a third party in the Free State, involves the distribution of food.

The Sunday Times was told that the organisation had carried out checks in December last year and the matter had been handed over to the police.

Mr Mashinini, who has been with Operation Hunger for seven years, could not be reached for comment yesterday.

Mr Mfola, who has been with the charity for eight years, said yesterday that he was "shocked" by his suspension.

"I was totally surprised. I was at a workshop in Port Elizabeth when police searched my offices in Bloemfontein," he said.

"I do not know what they were looking for. I am just

To Page 2

Operation Hunger head suspended

From Page 1

a simple field worker acting under instructions from head office."

He said that he and Mr Mashinini would be consulting the same lawyer.

A police spokesman for the Witwatersrand, Colonel Eugene Opperman, said yesterday "Police were going to make an arrest on Thursday but there are still a few loose ends which need to be tied up."

All feeding schemes in the area where the fraud is alleged to have taken place have been stopped. It could not be established where these areas are.

The chairman of the board of trustees, Phiroshaw Camay, said the in-

vestigation had been kept confidential until now "to enable Operation Hunger to secure the necessary evidence".

Patrick McLaughlin, a member of Operation Hunger's management board, said yesterday: "Police are investigating and we are waiting to hear from them."

He added, "It is horrific to think that there are people who could possibly take food from the mouths of starving children for their own benefit."

Ina Perlman, who retired as Operation Hunger's executive director in 1993, said yesterday said she had been informed of the suspensions before a

statement was put out. "I am obviously desperately sad to hear the allegations. Operation Hunger was my life for a long period of time," she said.

Mr McLaughlin said the organisation had installed new systems to ensure such fraud would not happen again.

Mr Camay said: "The trustees of Operation Hunger, all of whom are volunteers... are deeply concerned about the effect that this will have on future fund-raising."

"The trustees assure the public that the investigations will be relentlessly pursued to ensure that those responsible are brought to book."

(297) ST 14/5/95

Corrupt school food scheme is earmarked for an overhaul

ST 14/5/95

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BY JUSTIN ARENSTEIN

THE Eastern Transvaal government has admitted that its school feeding scheme is a failure and that mistakes have been made in its implementation.

The province's education minister, David Mabuza, admitted to the problem after the government announced this week that it had uncovered widespread corruption and theft of scheme money in the province by school principals, businessmen and senior government officials.

"We are very disappointed and obviously made a mistake by trying to involve people in running the scheme at a grass-roots level," he said.

"It is embarrassing, but senior government officials and provincial businessmen have been caught stealing.

"We had hoped to empower the people, which is one of the principle aims of the RDP. But it would appear that the people are not yet ready for responsibility.

"The entire scheme in the Eastern Transvaal will have to be redesigned."

Mr Mabuza could not put a figure to the amount of money that had been stolen or say how widespread the corruption was, but he said nine criminal investigations were being conducted.

"The biggest instance so far involves R20 000, while only R150 was stolen in another case. We can't say how much money is involved at this stage because we don't know if we have uncovered all the corruption taking place," he said.

His department had been aware of abuses for as long as six months, but the scheme's administrators had been unaware of the problem until the communities involved had reported it, he said.

The scheme was financially administered from a central office in Gauteng and there were no checks and balances

and no accountability.

"The whole set-up is open to abuse," Mr Mabuza said. "It must be restructured so that schools are directly accountable to their provincial departments."

He said the only way to stop the abuses was to devolve authority to the provinces.

"Abuses will continue if projects fly over our heads."

Other obvious problems included the use of small suppliers and the failure to implement tender procedures. Too many separate agencies and departments may have been involved in the scheme's planning and implementation — creating an inherently weak system, he said.

"We tried to canvass as widely as possible in the Eastern Transvaal, with the departments of health and education, the RDP and youth all collaborating in the programme's design."

"There may have been too many bodies involved."

The province's approach to school feeding would now be redesigned, with bigger companies possibly being invited to tender for supply contracts.

"The present system will be suspended and we will try to workshop with the relevant committees to ensure accountability," Mr Mabuza said.

There was no indication that the corruption had spread to other provinces, he said.

● The Eastern Transvaal government is also investigating the widespread issue of false report cards and transfers in provincial schools.

Mr Mabuza said corruption in schools has become "almost businesslike".

"For many it is a moneymaking concern to supplement their official salaries," he said.

Some male teachers requested sexual favours in return for false reports, transfers and exam questions.

Scandals knock charities hard

Funds withdrawal feared, more control on spending urged

ARG 15/5/95

(297)

The Argus Correspondent

JOHANNESBURG — Financial scandals involving Alan Boesak's Foundation for Peace and Justice followed by the suspension of Operation Hunger's executive director Mpho Mashinini have done incalculable harm to the entire fundraising industry, says president of the Southern Africa Institute of Fund Raising, David Cuthbert.

He has called for the immediate launch of an accountability commission driven by the non-profit fundraising industry to set ethical standards for financial behaviour.

In the midst of investigations triggered by claims by Danish aid agency Danchurch Aid that Dr Boesak's Foundation for Peace and Justice organisation had misused some R3 million intended for victims of apartheid, a second charity bombshell exploded last week when Operation Hunger suspended Mr Mashinini and its Bloemfontein manager Anthony Mfila following allegations of more than R1 million fraud.

Operation Hunger's board chairman Phiroshaw Camay said all feeding programmes in the Bloemfontein area had been stopped as a result of the findings and the matter had been referred to the police.

SAPS spokesman Eugene Opperman said police delayed arrests last Thursday as certain details had to be finalised.

Neither Mr Mashinini, 36,

who took over the reins of the R10 million operation from the organisation's stalwart Ina Perlman in December 1993 nor Mr Mfila were available for comment yesterday.

Mrs Perlman said she was "terribly saddened" by the events "as Operation Hunger was my life".

Operation Hunger board member Patrick McLaughlan said management was deeply concerned over the impact of the scandal on the organisation and the children who depended on it.

Coming hard on the heels of the country's most devastating drought, the blow could not have been delivered at a worse time, he said.

Mr Cuthbert said the ripple effect of alleged financial mismanagement by two high profile people would create waves among all donors involved in the R10,4 billion industry, with 73 percent of the charity funds contributed by the public.

Some 3,6 million people are involved fulltime or on a voluntary basis, he said.

Calling for tighter control over charity spending, he said there were enough laws in place to deal with the misuse of money.

"But the non-profit industry must police itself through the establishment of accountability commissions as they have done in the US and Canada."

Charity boss suspended (297)

STAFF REPORTER

CT 15/5/15

Gambling tax 'vital to RDP'

B015/5/95

(297)

LOTTERIES and gambling could attract R5bn from foreign investors and create 100 000 direct and indirect jobs in SA, according to African Development Corporation (Afcor) chairman Tiny Naidoo.

In a letter to Deputy President Thabo Mbeki last week, Naidoo said the recommendations of the Lotteries and Gambling Board should be legislated as soon as possible to provide revenue for reconstruction and development.

In addition to foreign investment and job creation, management training opportunities would contribute to black empowerment and skills transfer.

The Lotteries and Gambling Board had not agreed on the issue of the number

AMANDA VERMEULEN

of licences to be allocated at last week's board meeting convened to discuss this issue.

Board member Jan de Lange said it would next week announce the date — in early June — for evidence to be heard on dog racing. A report could be released at the end of June.

Industry sources said the board had appointed consultants to assist in finalising the number of licences.

Spokesman David Swanepoel said the issue would be discussed at the next meeting on June 5, as the board still had to consider further information it had received.

Arthur Andersen partner Dean Wallace said the loca-

tion of the proposed casino resorts would determine government revenue.

Applicants would probably have to pay large licence fees if SA followed the trend in other countries, such as Australia and Greece, where applicants had to pay several hundred million dollars for licences.

He said casinos located too close to each other would see less income generated for provincial legislatures. Gauteng was likely to experience this problem — although it was the smallest province, it could receive among the highest number of licences.

Wallace said several parties had expressed interest in developing casino resorts in the region which already had a major operation, the Carousel.

INTERVIEW
Fraud claims harming industry

Appeal for tighter control of charities

(297)

Star 15/5/95

■ BY SHIRLEY WOODGATE

Financial scandals involving Alan Boesak's Foundation for Peace and Justice, followed by the suspension of Operation Hunger's executive director Mpho Mashinini, have done incalculable harm to the entire fundraising industry, according to Southern Africa Institute of Fund Raising president David Cuthbert.

He has called for the immediate launch of an accountability commission driven by the non-profit fundraising industry to set ethical standards for financial behaviour.

In the midst of investigations triggered by claims by Danish aid agency DanChurch Aid that Boesak's FPJ had misused funds intended for anti-apartheid victims, a second charity bombshell exploded last week when Operation Hunger suspended Mashinini and its Bloemfontein manager Anthony Mfila following allegations of fraud involving more than R1-million.

Operation Hunger board chairman Phiroshaw Camay said all feeding programmes in the Bloemfontein area had been stopped as a result of the findings and the matter had been re-

**ACCOUNTABILITY
commissions
established by
fundraising industry
could help to prevent
misuse of funds**

ferred to the police.

It is believed the suspension of the two men follows internal investigations after irregularities in the Bloemfontein region were discovered towards the end of last year.

Neither Mashinini (36), who took over the reins of the R10-million operation from the organisation's stalwart Ina Perlman in December 1993, nor Mfila were available for comment yesterday.

Perlman said she was "terribly saddened" by the events "as Operation Hunger was my life".

Operation Hunger board member Patrick McLaughlan said the entire management was deeply concerned over the impact of the scandal on the organisation and the children who depended on it.

Coming hard on the heels of the country's most devastating

drought, the blow could not have been delivered at a worse time, he said.

Cuthbert said the ripple effect of alleged financial mismanagement by two high profile people would create concern among all donors involved in the R10,4-billion industry.

Some 3,6-million people are involved full-time or on a voluntary basis, he said.

"There is no doubt that donors back off when scandals surface, even if the problems are not in their particular agencies, all of which live off other people's money."

Calling for tighter control over charity spending, Cuthbert said there were enough laws in place to deal with the misuse of money.

"But the non-profit industry must police itself through the establishment of accountability commissions as they have done in the US and Canada."

"Fundraising organisations become signatories to the commission and members of the public recognise the seal which indicates their commitment."

"Members of the public have a right to an assurance that their money will go where they want it to land up," he said.

Operation Hunger probed

BD 15/5/95
 MORE than R1m of Operation Hunger funds was allegedly paid into the account of a fictitious company with the possible collusion of some of the organisation's employees, police spokesman Col Eugene Opperman said yesterday.

The commercial crime unit was investigating third party involvement in Bloemfontein and suspected complicity at the organisation's Johannesburg-based head office, he said. No arrests had been made.

Operation Hunger board of trustees chairman Phiroshaw Camay said at the weekend that the organisation's executive director, Mpho Mashinini, and manager of the Bloemfontein region, Anthony Mfila, had been suspended. Mashinini took over from Ina Perlman nine months ago.

INGRID SALGADO

The matter had been handed to police after Operation Hunger conducted internal checks, and "realised something was wrong", Opperman said. The fraud, detected by trustees last December, related to feeding programmes run by the organisation.

Camay said all feeding programmes in the affected areas had been suspended, but the internationally funded community projects were still running.

If necessary, both criminal and civil action would be brought against the guilty parties and restitution sought, he said.

Mashinini has worked for Operation Hunger for seven years. He was one of Perlman's two deputies during her term of office.

Refugee body to be formed

BD 15/5/95
KATHRYN STRACHAN

A REGIONAL refugee committee is soon to be set up to co-ordinate movement of refugees through Southern African Development Community countries.

At a meeting of community representatives and the UN High Commissioner for Refugees this month it was decided the committee would be established to harmonise legislation and assist to refugees.

It would also look at a quota system of migrant labour based on the region's needs and strengthen links with regional emergency services.

Another focus would be regulating the status of people considered to be illegal immigrants but who had lived in their host country for such a long time that they had lost contact with their country of origin.

Governments would also be required to put in place procedures which identified people who were not genuine asylum seekers and who threatened to overwhelm the system of asylum.

UNHCR representative Nicolas Bwakira said at the meeting the proportions of the refugee crisis called for innovative ways of addressing the causes and finding solutions.

Population movements were major political, security and socio-economic issues and solutions could be found only through comprehensive policies and co-ordinated measures.

He said the committee would also support regional efforts to resolve conflict and to promote stable economic and social conditions.

First 'container school' to open soon

MDUDUZI KA HARVEY

TWENTY-nine shipping containers have been insulated and electrified to provide classrooms for 500 pupils in the Zonkizizwe squatter camp on the East Rand.

The Sunrise primary school was the brainchild of Coca-Cola and the Zonkizizwe community.

The school would be the first container primary school to provide much needed education for young children living in the historically turbulent squatter area.

With the assistance of Safmarine, who donated the containers, and Johannesburg Consolidated Investment, who contributed R43 000, Coca Cola provided the transport and the conversion costs of R280 000.

Sanlam also announced a R300 000 plan to expand its community involvement through container projects to establish facilities in disadvantaged rural and urban areas.

The nationwide series of projects would provide a variety of facilities for the local communities, including a community centre, clinics, extensions to schools, creches, kitchens and job creation centres.

The project was expected to commence in July and the communities expected to benefit from the projects included, Tirelo Sechaba, Mhluzi near Middleburg, Atteridgeville, Bekkersdal and Orange Farm.

The mood of xenophobia is growing. The Star's Foreign Service asked Philip Karani, a senior protection officer for UNHCR, to report on a closed meeting where regional governments discussed the issue

Entire region needs RDP

(CONT)

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The Southern Africa Region has over the recent past witnessed major changes and developments which have been characterised by political reform and democratisation

The process of change has nurtured and given prominence to the intertwined nature of political, social and economic relationships of the peoples and countries of the region

The new climate has also created an opportunity for closer co-operation and the adoption of a common approach in dealing with the challenges facing the communities.

One of the major issues that has manifested itself is the movement of people, originating both from within and outside of the area.



Buthelezi Zulu issues must be debated before art of T-shirts lacking in

Major outcome

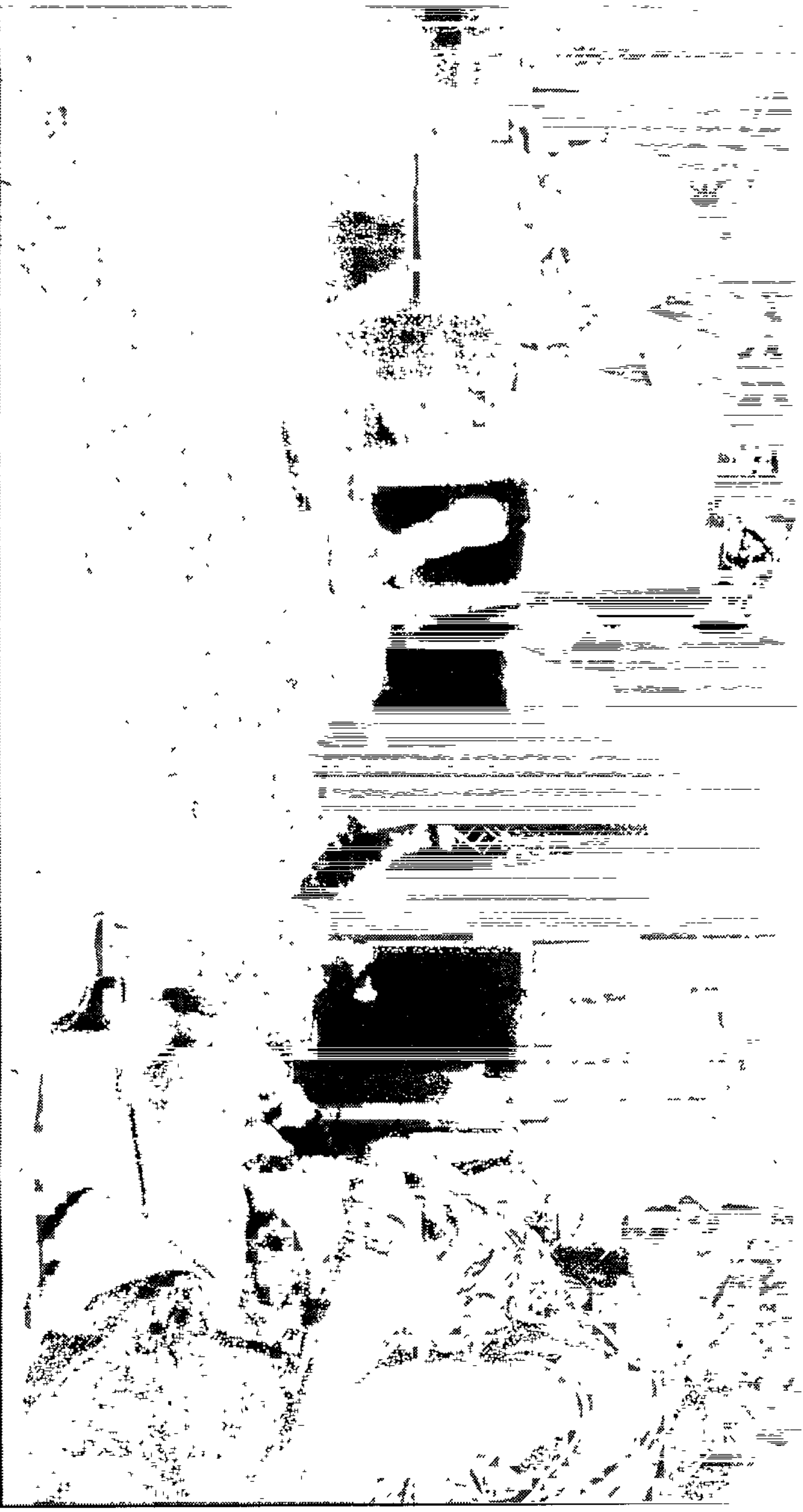
UNHCR has consequently devised a three-pronged strategy based on notions of prevention, preparedness and solutions. UNHCR further perceives its role as a catalytic one

Solutions can be found only through comprehensive policies translated into concrete and co-ordinated measures on a regional basis

The central approach of UNHCR is that population displacement, whether internal or external, transcends the humanitarian domain and has become a major political, security and socio-economic issue

The UNHCR has within its core mandate of providing international legal protection and seeking permanent solutions for the problem of refugees, a direct and vested interest in any form of population movement.

At the initiative of the Office of the United Nations High Commissioner for Refugees (UNHCR), a meeting attended by senior government officials from the SADC member states was convened in Johannesburg earlier this month to deliberate upon and formulate strategies for dealing with the challenges posed by population and refugee movement



Its object is to seek to effect the strategy through consultation, co-operation and co-ordination with Governments on a regional basis.

The meeting with the SADC states acknowledged the desirability of operating within the institutional framework of SADC in addressing issues pertaining to population movements in general and refugees in particular.

A major outcome of the meeting was the decision to recommend for the approval by the SADC Council of Ministers, the establishment of a regional refugee committee which would set policy and co-ordinate activities relating to refugees.

The committee would, among other things study the feasibility

Going home . . . Mozambican refugees wait to be "processed" at the gates of the refugee camp in northern Transvaal before being transported back to their home country.

of harmonising policies, legislation and procedures relating to the admission and treatment of refugees.

The focus of harmonisation should aim at giving effect to the minimum standards prescribed in the international refugee conventions.

A corollary to this will be to urge some of the states to review reservations made at the time of accession to the application of certain provisions of the conventions.

The committee would also examine the desirability of estab-

lishing a quota system of migrant labour based on the needs of the region. It would also look into the feasibility of regularising the status of persons presently considered to be illegal immigrants who have resided for long periods and have become established in host states.

The meeting also emphasised the need to build awareness within the media and the general public on human rights and on the plight of refugees. This was important to curb the phenomenon of xenophobia.

The Deputy Minister of Home Affairs, Penuel Maduna, had

some very insightful remarks in his opening address.

He noted that the region was in a process of stabilisation and while acknowledging the right of people to move within acceptable international norms, he added that it was opportune to study population movements in the region. The key to the problem was the reconstruction and development of the region as a whole.

Measures aimed at creating stable economic and social conditions in the region must work in tandem with activities in conflict prevention, management

and resolution.

They must also be supplemented by further preventive measures through adherence to and respect for human rights and humanitarian law.

Perhaps the major test for the commitment of states to co-operation movements will be the deliberations with a view to the adoption of a protocol under the auspices of SADC on the free movement of people.

The protocol will seek to provide for the visa-free right of entry for all citizens of the SADC region into all member states,

right of temporary residence and permanent establishment.

The final stage would, after a defined time frame, envisage total freedom of movement within the community.

The meeting of government officials involved in matters relating to population movements was conceived and based on the realisation that a spirit of co-operation and the willingness to take bold political initiatives that will address the root causes of the movements, be they political, economic, the result of civil strife or human rights violations, was needed.

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PICTURE MOTHALENI MAHLABE

R1-m feeding funds stolen

sample on 16/5/95
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By Joshua Raboroko

HUNDREDS of families in the Free State rural areas are starving after the closure of Operation Hunger's offices in Bloemfontein in December.

This was confirmed yesterday by the organisation's public relations officer, Mr Patrick McLaughlin, who said the closure was "tragic because the people have no food and water".

The affected areas included Bloemfontein, Botshabelo, Thaba 'Nchu and other neighbouring areas where locals depended on relief aid from the organisation.

McLaughlin said the organisation had conducted checks and realised something was "wrong" with the running of the feeding programmes in the region.

The matter has been handed over to the police who are investigating allegations that the organisation's funds have been paid into the account of a third party.

The organisation's executive director, Mr Mpho Mashumini, and manager of the Bloemfontein region, Mr Anthony Mfila, have been suspended.

Police are investigating allegations of fraud involving more than R1 million belonging to the organisation, which is believed to have been paid into the account of a "fictitious company".

The staff at the Bloemfontein offices have been "split" and given duties in other areas.

Mashumini took over from Mrs Ina Perlman, who retired in December 1993. Perlman said she was "terribly saddened" by the events.

Mashumini and Mfila were not available yesterday for comment. Operation Hunger received funding from international and local donors.

"We are worried about the hungry children," McLaughlin said. "We feed more than 50 000 destitute people countrywide."

McLaughlin said all the feeding programmes in the affected areas had been suspended but internationally funded community projects were still running. Police spokesman Warrant-Officer Azindini Nengabela said yesterday that the police were investigating third party involvement in Bloemfontein and also suspected complicity at Operation Hunger's head office in Johannesburg.

Diminutive Siphso Shezi, newly appointed director-general of the Department of Public Works, intends implementing fundamental change in his department and to aid in delivering the RDP to a broader society. Political Reporter Jovial Rantao spoke to him

Shezi's mission to get RDP going



Articulate . . . Siphso Shezi plans big changes in his department.
PICTURE ADREAS VLACHAKIS

Sitting in the huge leather seat in the director-general's office, Siphso Shezi with his small frame cuts a figure similar to that of movie star Danny de Vito

He gazes up at the ceiling, searching for the right words to say about his new appointment. There's a uneasy silence as his fifth floor office echoes with ticks from the grandfather clock on the wall

It was his second day in office as director-general in the Public Works Department, which is expected to play a pivotal role in delivery on the Reconstruction and Development Programme (RDP)

While his ascension to his position was done quietly, the removal of his predecessor, Dr Theo van Robbreck, who was acting director-general, is still shrouded in controversy

"I need to admit upfront that this appointment constitutes a major challenge in my life," Shezi, says "It's exciting, but

there are monumental challenges lying ahead"

The 35-year-old Shezi wants to get things done and he does not lack the words to articulate it

He is quite aware that he takes over a department which aims to make a radical shift from being a service provider to the Government to one that serves society

Shezi also knows that he assumed responsibility against the backdrop of heightened socio-political problems, underpinned by escalating unemployment and poverty

"I'm aware that I take over at the time when people are saying the Government has spent the past 12 months planning and should now deliver

against the socio-economic dictates as they unfold in the process of implementing the RDP will make it easier for me and the department to succeed and defeat the challenges

"It's not an easy task. We have to transcend the phase of saying what's politically correct and blending it with what's developmentally sound," Shezi said

Educated

Born in Maritzburg and educated in London as a political scientist, Shezi was a special adviser to Public Works Minister Jeff Radebe before being appointed director-general

He was also in charge of the National Public Works Programme (NPWP), a flagship of the public works ministry, which is a prominent feature of the transformation policy adopted by Radebe after he took office

The NPWP aims to ensure job

creation, poverty alleviation, human resource and rural development and urban renewal

When he took office on May 2, Shezi discovered that morale among the core members of the department management team was low. There was a high degree of uncertainty, mutual distrust and low levels of confidence

"I also inherited a department which is characterised by a certain degree of inefficiency, particularly in the area of financial management of State assets," he said

To tackle these problems, the former consultant with the World Bank and co-ordinator of the ANC's election campaign in the United States intends to implement a transformation plan devised by Radebe for both his ministry and the department

The plan entails a complete overhaul of the financial and property management

be able to help with job creation, capacity building and education and training

"We have to revisit the building services sector, with a focus on the key issues underpinning the sector, such as procurement and tendering procedures and the consultancy roster system," he says

Shezi also intends to develop a strategic planning framework which would underpin the activities of his department

Despite the problems that he has identified in his early days in office, Shezi has taken solace that, after meeting all core components of the management layers of the department, his office has been flooded with employees who are willing to support him carry out the new vision of the department

"We have formal and informal meetings during which people here are able to reflect on the challenges facing the department and the issues that have made their lives difficult

"There's general commitment, enthusiasm and general acceptance that a lot of things are going to change," the former lecturer at the Rhodes and Zululand universities said

The sense of insecurity that prevailed when he arrived has, after several meetings, been replaced by a commitment by staff members to use the appropriate technical skills they have acquired over the years to help society

Despite the enormous "but certainly not insurmountable" challenges that lie ahead, Shezi still has in him the happiness that followed the announcement of his appointment

"We're at the cutting edge of delivery of the RDP. We have taken public works to the grassroots and now it's time to implement

"It's time to stop working with paint and brushes and begin working with shovels, picks, and spanners," Shezi said

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Bid to solve welfare sector problems

(297) SPAN 17/5/75

■ STAFF REPORTER

The Welfare Ministry has called a two-day conference in Johannesburg starting on Friday to thrash out problems affecting the welfare service sector.

The move follows increased labour action culminating in countrywide protests in February by social and allied workers over dismal salaries and unsatisfactory working conditions.

Although the most critical aspect is salaries, grievances include poor working conditions,

lack of opportunities for promotion, inadequate benefits and risk allowances, gender discrimination regarding benefits, and negative management styles, a ministry spokesman said.

Social workers with a four-year degree start at R2 261 and the low pay — combined with stressful caseloads and lack of infrastructural support, long hours without overtime pay and inflexible leave rules — has not only resulted in a high burnout rate but the loss of many welfare workers to the profession.

Care officers in children's and old aged homes receive R567 a month. Social security officers involved with the increasingly dangerous task of paying pensions earn about R1 079.

Welfare Minister Abe Williams and his deputy Geraldine Fraser Moleketi originally responded to the problem by calling a national meeting of all affected groups in March.

This week's conference is intended to allow the welfare sector to identify, discuss and reach consensus on major issues.

African Development Bank meets: (297)
A five-man delegation leaves for Abuja, Nigeria, at the weekend for the annual general meeting of the African Development Bank. The deputy minister of finance, Alec Erwin, will lead the delegation, accompanied by the director general of finance, Estian Calitz. South Africa is not a member of the bank, but started membership negotiations a few months ago.

CT 18/5/95 (BR)

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Call to end poverty

(297)

By Isaac Moledi

SOUTH AFRICA is likely to be sent back to the dark ages if the prevailing poverty is not addressed and eradicated, says the chairman of Gauteng's standing committee on finance, Leon Cohen.

Cohen was speaking at the official launch of the South African Grant-makers' Association in Johannesburg this week.

SAGA, an association comprising 32 corporations that are funding development projects, was founded six months ago.

Its aim is to link together those involved in funding, making it possible for member organisations to communicate with each other, and identify areas where joint efforts at policy development can be of assistance.

Cohen told the gathering which included a delegation from the United States Council Foundation, major corporations and government representatives that it was necessary that business becomes aware that poverty which exists had become pervasive, deep rooted and a fundamental threat to civil society.

"This threat has the potential to neutralise all the gains over the last five years and send South Africa back to the dark ages," said Cohen.

He called on business to play its role in the preparation of a platform for sustained economic growth and for them to assist in the management of the short-term potential crisis.

"Corporate social investment has, does and will provide a number of key resources including money, skills development and skills transference, training, access to resources facilities, to a very wide range of communities and organisations," he said.

Targeted resources

He said that the resources and the extent that they could be optimised in conjunction with the targeted resources of government, would ensure that the next five years deliver the tangible benefits of a remarkable political process.

SAGA, according to its chairperson Eunice Sibiyi, aims to maximise the efficiency of social investment and not to draw away funding that should be spent on development.

"SAGA is not a new funding organisation or grant maker. We are not a cartel that will have the power to either support or sink individual projects," Sibiyi said.

"Our aim is to deepen understanding of the ethics of grant making, to discuss general policy guidelines for funding and to sharpen our appreciation of how social investment can best be utilised," she added.

SA team in key African bank talks

By BRUCE CAMERON

POLITICAL EDITOR

A high ranking government team led by deputy minister of finance Alec Erwin leaves for the African Development Bank annual meeting in Abuja, Nigeria, this weekend with a mandate to spell out firm conditions for South African membership.

Although the government committed itself to membership by signing letters of intent in February, it is understood there is no hurry on the part of South Africa to sign membership forms.

The biggest single concern is the size of the ADB debt.

A recent report of the United

States government accounting office spelt out the precariousness of the ADB, confirming the caution on the part of South African government advisors.

In the report, the US accounting office said the ADB was financially solvent but vulnerable.

Nearly a third of the R35 billion loan programme is held by countries that were not sufficiently creditworthy to get loans from the World Bank.

The chief director in charge of foreign financial relations at the department of finance, Dr Elty Links, said in an interview with Business Report the problems of membership were not insurmountable.

(297) CT(BR)19/5/91
"A number of issues still have to be negotiated, including our position on outstanding liabilities of the bank and the level of membership." He said a final decision on membership was unlikely at this stage.

Commitment

It is understood South Africa wants to negotiate a deal which would exclude itself from having to underwrite past accumulated liabilities of the ADB for at least the first three to five years of membership.

If South Africa joined without qualification, a commitment would have to be made to a negotiated

percentage of the capital base of the bank. Of this amount, 12,5 percent would be payable over 10 years with the balance of 87,5 percent on call in case of problems.

If the bank became insolvent, South Africa would face the prospect of having to pay out the full 100 percent to meet the demands of creditors.

Both African members and the non-regional donor members are placing pressure on South Africa to play a leading role. An issue of concern to South Africa is that only the non-regional countries, which provide 33 percent of the bank's capital, have made any contribution to the African development fund over the past few years.

(297) ET(BR) 19/5/95
R1,2bn loan package for SA: The European Parliament is expected today to support a package of loans to South Africa worth R1,2 billion. The two-year programme will come from the Luxembourg-based European Investment Bank (EIB) and will mainly support infrastructural projects in energy, telecommunications, roads and rail. If the European Parliament backs the loans, European finance ministers are expected to follow suit on Monday.

No funds for discriminating welfare bodies – minister

(297)

Star 19/5/95

■ STAFF REPORTER

Welfare organisations will have to function entirely nonracially in order to qualify for state subsidies, Minister of Welfare and Population Development Abe Williams told the National Welfare, Social Service and Development Forum at its meeting near Midrand yesterday.

There was no way that an institution which claimed it “belonged” exclusively to a particular community could expect money from him, he said.

The presence of Williams, together with his deputy Geraldine Fraser-Moleketi and chairman of the parliamentary stand-

ing committee on welfare Cassim Saloojee, seemed to speak of a new government commitment to achieve a real partnership with community welfare organisations which relieve the State of a huge burden of service provision.

White Paper

Williams and Fraser-Moleketi indicated that the Welfare White Paper, due to be published within weeks, would shift certain responsibilities to the local government level.

Fraser-Moleketi said it would not be possible to establish “one-stop”, integrated services in mul-

tipurpose centres without the keen participation of local authorities.

Questions from the floor indicated some feeling that the Government might be speaking the language of welfare reform, but when it came to the budget it had failed to put its money where its mouth is.

Both the minister and the deputy minister referred to welfare as a Cinderella department within the national administration.

But, argued Fraser-Moleketi, once the new welfare policy was spelt out in the White Paper, with priorities clearly established, it would be possible to fight for appropriate funding.

sent 19/5/95

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COMMUNITY CHEST Bid to get

funding for welfare projects:

By Betsy Spratt

THE JOHANNESBURG COMMUNITY CHEST is urging workers to participate in a share scheme that will fund organisations combating the effects of political and criminal violence and other social ills.

Through the Share Scheme a plan similar to that employed by the United Way of America, workers will have as little as 20 cents a week deducted from their pay, says Brenda Taylor, executive director of the community chest.

The scheme will fund numerous welfare organisations, funded by the chest, Taylor said. With South Africa seen as one of the world's most violent nations, the services offered by the organisations are to the public's well being, she said.

According to recent statistics, South Africa is a nation where 95 out of every 100 000 of its citizens are murdered, compared to one citizen out of every 100 000 in Europe. It is a nation where rape, muggings and violent burglaries

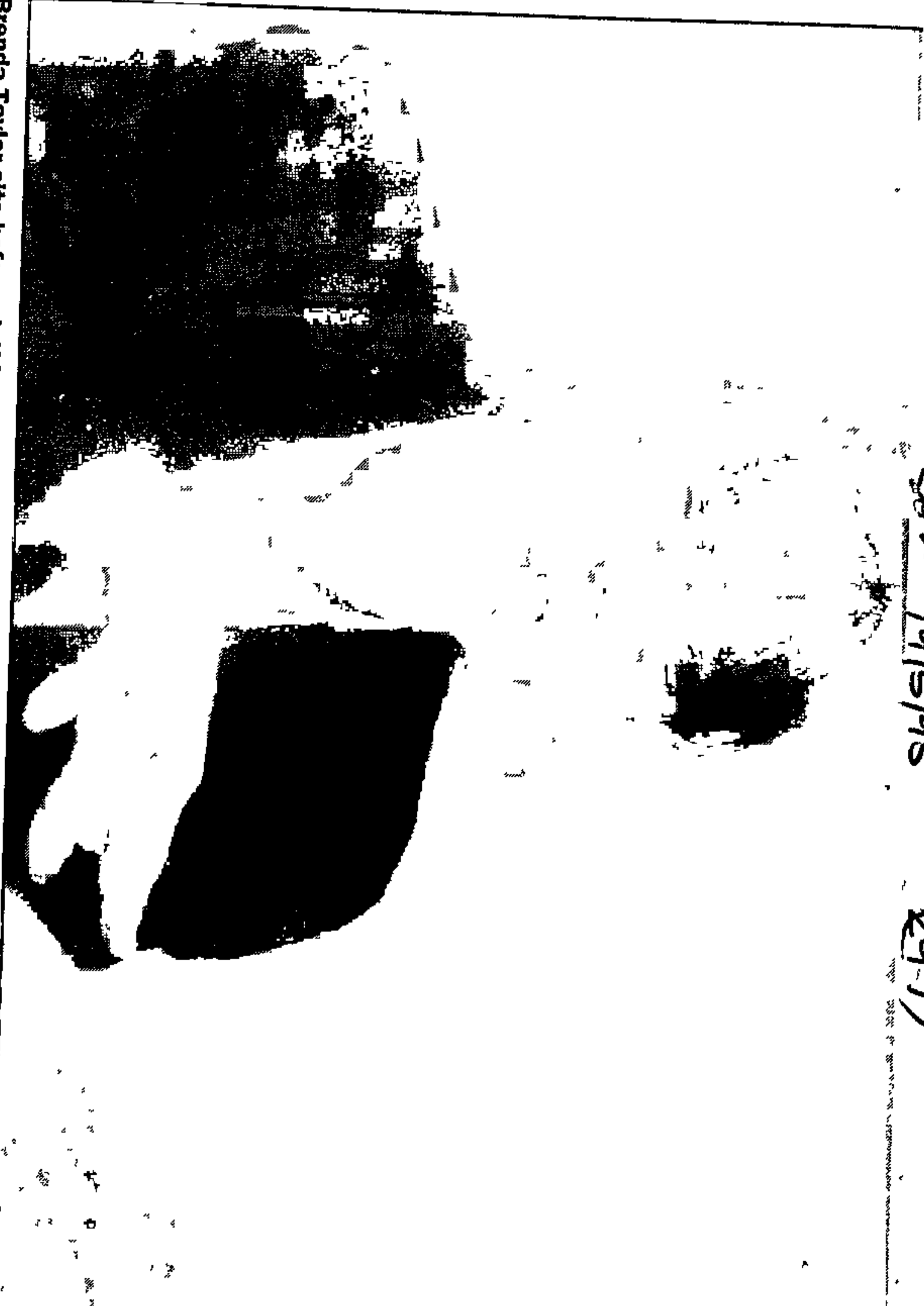
are commonplace.

The community chest refers people traumatised by this violence to the appropriate agency, Taylor said.

"Because we have good insight into the nature of services offered by the welfare community, we act as a referral agency for any person needing specific assistance like parent and child problems, substance abuse, rape or bereavement counselling," she said.

The Johannesburg Parent and Child Counselling Centre, located in Berea, is one site to which the victims are referred. Founded in 1944, the centre provides counselling and therapy for children and adults, said executive director Jacqui Michael. It also provides a school readiness programme, an employee counselling service and teaches educational providers how to identify the signs of child abuse.

However, due to a R1,5 billion cut in the Gauteng welfare budget and drastic reductions in state subsidies to welfare organisations, places like the centre could be forced to curtail their services or close altogether, Taylor said.



Brenda Taylor sits before clothing to be donated to agencies that assist street children. It is one of the initiatives funded by the Community Chest.

People helping traumatised people

YOUNG LADIES of the Johannesburg Community Chest are helping to fund welfare projects in the city.

The Johannesburg Community Chest is a voluntary organisation that was founded in 1944. It is a non-profit organisation that provides financial support to various welfare projects in the city. The chest is managed by a board of directors, and its funds are used to support a wide range of social service projects.

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traumatised on a gender scale was another form of violence," she said. "It was a system that had poverty, another form of violence."

The professionals will learn how to recognise the behaviour displayed by traumatised children, an inability to concentrate, Ramokgopa said. South Africa has been a violent country for a long time, said Ramokgopa, recalling how the police would often kick in her door during 3 am raids.

Professionals interested in participating in the programme should call the Johannesburg Parent and Child Counselling Centre at 484-1734/5/6.

NGOs clean up their image

By Sizakele Kooma

THE Gauteng NGO Coalition has reacted strongly to the recent spate of corruption allegations that have rocked the non-governmental sector

The coalition condemned the alleged mismanagement of funds by some of its members in a statement to the Press this

week

(297) Sowetan 19/5/98
"As organisations entrusted with the distribution of funds and services to the needy, NGOs should observe the highest standards of financial and managerial efficiency and integrity," the statement released by chairman Rams Ramaisha's office read

The executive committee of the coalition, it said, was distressed that the

actions of a few individuals had tarnished the image of the broader NGO sector. It urged donors to take action to ensure that controls to enforce accountability were put in place

The committee is currently exploring ways in which the government, donors, NGOs and beneficiaries can work together to deal with reports of NGO misconduct

New SA donor body launched

(297) WM 19-25/5/95

Reg Rumney

THE acronym of the new body representing the philanthropic companies who give money to deserving causes, Saga, seems apt.

The South African Grantmakers' Association was launched this week, with 33 paid-up members, after a four-year gestation.

Saga aims to bring some professionalism to grant-making and give legitimacy to corporate social investment (CSI).

This, in turn, as Gauteng Finance Committee chairman Leon Cohen pointed out in a speech made at the launch this week, has a critical role to play in preparing a platform in South Africa for sustained high growth, providing resources to a wide range of communities and organisations.

On a practical level, the three relatively unambitious projects Saga has embarked on are:

- A training programme for CSI professionals. This will probably start this year at the University of the Witwatersrand.

- The compilation of a comprehensive grantmakers' directory.

- A national newsletter.

Among the luminaries at the launch was Judith O'Connor of the United States Council on Foundations, the US equivalent of Saga.

The chairperson of the new asso-

ciation is Eunice Sibiyi of Coca Cola South Africa, and Hugh Maclean of the Liberty Life Foundation is the vice-chair.

While it can list among its members some of the firms foremost in social investment in the country, the formation of Saga has not been received with unanimous acclaim.

Conspicuous by its absence from the list of founder members is Anglo American and De Beers' Chairman's Fund, whose director Michael O'Dowd criticised Saga last year as being "taxation without representation".

He objected to Saga giving one vote on new policies to every member, regardless of the size of the grantmaker's social investment budget.

Anglo-owned Johannesburg Consolidated Investments, another leading light in social investment, is also not a member. And, although Kagiso Trust is listed as a member, the association has not yet attracted any black-owned companies as such.

As the founders of Saga stress, it is not a cartel able to sink or support individual projects, but a body whose aim is to deepen understanding of the ethics of grantmaking, discuss general policy guidelines for funding and sharpen its members' appreciation of how social investment can best be used.

A much bigger business making RDP work

What is the Reconstruction and Development Programme, other than a policy? Where is it? What does it look like?

Chief Reporter
JOHN PERLMAN went to Ibhayi in the Eastern Cape to see an RDP project for himself.

Morgan Munsamy steps carefully over the mud-filled trench and heads for shelter as the drizzle starts turning to rain. "Development is not a very glamorous thing," he says

"It's muddy and messy. Big trenches are gouged into the ground and people complain about mud getting into their houses. When you hear that an area is being developed, you expect to see houses painted and gardens blooming, but it isn't quite like that."

In development policy the key word is 'incremental' and the key issue is capacity-building

Munsamy is the project manager of Port Elizabeth council's informal development division (IDD). The RDP head office rates the IDD's work in PE's Ibhayi township as one of its three most effective projects.

It wasn't the best day to be surveying the progress, with the building crews sent home because of the weather. But even on a good day, Munsamy says, there isn't as much to see as some would expect. "All your basic services are underground," he says. "Some people come to us and say 'You have spent R2-million here and there's nothing to show for it.'"

Providing water and sanitation takes up more than half the R70-million allocated to Ibhayi as one of 22 presidential lead

projects instituted to kick-start the RDP.

Buildings would look better than trenches, but the developers in PE are unanimous that you have to start from the bottom. "Services and the transfer of sites are the basis of ownership," Munsamy says. "And if that makes 100 out of 1 000 people in an area take pride in their place, it can lift up a community."

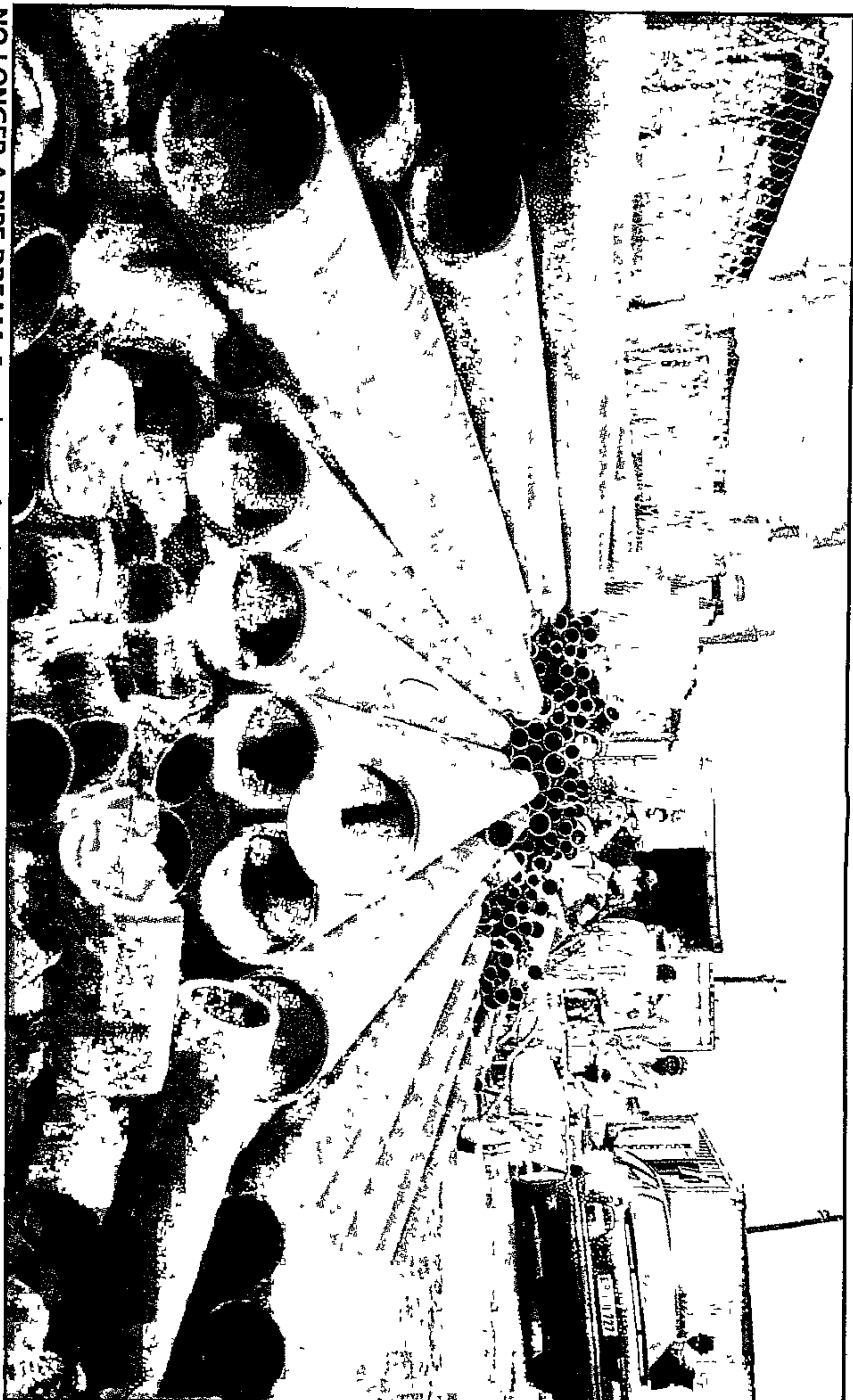
Ibhayi certainly needs some uplifting. Port Elizabeth was the first South African city to form a single city council, just nine days after last year's general election. That meant Ibhayi's problems were now everybody's — no electricity in 80% of the houses, 20 000 homes dependent on bucket toilets, and shacks everywhere. "Every bit of vacant land has shacks on it," says Liz McHugh who heads the IDD. "Even the football pitches."

Whereas Port Elizabeth had spent R1 962 per head of population in white, coloured and Indian areas, the average per capita expenditure in Ibhayi was just R134 a year.

The PE council has been able to move more quickly than most. "Port Elizabeth set up an informal development task group about four years ago — we had a very far-sighted city engineer — we were the first to form a one-city council, and we had already begun to refocus our budgets," says McHugh.

PE's political leadership has quickly come to terms with the difficulties of development, she adds. "Once these councillors have gone through two budgets comparing their wish list with what can actually happen, they can't but realise the difficulties."

But on the streets, progress brings new problems. "The people in the formal houses want parks, play areas and creches for their children (1% of Ibhayi's land is public space)," McHugh says. "Some of them say the shack people must go to make space." Discussion



NO LONGER A PIPE DREAM: Foundations for the Ibhayi bulk services project

PHOTOGRAPH JOHN PERLMAN

Millions may have been spent in PE's Ibhayi township but most of the work is underground and out of sight

forums have been set up to thrash this out. They have until July to report back.

Even community participation, the most common phrase in any RDP document, is not that simple. In the Silvertown section of Zwide, a six-member implementing committee was elected to oversee the work — "we must wake up every morning and check because people are stealing things", says one of them, Isaac Sive. But some of them left when they found out

they wouldn't be paid. PE mayor Noeba Faku is adamant that this community work must be voluntary. As it is, there isn't a lot to go round.

The R38-million allocated for service provision will provide water and sanitation to just 3 000 sites — that's it.

"The World Bank says we're crazy going for waterborne sewage, when ventilated pit latrines are so much cheaper," says the IDD's Harry Singleton. "But waterborne sanitation is what

the people want. They say 'what kind of toilet do you have at your house?' And who are you to tell us what we can afford?"

Faced with these odds, one of PE's greatest assets may be the belief of individuals that little things can make a difference. "I get real pleasure from saving money on a project, from seeing it completed on time," says Munsamy. "And I enjoy seeing people when they turn on their taps for the first time."

People power is a resource

Duncan Village has in abundance, and it needs every bit of it. The problems in East London's oldest township are considerably worse than Ibhayi's. And while a unified local council has finally been formed after some bitter wrangling, it is still finding its feet.

That's frustrating for the small group sitting in the Duncan Village community centre. Made up of young people and greybeards, the housing subcommittee of the Duncan Village

Residents' Association (DVRA) is trying to get planning permission for a project but they're choking on red tape. "Is this the way the municipality of the future is going to be run?" says Xola Ninyane, who is chairing the meeting.

Duncan Village residents might ask the same question about regional government. The township was chosen as a special presidential project and allocated R145-million but the money has got stuck somewhere in the Eastern Cape government office. "We have tried to engage the government as much as possible but nothing has come out of it," says DVRA executive member Wellington Toze.

Meanwhile, DVRA have been holding meetings to explain housing policy to the community and workshops to hammer out future housing allocation policy. In some sections, residents have been looking at forming "housing clubs" on the stockvel model to try and bring down costs.

The previous government always saw Duncan Village as a "black spot" and tried unsuccessfully to move residents to Mantisane further out. Thousands of people poured into this foothold near the city centre — now there are shacks wherever you look, even in one of the cemeteries.

In 1993 a development consortium involving DVRA, private contractors and Coreplan, a local development agency, carried out a massive socio-economic survey of the township and formulated a development plan. That formed the basis for the presidential project application, which prioritised service provision, road-building and the building of community facilities.

As in Ibhayi, solutions will create fresh problems. "There are 20 000 units of housing needed but there isn't land for that," says Coreplan's Jaap Geldof. "If you want to give everyone a 200-square-metre plot, then 75-80% of the people will

have to leave. You could have smaller plots, higher density, double storeys. But the facilities then needed would require an area equal to the whole of Duncan Village. Whatever density you go for, people will have to move out."

Geldof believes the delay in implementing the presidential project may have some benefits. "The main benefit of delay is that we can build a more solid base for implementation. Hopefully the municipal administration can now get into gear for the RDP."

As in other townships, many people still equate the RDP with houses. "People think the Government is going to build houses," says Ninyane. "They say they want the four-roomed houses, nothing else, the kind that the old government built."

Geldof puts the government subsidy of R15 000 for low-income families into sobering

They say they want the four-roomed houses, nothing else, the kind that the old government built

perspective. "If you can get R5 000 out of the subsidy after meeting land and service costs, you are doing a bloody good job," he says. "That will get you a toilet, a 5 by 6-metre slab, four columns and a roof."

That's a modest start, he says, but it's a start nonetheless. "In development policy the key word is 'incremental' and the key issue is capacity-building."

"We have to give that community the capacity in terms of skills and resources to build on what they have got, to take things further themselves. That, at the end, is what matters and not just physical construction."

Next week John Perlman tries to get to the heart of the great RDP debate.

ay wears the suit well, but he'd prefer his old leather jacket

Star 20/5/95

(297)

would rather be out there working with the people than sitting behind a desk, says minister responsible for the RDP Jay Naidoo. He spoke to chief Reporter JOHN PERLMAN

A suit fits well enough but the leather jacket hanging from a peg next to Jay Naidoo's desk is rather more comfortable I worn-in As South Africa's minister in charge of the Reconstruction and Development Programme, the man who must satisfy the poor without shocking the rich rigid, Naidoo probably has to keep a change of clothes handy

Sjambokked

Like the little stuffed red animal that perches grinning on the other side of the desk, the minister's jacket — Naidoo's uniform when he was secretary-general of the Congress of South African Trade Unions — calls a time when the battles were more brutal, but the struggle was surely simpler. Being in opposition is easier in being in power," Naidoo says. He's talking about an

Azanian People's Organisation adversary he met in a TV debate who sjambokked Naidoo and the Government for not doing enough. He might have been talking about himself.

Earlier in the week he'd been grilled in Parliament. Why had only R1,1-billion of the RDP money been spent when more than twice that was available? "These things are taking rather longer to get off the ground than we had thought," said the Democratic Party's Ken Andrew.

"It's funny how the people who said we were going to throw money around for political gain now say we are not spending enough," Naidoo says.

He responds in the same way to mutterings in diplomatic circles about his office's "failure" to leap at a large aid offer from Japan. "And packages are complex," he says. "There's a grant

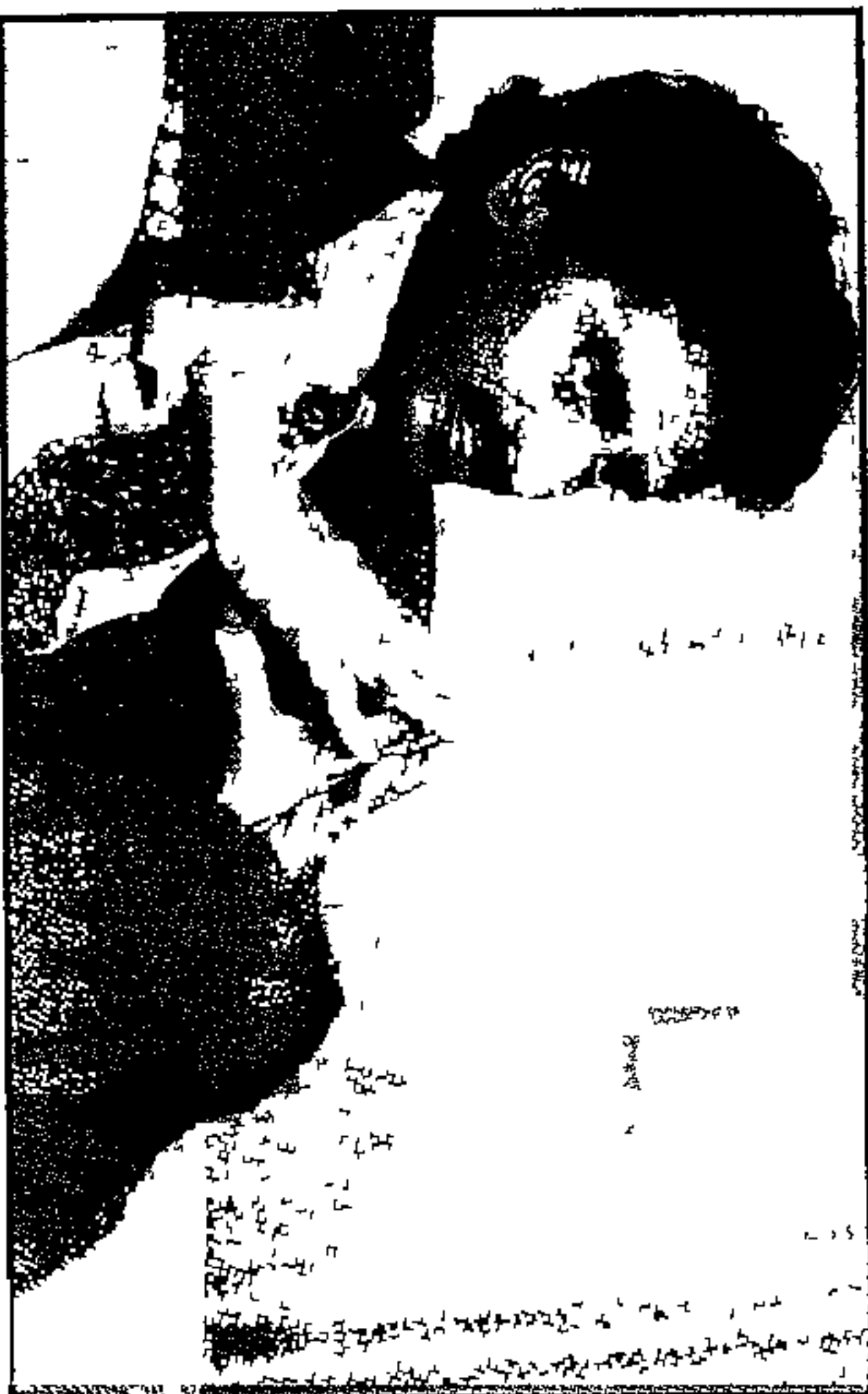
aid component, a loan component and a credit guarantee. There is conditionality. It is very important that we match aid with our priorities.

"We also need to have a careful government policy on loans. We need to match available loans to key initiatives of the RDP, where we can generate some kind of economic return."

Capacity

At the root of all this, Naidoo says, is a fundamental misunderstanding of what the RDP is. "The RDP is not a set of ad hoc projects, no matter how commendable they are. People's expectations are legitimate but we are correct not to just throw money at the problem when there is a lack of capacity. We will not be forced into popular spending just because people demand it."

"It doesn't make sense to us to build a hospital in a place because there's a desperate need, without first restructuring the health budget to ensure that we can pay for the medicines and the nurses. The delivery of the



GETTING THE RDP MESSAGE ACROSS: Minister without Portfolio Jay Naidoo

PHOTOGRAPH TJ LEMON

RDP must transform government. That is something that takes time but I am confident we're on track."

On track, perhaps, but moving slowly. Why is that? "The point of delivery is local government and we don't have legitimate local government in place," he says. South Africa

waiting for the Government to deliver. Everyone has rights and responsibilities." Part of the blame for that, he told Parliament, lay with ANC MPs who were not doing enough to explain the RDP and assist poor communities with the framing of business plans required to access RDP funds.

Business

Naidoo could certainly use some help in getting across the RDP vision which becomes more like a mirage with every month that brings nothing better. He talks about it with shiny-eyed passion. "There will be more sustainable delivery when there is transformation and partnership," he says. Government departments are being restructured to meet the needs of the poor. Budgets are being picked apart and redrafted to channel money to where it's needed most.

The RDP is not just the Government's task, Naidoo says. Businessmen can't simply rename their old corporate social responsibility programmes and

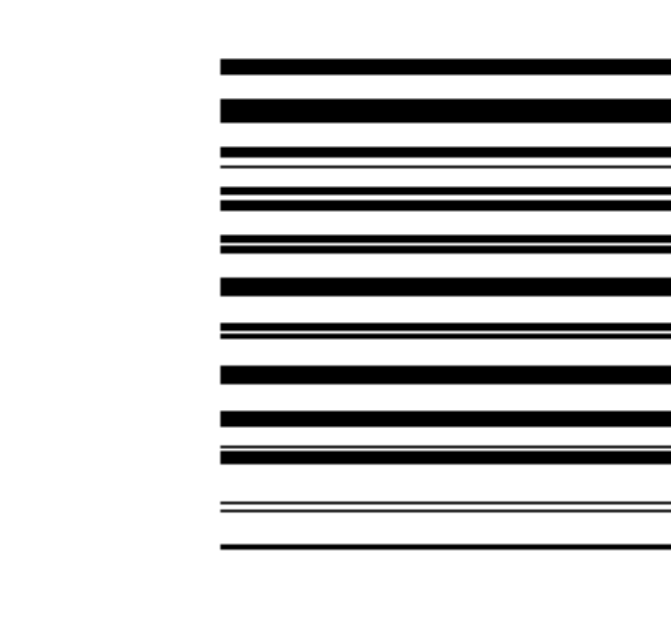
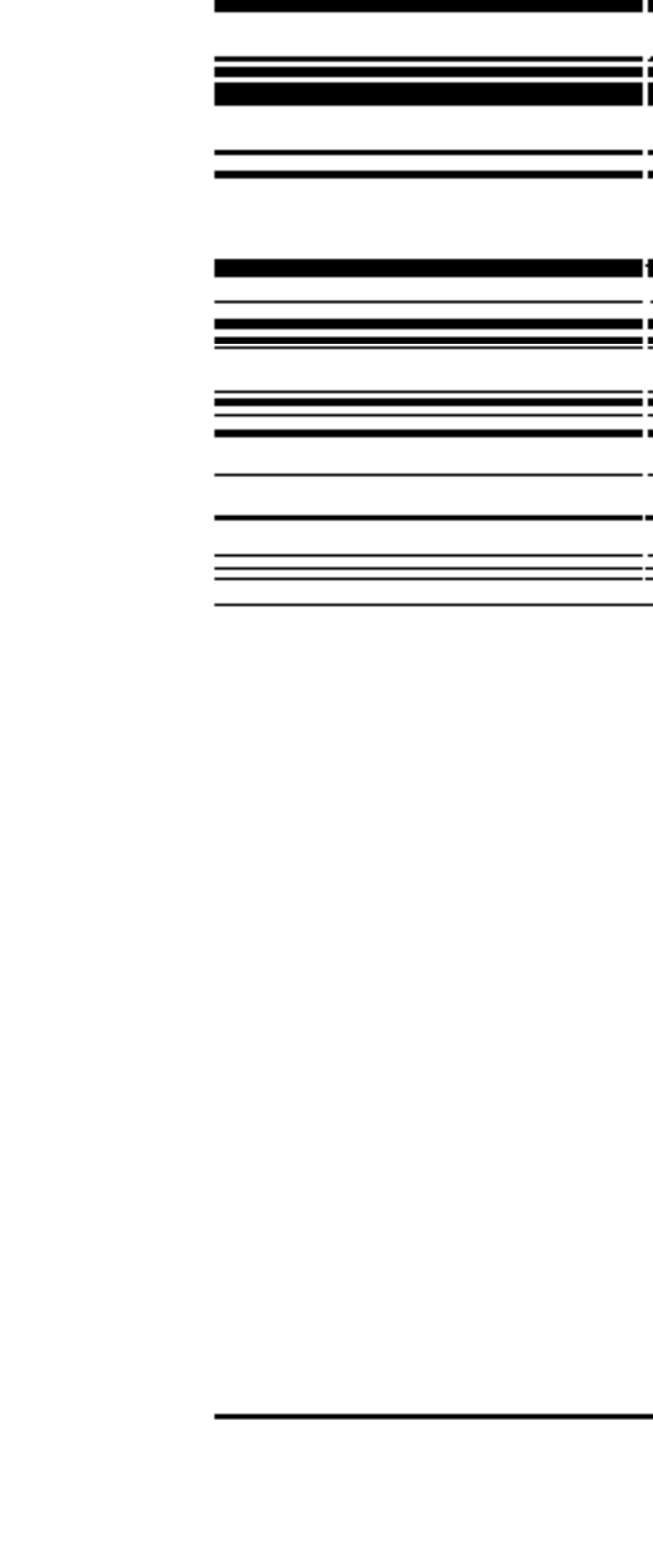
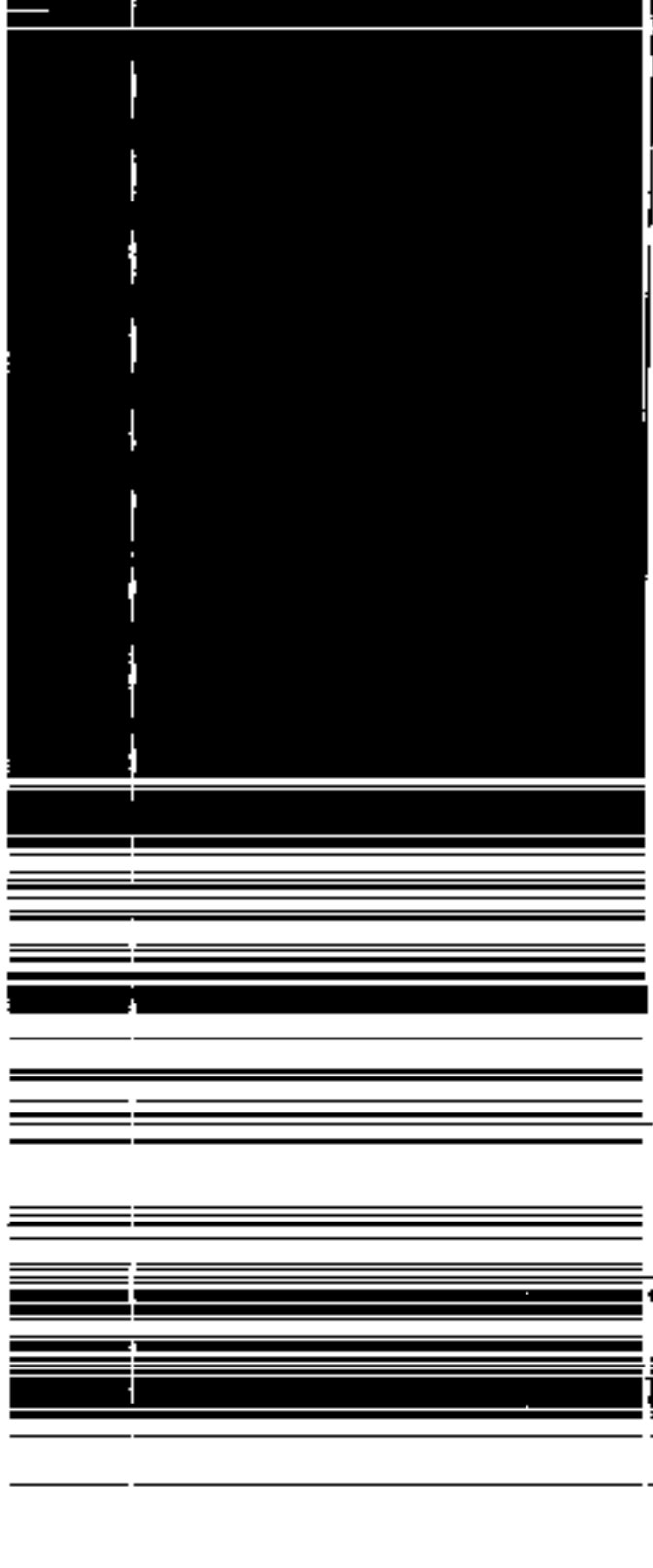
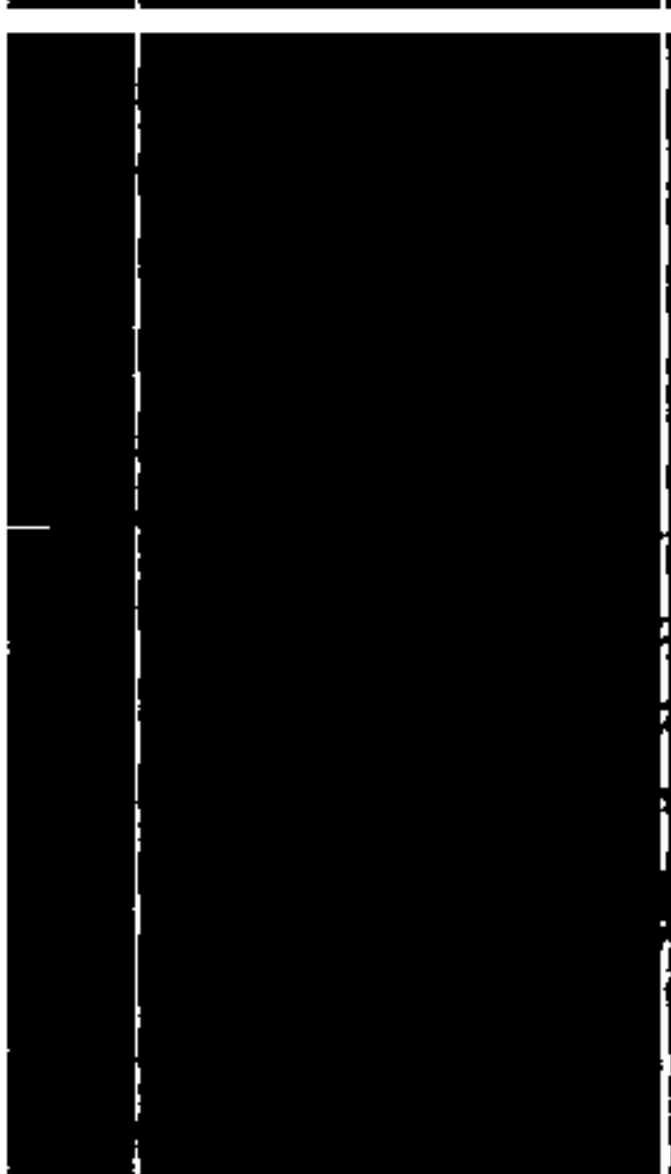
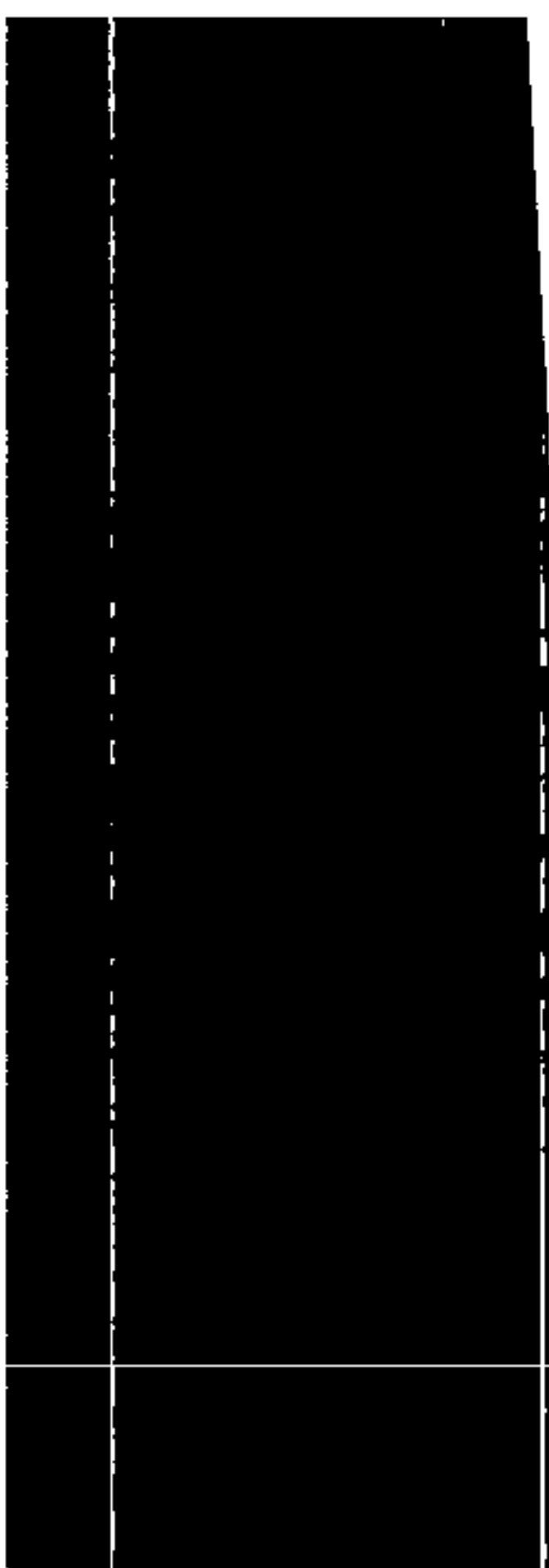
then "treat the rest as business as usual. Democratising the shop floor and involving the trade union movement will create a more competitive and productive shop floor. We need a massive paradigm shift."

Communities must play their part. "They have legitimate expectations. They want to see visible change and they want leaders to come down and explain the problems. But people must understand they have to make a contribution."

Even so, Naidoo says, "what we have achieved over the last year has been remarkable." Four times as many people have access to health care. The school feeding programme has been a major success. Some 370 000 homes and 500 schools have been electrified. "Millions of people have begun to feel the benefits of land reform," Naidoo says, and the Masakhane campaign to end rent boycotts is starting to work. "Repayments are definitely increasing," he says, "and the idea that the RDP is a partnership is starting to seep down."

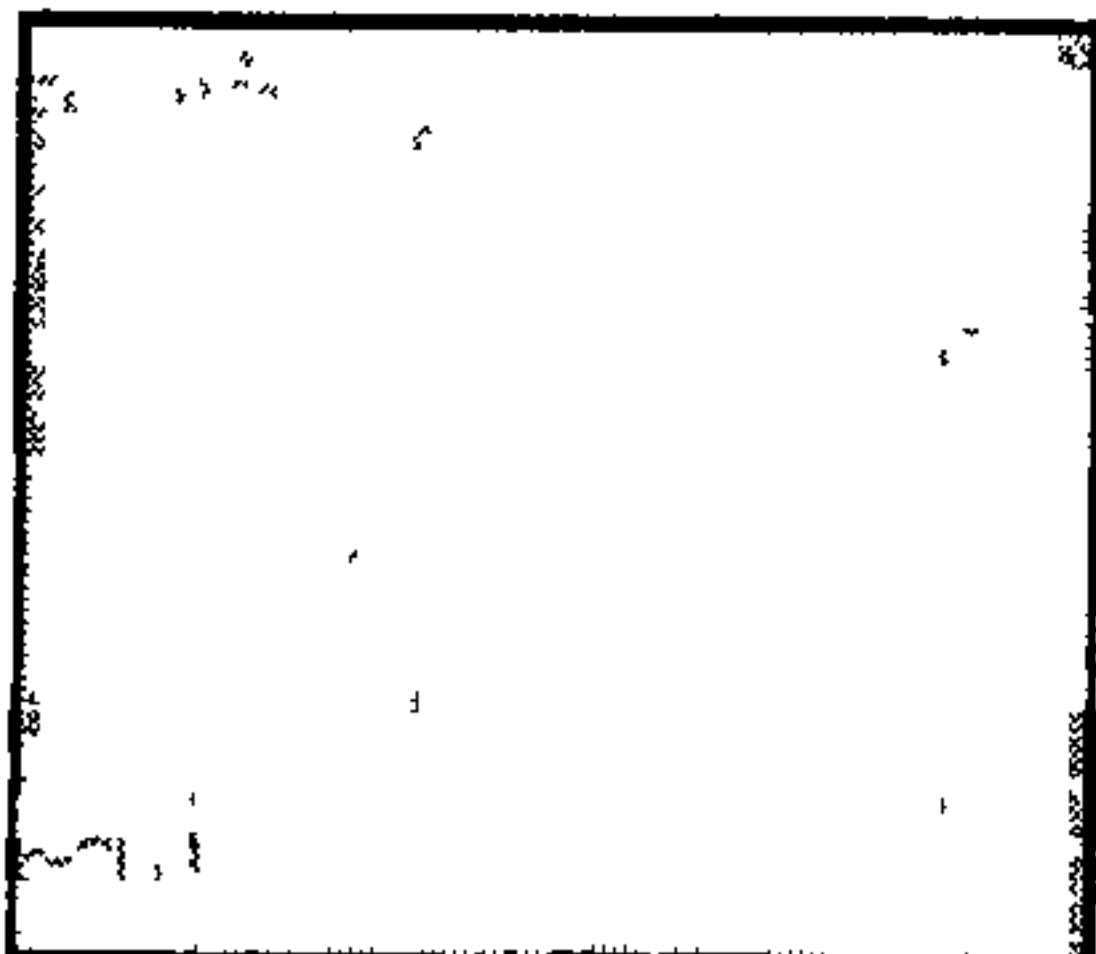
Naidoo knows that visions won't keep people going forever. "I've been a unionist for 15 years. I know how important it is to deliver," he says. "You can only build a union if you deliver the goods. But to deliver in a sustainable way — that's the challenge."

Not Naidoo's biggest test, though. "The RDP starts at home," he says, glancing at a large framed picture of his wife and children. "The commitment to build a more caring society must include a commitment to build a more caring family. I insist on more time for my family. That is my biggest challenge."

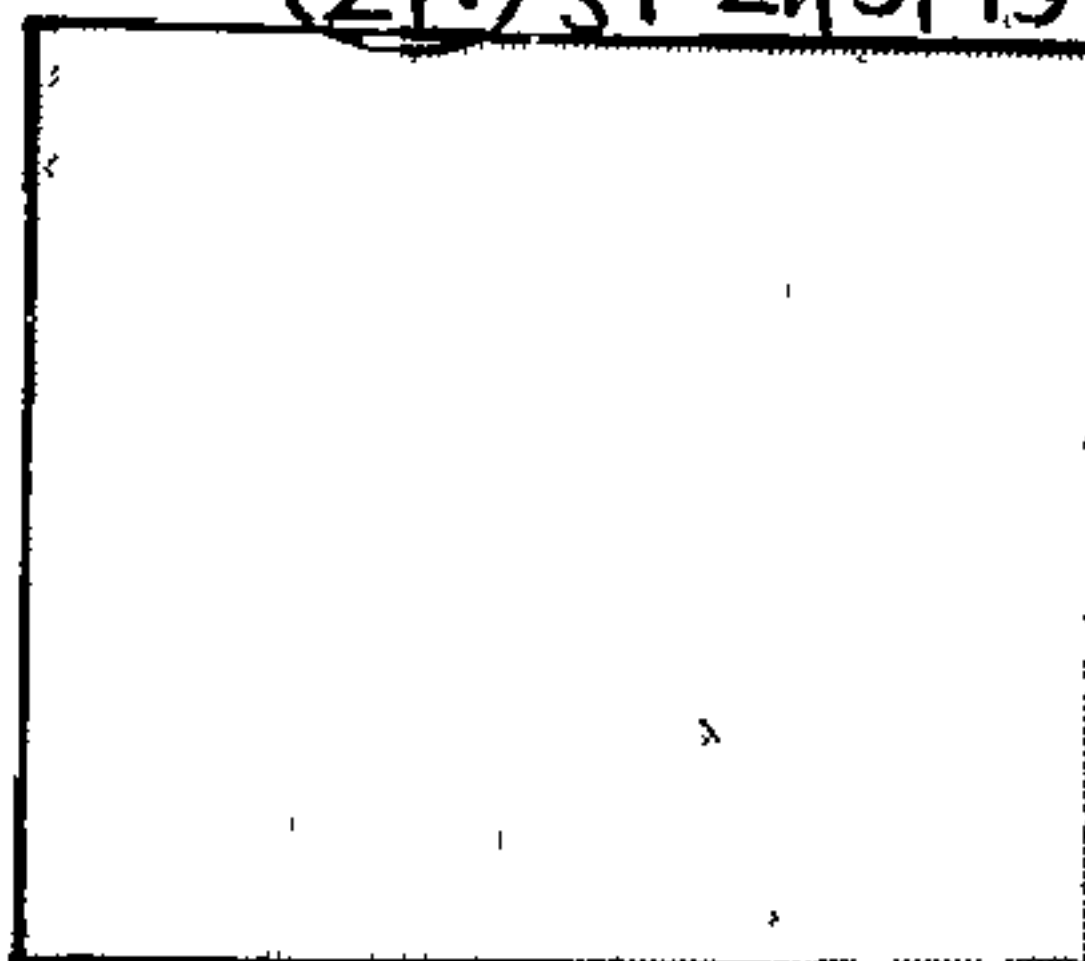


RDP bogged down in bureaucratic wrangles

(297) ST 21/5/95



DISSATISFIED . . . Wilson Ngcaweni, 74, expected more



DEDICATED . . . Themba Maluleka
Pictures: HERBERT MABUZA

By JACOB DLAMINI

PENSIONER Wilson Ngcaweni is not happy with what he has seen of the Reconstruction and Development Programme.

Mr Ngcaweni is one of hundreds of Thokoza residents who lost their belongings and saw their homes destroyed in the violence that wrecked the East Rand township last year.

He has heard all the promises of the RDP but, for him, it has been a series of meetings, workshops and a restored sewerage system.

Although his three-bedroomed house is one of a handful being rebuilt, Mr Ngcaweni is unhappy with the slow rate of progress.

And that is a problem with which Themba Maluleke, manager of the Kathorus Special Presidential project, is all too familiar. The project was launched in October 1994 with the noble intention of bringing stability to the East Rand.

It is one of President Nelson Mandela's pet projects and on it rests the overall success of the entire RDP. Both the national and provincial governments want to see it succeed. And Mr Maluleke is there to see to that.

The Gauteng local government ministry recently appointed him to manage the project, which will be run by the Kathorus task group, a forum comprising ANC and IFP activists, until the end of May.

"People want to see visible projects, they want to see real change and we can't say to them that we have to follow procedures," said Mr Maluleke.

The government has committed more than R300-million to the project, to be distributed over five years. The money will cover four functional areas: housing, engineering services, social services and security.

To date, more than R60-million has been spent on repairing destroyed houses, more than a thousand of which were damaged during the violence, providing emergency services to hostels and squatter camps, integrating warring youths from the ANC and the IFP into the police services, setting up satellite police stations, and retrieving illegal weapons from the community.

For a project that was started from scratch almost seven months ago, the Kathorus plan has achieved notable suc-

cesses. But most of that has been behind-the-scenes planning, whose benefits have not been immediately seen by people like Mr Ngcaweni.

The pensioner said "I can walk down the streets and I can live in my house now but I still hear the sound of guns at night. My house is just like a shell with no belongings. So what good is the RDP if I have no bed to sleep on?"

While the government will not give the 74-year-old man a bed, it has succeeded in containing violence and bringing relative peace to Thokoza. The integration of the self-defence units with the IFP's self-protection units has gone smoothly save for a few skirmishes.

The project plans to establish 17 satellite police stations in strategic areas of the townships. These will be complemented by vandal-proof SOS telephones, which residents can use to report anything from crime to a burst sewerage pipe.

The biggest success of the project has been the reduction of violent conflict, but its campaign to remove illegal weapons from the area has been less successful.

The amnesty declared in October 1994 netted only 115 weapons, but since then another 216 have been retrieved. "We are mapping out strategies of absorbing the youth in job creation schemes that will benefit them and the community. It's of no use to ask them to give away their weapons when you don't provide them with an alternative," Mr Maluleke said.

However, most of the projects' plans have been bogged down in bureaucratic wrangles and procedure and that has often caused delays.

Said Mr Maluleke "That has clearly been a major problem. We have adopted rules and regulations from the old order and it will take time to change that. We are determined to improve the standard of living for people in this area and will make sure rules are changed to reflect that determination."

The chief bureaucratic wrangle is the tendering process. In terms of the old rules, the initial phase of tendering for the project's business plans — preparing the documents, obtaining approval, etc — would have taken about a month.

But Mr Maluleke has found a way to go around this without breaking the law, he said. While waiting for the tendering process to be completed, he has instructed consultants to begin their evaluations.

Millions ripped off in food scam

(297) CP 21/5/95

By ELIAS
MALULEKE

MORE THAN a million rand's worth of food from Operation Hunger earmarked for destitute rural families was sold to the owner of a Free State chain store known as "Mr Big", City Press established this week.

This came hot on the heels of the shocking disclosure that Operation Hunger's executive director, Mpho Mashinini, and Free State regional manager, Anthony Mfila, had been suspended after it was discovered that food from Operation Hunger meant for the needy had never reached them.

Attempts to track down "Mr Big" - a well-known figure in the Free State whose name is known to City Press - were unsuccessful.

City Press' investigations revealed that "Mr Big" was part of a syndicate which by various devious methods - including the use of non-existent

charitable organisations - stole Operation Hunger supplies.

In the scam, Operation Hunger's Bloemfontein office would place orders with the headquarters in Johannesburg for food supplies for needy areas in the Free State.

The supplies were sent to Bloemfontein warehouses - and invoiced out to various non-existent charitable organisations in the rural areas and squatter camps.

The supplies were sent to these bogus charitable organisations - but were later transferred to commercial stores in Bloemfontein, Botsabalo, Thabanehu and Welkom.

It is not known at this stage how the supplies were transferred to the stores.

A truck driver employed by Operation Hunger to make these deliveries said he took them to what appeared to be distribution points,

These included houses, halls and tin huts.

Sometimes deliveries to these places were also made by field workers, he said.

Pam Mfila, a field worker employed by Operation Hunger in Bloemfontein, said invoices were sent out and were signed on delivery.

The organisations which received the supplies had to make a monthly report on how the food was distributed.

Employees in Bloemfontein claimed that sometimes deliveries were made directly to these bogus organisations from Operation Hunger's headquarters in Johannesburg, and did not go through the Bloemfontein depot.

Truckloads of food - including egg powder, maize meal, sugar, soup, and milk - were dispatched in this way.

The person responsible for the placing and delivery of orders was the regional manager, Anthony

Mfila, but he sometimes delegated this duty to subordinates.

Operation Hunger spokesman Patrick McLaughlin said the Bloemfontein office had been ordering supplies to feed about 45 percent of the people in the province. About 60 percent of the province's population was unemployed, he said. He admitted that most of the food did not reach the people it was meant to help.

Operation Hunger money was supposedly paid for supplies that were never delivered - and this money, it appears, went into the pockets of certain Operation Hunger officials," he said.

McLaughlin said there was evidence of collusion between outside parties and members of the Operation Hunger staff.

Operation Hunger was subjected to a mass

Food scam

From Page 1

(297)

ive fraud and we appeal to donors to patriotically continue donating - particularly in the coming winter months.

"We assure them that every possible care will be taken to ensure that their money goes to deserving people," McLaughlin said.

Police spokesman Col Eugene Opperman confirmed that police were aware of "Mr Big and the syndicate involving some Operation Hunger officials and other people".

Opperman said the syndicate operated like a well-oiled machine to defraud Operation Hunger.

He said police did not yet know how long ago the scam had begun - but they had seized all books from the Bloemfontein office and would go back

as far as was thought necessary.

"So far the fraud is in excess of R1 million - but it could be larger," he said.

"Police are spreading their net wide to match the widespread corruption," Opperman said.

Efforts by City Press to contact Mfila and Mashinini proved fruitless.

Pam Mfila said her husband had left their home in a plush Bloemfontein suburb on Monday and had not contacted her since.

Mashinini was reported to be in KwaZulu/Natal.

Operation Hunger launched its investigation in November last year after a tip-off that food meant for the poor was being diverted and sold in the Free State. Police were called in in December - and in January supplies to the province were suspended.

EU Parliament backs loans to SA (297)

The European Parliament on Friday voted its support of a loans package for South Africa worth R1,2 billion. CT (BR) 22/5/95

The two-year loans programme will come from the Luxembourg-based European Investment Bank. The money will mainly support infrastructure projects

European governments still need to give their agreement to the package, but officials said it would not be discussed when European Union finance ministers meet in Brussels today

However, it could be discussed next Monday at a meeting of the 15 European foreign ministers, together with the expected agenda of future EU relations with South Africa.

Asmal quizzes Iscor: The minister of water affairs, Kader Asmal, on Friday ordered further inquiries into Iscor's Saldanha Steel plan following talks with officials and environmentalists in Cape Town. Asmal told a news conference he wanted to know more about the pollutants the proposed waterfront mini-mill would produce and their likely movement into underground water resources

France and Italy gang up on SA: France and Italy plan to spearhead a campaign blocking preferential treatment to South African canned fruit imports into the European Union. France tabled a formal objection to the EU executive commission in Brussels, which agreed to a six-month delay, until June 1, before South African farmers could export their produce to the EU

R10 000 disaster donation: Pretoria-based Noordvaal Brokers, which has more than 4 500 clients working at Vaal Reefs, has donated R10 000 to the Vaal Reefs Disaster Fund

Plan for emerging business fund: Members of the US-South Africa Business Development Committee have proposed the creation of an emerging business fund and other trade initiatives during a two-day meeting in Cape Town, officials said

Maize Board exports: ~~STATE~~ The Maize Board has said it will sell maize directly to Botswana, Lesotho, Swaziland and Namibia or issue permits for the export of maize to those countries. The board, formerly the single channel marketing authority for South African maize, said it had, for many years, treated these countries as part of its domestic market. CT 22 (BR) 22/5/95

Taiwan firm invests R1bn in Swaziland:

R250m funds 'not enough'

Nicola Jenvey

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BD 23

5/95

DURBAN — Public Works director-general Siphoshezi will request the reconstruction and development programme's (RDP) R250m allocation for community-based public works' programmes be doubled in the next financial year.

Shezi said yesterday the programme had initially moved slowly because of a lack of capacity and development experience at provincial level. This was being rectified through institutional reform and project management training and would be overcome by mid-year.

The R500m would be necessary next year to ensure funding was "increasingly targeted at vulnerable communities where alternative sources were unavailable".

Provincial programme task teams had been established and were identifying projects. Shezi said the Eastern Cape was the most advanced in this regard.

"Due to public sector restructuring problems, most provinces have been unable to provide full-time employment to provincial task teams and provide them with office space, transport and other resources to get the programme moving as speedily as initially hoped," he said.

Of this year's RDP fund allocation R150m went to the provinces — according to poverty, unemployment and illiteracy indicators and infrastructural needs; R70m to the Independent Development Trust community employment programme; and R30m to other non-government organisations.

By February R50,7m had been allocated to 368 projects and 150 communities had signed contracts to receive funding.

Most of the funding had been allocated for the construction of access roads, water provision and community halls.

"This means if everyone was employed every working day, 5 700 people already have jobs and 25 000 people would have jobs by August this year," Shezi said.

It was expected that the programme would create 30 000 jobs during the 1996 financial year and another 68 000 during 1997. Currently 15 000 jobs were created for every R1bn expenditure on roads, which Shezi said could be increased to 70 000 jobs per R1bn.

In the water and sanitation sector, excluding dams, jobs could increase from 15 000 to 40 000 per R1bn expenditure.

NEWS FEATURE Many offer lip-service to the RDP ● OJA's projects bear fruit



Unemployment is one of the country's grave problems. One of the projects that OJA funds is candle making.

OJA projects help empower people

By Musa Zondi

THERE is a lot of talk about what various companies are doing for the Reconstruction and Development Programme but most of it remains just that — talk.

On the other hand there are initiatives that can be seen as embodying the letter and spirit of the RDP — but without much fanfare.

One of these initiatives is the Operation Jumpstart Association which manages and operates Natal Lotto.

The OJA started in May 1992 and its primary objective was to raise funds to finance labour intensive job creation projects throughout KwaZulu-Natal in order to jump-start the regional economy.

The OJA, in partnership with the Totalisator Agency Board, offers a lottery based on numbers and pool driven prizes and the proceeds from the Lotto are used for job creation and economic development in the region.

The three examples are the Zanini Pre-School in KwaMashu, the Tree project in Briardene and the Nhlolosokuhle Training Centre.

● The Zanini pre-school was originally housed in a small four-roomed house in the Durban township with about 150 toddlers. OJA provided R120 000 for the construction of a new building for Zanini on land donated for that purpose by the KwaZulu government. A local contractor is used and the

■ LABOUR-INTENSIVE Lottery creates jobs, boosts Natal's economy:

labourers are from the community.

● The Tree project was established in 1985 as a non-formal educare training agency to provide for the needs of those working with young children in the region. In Durban, this project is located near the Briardene Informal settlement.

Tree is constructing an educare centre for 90 children in this area at the cost of R580 000. More than half of the money — R371 000 — has been provided by the Joint Services Board and OJA has provided the rest of the money — R209 000.

The building is being undertaken by Sunflower Projects which ensures a strong training component with the construction. Residents of the nearby settlements were employed in the construction.

When completed, the facility will provide a crèche for the residents of Briardene, permanent employment for the educare workers and first-hand experience of a model centre for all Tree training courses participants.

● The Nhlolosokuhle project is also based at M-section in KwaMashu. The crèche is managed by the founder and principal, assisted by the Parents Committee.

The committee initiated a garden project in order to supplement the children's diet and also to feed their fami-

lies. A sewing club was also started to help those who are unemployed with some form of income.

The crèche was also struggling for accommodation and the principal's house was used to house the pupils. Later they were housed at a nearby school in a four-room cottage. However, the cottage was soon taken over by the school caretaker and the principal raised money for two cargo containers to be used by the children.

The sewing club used the same containers over weekends.

OJA was approached by the Parents Committee to assist with the construction of a training centre which will also be used as a crèche. OJA funded the initiative to the tune of R108 521. Eleven community members are currently employed, thus reducing the unemployment level.

A total of R13 million has been raised for these projects and at the moment, 75 projects are either underway or have been completed with the help of the Lotto.

While job creation is the main concern of the OJA, the result is of benefit to the whole community's infrastructure. Projects have provided schools, classrooms, crèches, toilets, community gardens and playing fields. It has also undertaken to do things like clear storm



Going to school? Young children like these need schools. The Government alone cannot provide everything.

water canals and build a water reticulation scheme.

For a project to receive this funding, the following criteria should be met:

● The project should be labour-intensive and create employment,

● The project should be initiated by the community itself and provide additional infrastructure, and

● The community must have an established committee that will coordinate the project.

The community approaches the OJA and a meeting is arranged to look into needs and advise on what the organisation requires for the application to be successful. Quotations, an overall cost estimate, details of any other funding or sponsorships, plans, employment and training needs are all the factors that are looked at first. Then after all these factors have been taken into consideration, the application is then sent to the OJA Board for consideration.

Norway to keep helping

OSLO: Norway will support South Africa economically in the years to come, as it did during the struggle against apartheid. (297)

Norwegian Foreign Minister Mr Bjørn Tore Godal yesterday promised South Africa the equivalent of about R69 million in grants to specific projects every year for the rest of the century.

"South Africa is a laboratory for coming up with solutions to pressing political problems. If South Africa is prosperous, the whole region could profit from that," Mr Godal told South African Foreign Minister Mr Alfred Nzo, who is on an official visit to Norway. Sapa-

AFP

CT 23/5/76

Commission to probe pensions

Govt concern over costly social welfare

BD 23/5/95

(297)

Beatrix Payne

CONCERN that social spending increases were becoming unsustainable had prompted government to plan a commission to investigate state and private sector pension provision, Finance Minister Chris Liebenberg said yesterday.

He told an Institute of Retirement Funds conference that state spending on social services and welfare had increased 22,4% annually between 1990 and 1994. "Increases at these levels are not sustainable," he said. About R13bn had been set aside in the 1995/96 Budget for spending on social services and welfare, which represented "just under" 10% of total government expenditure and 3% of gross domestic product (GDP).

The terms of reference and membership of the committee would be published in a few weeks' time. It would look at pension provision in SA "in the widest context" but would exclude tax issues being discussed by the Katz committee. A Katz committee member would be appointed to the pensions commission.

The commission's findings would be made known at the end of the year.

Liebenberg said there had been many developments since the release in 1992 of the Mouton committee report on retirement provision. It was necessary to review the industry, particularly as government spending priorities had changed.

Government spending on welfare and pensions was too high and domestic savings levels too low. The state faced an anomaly as spending had increased but inflation needed to be held in check through tight fiscal policies. Assets held by the contractual savings industry represented about 80% of GDP but it was necessary to increase the domestic savings pool.

Almost 30% of the working population had not made financial provision for retirement and it was possible that a mandatory pension fund scheme would be introduced for employed people. This was the case in Chile, where such schemes were administered by the private sector.

Government was responsible for the "full spectrum" of retirement provision, from providing for the unemployed to tapping funds through taxation and establishing the regulatory environment, he said.

But the private sector played a vital role in pension provision in SA and privately funded retirement provisions covered 70% of SA's workforce compared to 40% in some European countries, he said.

At present the private pension fund industry targeted middle- and higher-income groups. The committee would need to consider whether the low-income group should also share the responsibility for providing for the unemployed.

He had "grave concerns" about the trend

Continued on Page 2

Social spending

Continued from Page 1

(297)

towards provident funds as they allowed members to withdraw the funds and use them before retirement. He questioned whether provident funds were an effective means of providing for retirement.

The industry needed to consider to what extent contractual savings should be used

BD 23/5/95

for economic growth. Fund administrators had been criticised in the past for being too risk-averse when making investments, he said. SA's most pressing need was investment in fixed investment projects, but the pension fund industry was not geared to meet these needs.

The committee would also need to address the distortion between public and private sector funds.

Resources can't keep up with demands

Welfare-crisis warning from Chris Liebenberg

Star 23/5/15

(297)

■ BY CLAIRE GEBHART

The Government could soon face a crisis in the provision of welfare and pensions, Finance Minister Chris Liebenberg said yesterday.

Speaking at the Institute of Retirement Funds conference in Johannesburg, he said the Government had a responsibility to care for the aged and poor, but lacked the resources to deal with growing demands.

He said the social services and welfare budget was increasing at an annual rate of 22,6%.

The "tremendous growth" in payments was pushing up the 91% of Government's total income being spent on welfare, pensions, interest and salaries.

Liebenberg warned that a minor shift in demographics

could have a major impact.

According to 1991 figures, only 4% of South Africa's population of 43-million was over 65. A slight shift in life expectancy would have a dramatic effect on the Government's responsibility towards the aged, he said.

Thirty percent of the employed still had no pension. He said a commission had been appointed to look into a restructuring of retirement benefits.

The commission and the IRF should work together to transform the retirement provision industry to alleviate a possible future lack of pension funds.

The issues were:

■ What the industry could do to increase the savings pool, given the need for a substantially higher rate of savings and investment and the fact that the

contractual savings industry held assets corresponding to 80% of GDP and also mobilised about 80% of the annual savings of the household sector.

■ The industry had been criticised for being too risk averse, not having a social conscience and being too profit and growth oriented, but evidence showed that the decline of contractual savings would not necessarily increase discretionary savings.

■ What would lower inflation, the lifting of exchange controls and lottery proceeds to South Africa's savings habits, and what would its impact be on the contractual savings industry?

"The effectiveness of using the tax system to encourage pensions has to be looked at and also how changes in the tax regime affect tax flows."

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Urban development bond unlikely

Beatrix Payne

(297) BD 24/5/95
A CENTRALLY administered reconstruction and development programme (RDP) bond was off the cards for urban development as local authorities would be expected to raise their own funds, director of development and planning in the president's office Crispian Olver said.

There would be "hundreds and hundreds of local level projects and bond issues by local authorities instead," he told the Institute of Retirement Funds annual conference on Monday.

He said government did not have enough money to foot the estimated R50bn-R60bn total cost of the RDP over the next 10 years and would need to access the capital markets to raise sufficient funds.

The promotion of urban infrastructure was a key priority for government.

More than 80% of the funds needed for urban infrastructural development "must be raised" by local authorities through the market. Central government would play a regulatory role and contribute subsidies "to promote redistribution".

But none of the goals of the RDP were possible unless government was able to leverage funds from the private sector, such as pension funds.

At this stage the RDP office was in the final stages of setting out a framework for the long-term fiscal needs of the programme which would be presented to the cabinet next month.

A legal framework had yet to be devised to allow Transitional Metropolitan Councils and Transitional Local Councils to raise money on the financial markets. Smaller local authorities posed a dilemma as it was unlikely that they would be able to raise sufficient funds on their own.

US cuts to hit SA growth

span 24/5/95 (297)

■ BY PETER FABRICIUS
STAR BUREAU

Washington — The US government's \$200-million (R720-million) housing insurance guarantee programme for South Africa is in danger of being scrapped this week in the US Congress, where the Republican Party majority is pushing through substantial cuts in foreign assistance.

The housing insurances guaranteees (HIG), which underwrite private sector housing loans to black areas and could indirectly fund tens of thousands of housing units, have been dropped from the House of Representatives foreign assistance legislation which has already been approved by the International Relations Committee.

The South African funding has been cut along with similar programmes around the world.

But the Clinton administration is battling to have the SA HIG programme re-instated when the

foreign assistance Bill is debated in the full House this week.

Some official sources said they were hopeful the Republicans would re-instate the SA programme but this was far from certain.

The US government runs three housing insurance guarantee programmes in SA - a \$75-million (R270-million) private sector programme, a \$75-million basic shelter programme and a \$50-million (R180-million) municipal housing programme.

The housing insurance money "leverages" greater amounts. In the case of the private sector programme, South African housing finance companies are matching the US money in the ratio of two-to-one.

This programme is expected eventually to finance at least 22 500 housing units averaging \$10 000 (R36 000) per unit.

At the same rate, all three programmes would fund more than 50 000 homes.

The housing insurance seems

to be the first specific programme in the US aid package for SA to be targeted for repeal by the Republicans, as they slash foreign aid to help achieve their mammoth goal of balancing the US budget.

But other cuts could be on the way. The House Bill has also reduced the Development Fund for Africa, out of which much of the foreign assistance to SA is financed.

If this proposal is eventually passed, it will be up to the Clinton administration to decide whether to cut the SA package or to leave it intact at the expense of other African countries.

Greater battles await in the Senate where the proposed foreign assistance legislation abolishes the Development Fund for Africa, obliging African countries to compete for aid with the rest of the world, depending on their progress in establishing free markets and democracies.

However, administration sources hope that moderate, interna-

tionalist Republican senators such as Mrs Nancy Kassebaum of Kansas and Mr Richard Lugar of Indiana will persuade Conservatives like foreign affairs committee chairman Jesse Helms to re-instate the Africa fund.

That should also be decided over the next few days in a decisive week for the SA aid programme.

SA will also feel the effects of a major re-structuring of the US foreign-policy oriented agencies.

Both House and Senate foreign assistance bills abolish the US Agency for International Development, which administers foreign assistance, and the US Information Agency, which promotes the US abroad and has brought hundreds of influential South Africans to the US.

Their functions are to be absorbed by the State Department — the equivalent of the SA Department of Foreign Affairs — but the re-organisation is expected to impact on the extent and nature of their activities.

US loans to SA in jeopardy

By Peter Fabricius

Southern

WASHINGTON — The American Government's R700 million housing insurance guarantee programme for South Africa is in imminent danger of being scrapped

In an attempt to reduce the country's massive budget deficit, the Republican Party majority in the US Congress is pressing for substantial cuts in foreign assistance.

The housing insurance guarantees, which underwrite housing loans to black areas, have been dropped from the House of Representatives foreign assistance legislation.

The Clinton Administration is battling to have the South African programme reinstated when the foreign assistance bill is debated in the full House this week but its success is uncertain.

The US Government runs three housing insurance guarantee programmes in SA — a \$75 million private sector programme, a \$75 million basic shelter programme and a \$50 million municipal housing programme.

Housing insurance

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Their functions are to be absorbed by the State Department which may impact on the extent and nature of their activities.

SA and Australia in move towards wide-ranging deal

□ R78-m programme to boost links

ARC 26/5/95

(297)

Political Correspondent

HOURS before their clash on the rugby field, Australia and South Africa signed a memorandum of understanding on a three-year multi-million rand development co-operation programme

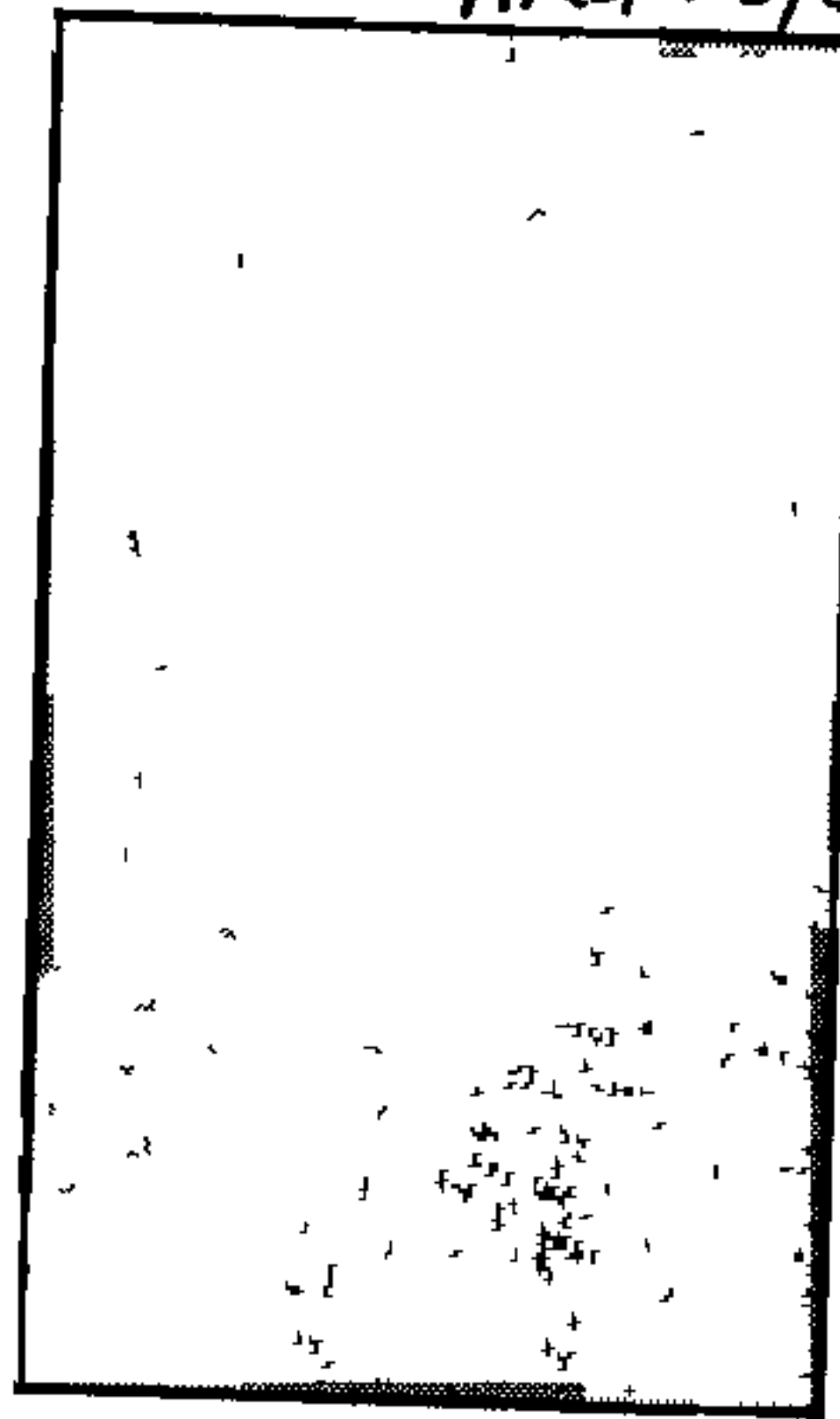
It was signed by Minister without Portfolio Jay Naidoo and visiting Australian Foreign Minister Gareth Evans

The programme, worth R78 million, is aimed at contributing to democratisation, human resource development and meeting the basic needs of disadvantaged groups

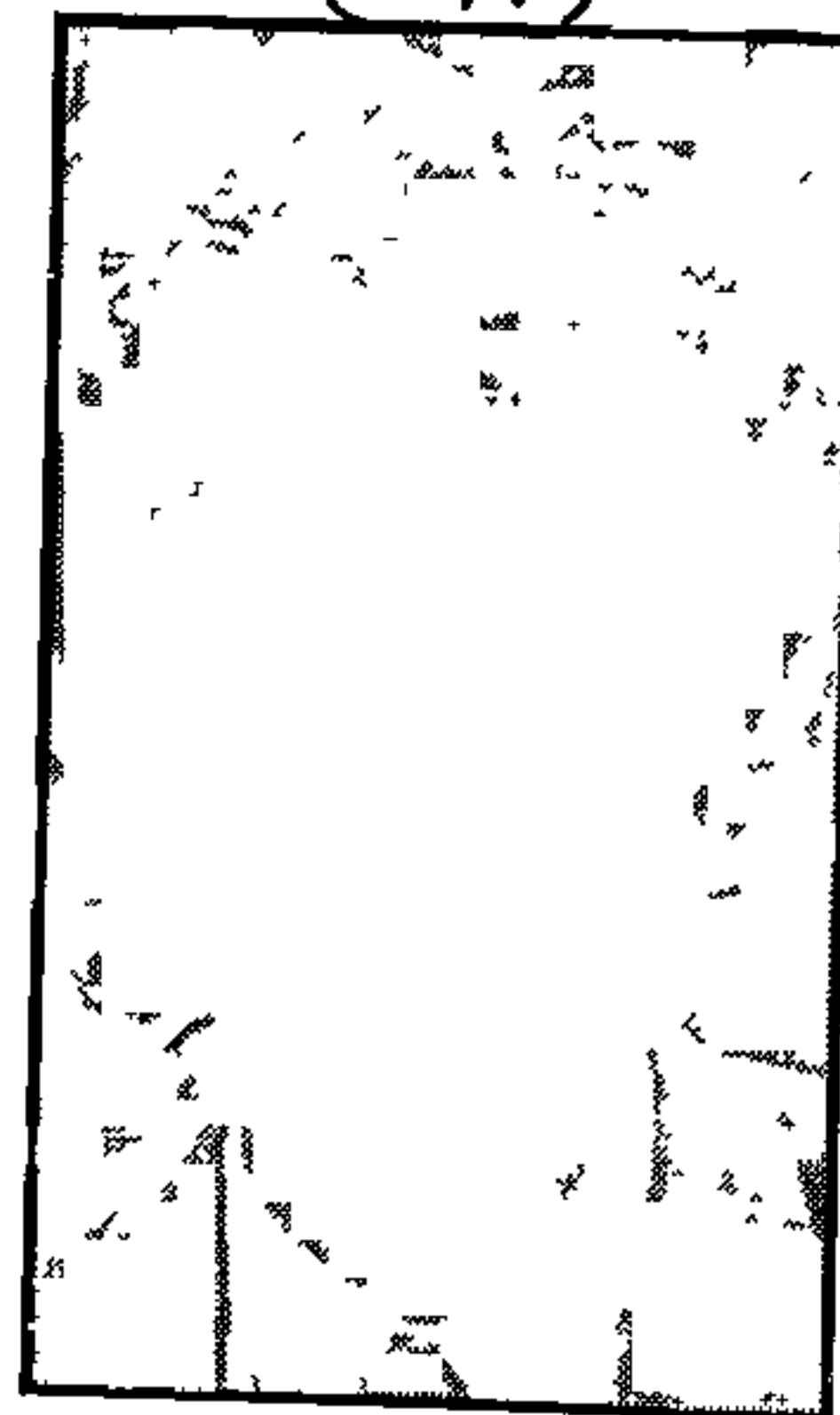
The programme will help build links between the countries in the health, education, statistics, media, water management, telecommunications, housing, constitutional development, mining and sport sectors

Mr Evans said each sector provided the opportunity for Australia and South Africa to exchange experiences as this country reformed its public institutions

The agreement signalled a diversification of the relation-



Gareth Evans



Jay Naidoo

ship between the countries

"Australia is increasingly seen by South Africans of all communities as a progressive society, with approaches to economic and social reform which are of relevance to South Africa as it embarks on reconstruction"

The programme reinforced links between Indian Ocean countries, one of the major ob-

jectives of Mr Evans's present tour

Mr Naidoo said South Africa could learn from Australia's economic restructuring

The development co-operation programme, based on technical co-operation, could contribute to the Reconstruction and Development Programme, Mr Naidoo said

Aussies sign R78m aid deal for SA

CT(BR)26/5/95

(297)

From Reuters

The Australian foreign minister, Gareth Evans, and the head of the reconstruction and development programme, Jay Naidoo, signed a memorandum of understanding on a R78 million aid programme yesterday.

Evans told a news briefing that the money was for a wide range of development projects and would

involve exchanges of technical experts. His South African visit is part of an eight-nation tour through Indian Ocean states aimed at promoting regional co-operation ahead of a conference in Perth next month.

"We need to explore what might be possible, and not what is romantic," Evans said.

Co-operation could start off with dialogue on areas of common

concern, leading to the harmonisation of customs and other procedures and eventually free trade, he said.

Asked about the possibility of co-operation on security matters, Evans said this could be a "trust and confidence-building exercise" that could be developed in tandem with the development of trade, technological and other links. For example, he said, there could be

regional initiatives to train United Nations peacekeepers. Evans is due to meet the deputy foreign affairs minister, Aziz Pahad, during his stay and he confirmed that one of the issues that they would discuss was developing country representation on the UN Security Council.

"This is a sensitive and delicate question, but the Security Council needs to reflect the realities of the 1990s and not the 1940s," he said.



Foreign minister Gareth Evans

ay-ta King

(297)

WM 26/5 - 1/6/95

not enough to build a house. You have to get the banks to lend people money. Banks didn't want to lend money to people who were not paying bonds so you have to get people to start paying them.

This is one of the reasons for the Masakhane campaign. One of the goals of this campaign is to encourage people to pay for their services and bonds. And it is already bearing fruit.

Then you have to put in place a "mortgage indemnity system". This means you give certain guarantees to the banks that if the payments don't come forth from the community for political reasons, they will have some support from government.

You also need a warranty system for the community. This is a guarantee against bad workmanship. If the houses crack after a few months, people will have a way of forcing those builders to pay for them and fix them.

You have to have in place organisation at provincial and local level. The delivery of housing is co-ordinated mainly at local level. It is the most important layer of government. We therefore have to develop the skills of the people working at the local and provincial level. It comes back to training, to introducing a new culture in the civil service. The local councils will have to develop their own capacity to run government.

And so, the housing programme is not just about building houses. It is also thinking of where you put the house, how you provide it with water, electricity, where the schools go etc. Planning this kind of programme doesn't take six months. It takes time. Some people call it slow delivery. We call it building a solid future.

The RDP is about changing the priorities. In the health sector, for example, we need to provide primary health care and shift resources from the hospitals to the clinics. One of our major problems in this country is that we can transplant hearts but we have dozens of children dying each day of diarrhoea and kwashiorkor. We have to develop the prevention of disease instead of concentrating on curing it, shifting from tertiary health care to primary health care.

This is what we call in our jargon "budgetary reappropriation". It is about shifting money from the old priorities to the new ones. It is the only way to make the RDP sustainable.

The whole of government has to be "RDP driven". It is not just an RDP fund that does RDP projects. The government runs on one budget. We are reorganising that budget. We don't have more money for the projects we want to do. It is as if we had the same full tank of petrol but had to change the vehicle. You can't stop the vehicle, just as you can't stop society from running. So we have to transfer the petrol at the same time without stopping the machine. That is our challenge!

Another bit of jargon is "fiscal discipline". The money we use is not our money, it belongs to all our people. We have to ensure that money is not wasted, and that it is accounted for. With the RDP Fund we will make sure that money is shifted to our new priorities. That is why we are also bringing all funds, including foreign donor assistance, on budget — thus ensuring that all monies will be spent on our new priorities, and that it won't be wasted. We must also make sure that we can pay in the future for running the things we are building now.

Right now, the priorities are in education, jobs, housing and municipal services.

The most important economic factor will be our housing programme. It will have a multiplier effect. That is why we have doubled the housing budget and the budget for infrastructure. People will start to get jobs, start to need furniture. The homes will be electrified and people will be able to buy electrical appliances. All this will kick-start the manufacturing sector.

Yes, what we are doing is slow. The fastest way is to throw money at the problem, as has been done all over Africa, and then to turn our back on the problem when the money runs out.

The RDP way of thinking will ensure that each project, each programme, each house, each tap of water, each child being immunised, each cent spent, will be carefully planned out. The end result is solidity, sustainability, reliability, jobs for our people.

BLAH Transparency
Accountability
BLAH BLAH BLAH
Sustainability
BLAH Fiscal Discipline
BLAH BLAH



growth for our economy. Changing the minds of people, transforming the way people think, work and deliver, transforming our budget to meet the new priorities we have set out, transforming how we spend money, transforming attitudes is what the RDP is all about. Sadly though, transformation cannot be quantified like houses can. You can't count quality.

Our people need houses and jobs and water and education and electricity. And they need it now. We know that. We also know that we will not be giving them a service or doing our jobs properly if we don't give them the quality of life they deserve. The new South Africa cannot, will not, be reconstructed and developed with old methods.

Aussies sign R78-m aid deal for SA

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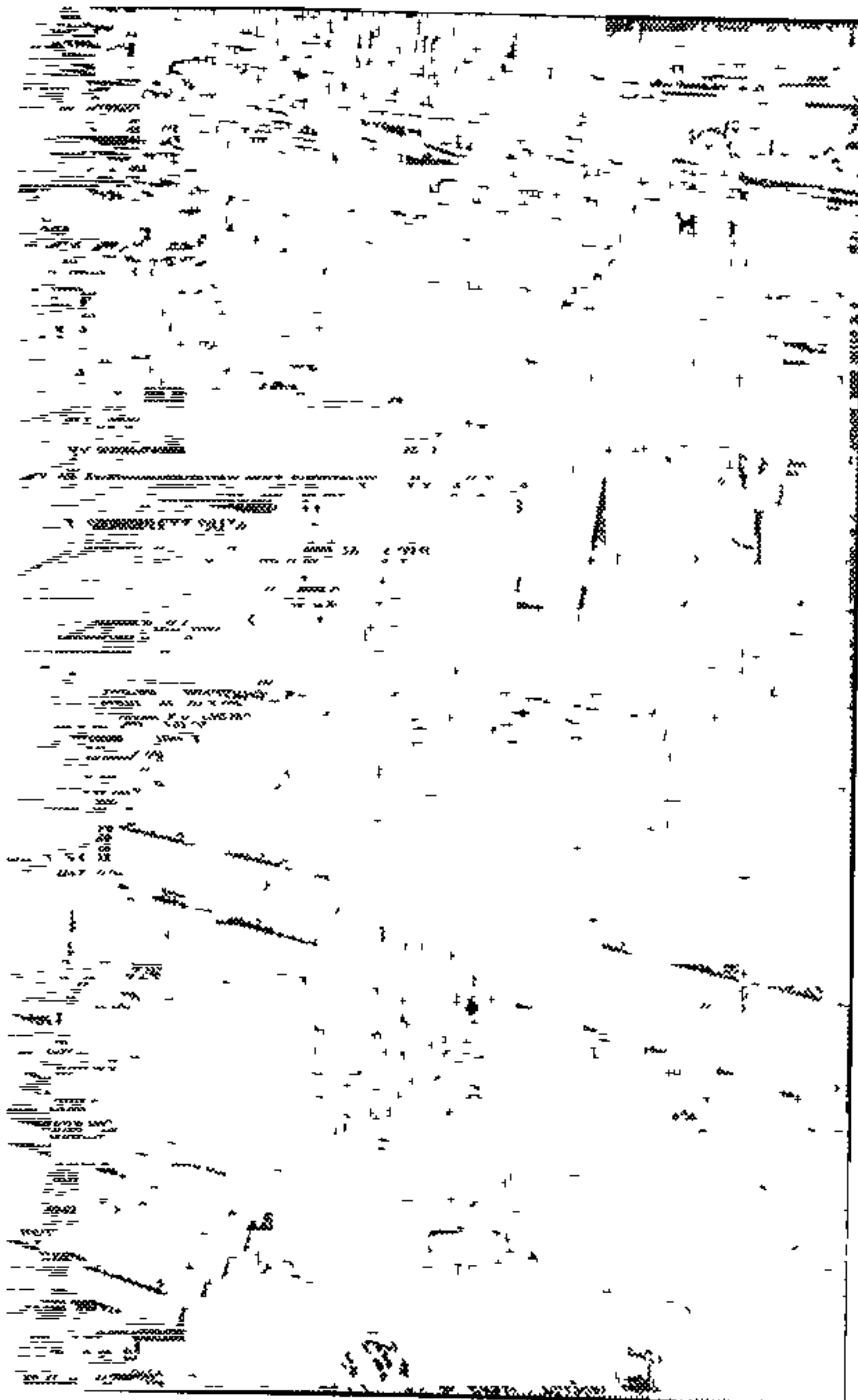
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(297) SPW 26/5/95

Building South Africa

(297) SPW 27/5/95



it has tried to convince communities that the first moves weighing in wherever they can

nting the buildings

must sharpen its tools

got three month's which the project A centrally planned is not sustainable term, can undermine villages of local initia- Philip.

op project might lower short-term it was at least sus-

office may also have community involve- 's initial attitude to nmental organisa-

there was a very "g message," she

of NGOs would be

through the RDP Many donors suspended their normal funding processes, while the RDP office sorted out how it should work, which took longer than expected," says Philip.

Many NGOs had to close down. "The process did nothing to sort out the good ones from the bad ones," said one development worker

"And it meant a loss of valuable capacity — NGOs are well placed to pilot and monitor projects — when we have little to spare"

Community participation is one leg of the RDP partnership — business is the other. Hardly a week passes without some

company announcing its "RDP projects" But that may conceal deeper misgivings

"Efforts have been made by Government to explain to business what role it should play, but to date this has been cursory and somewhat superficial," says Bill Lacey, senior economist at the South African Chamber of Business (Sacob) Business is "pledged to assist" in the RDP, he says

But "no effective liaison mechanisms have yet been developed between the department and formal business organisations such as Sacob

"Sacob believes that with its broad-spanning network a close liaison with the RDP ministry would be of great assistance in the implementation of the programme."

At the local level, Lacey says Sacob sees Local Development Forums (LDFs) as "essential structures for the implementation of the RDP" However, business would be able to play a more "focused" role, he says, if it were granted a corporate vote in the LDFs. Instead, he says, "the local authority structures are inclined to regard business as the milch cow"

Business does seem to be impressed with the tight rein kept on RDP spending "The Government has not gone and poured money down the drain in RDP projects," says Dr Azar Jammine, director of Econometrix.

Exhaustive plans

This deliberate approach, he says, could have significant economic spinoffs. "The economy, of its own accord, has been swinging quite strongly upwards in the past year," he says "If the business cycle turns down and the RDP is getting off the ground, it could play a stabilising role rather than a pro-cyclical role which is not needed at the moment."

And there is support for this approach at local level, too As one Eastern Cape official put it. "One of the worst things that could happen is for huge money to be thrown here so that spending becomes the sole driving force. Then you don't have time for community participation and corners get cut"

The RDP office demands exhaustive business plans before

approving a project and requires monthly reports based on "key performance indicators", which include details of money spent, jobs created, small contractors employed and training provided

"The real sophistication lies in monitoring outcomes," says Oliver "Not just counting clinics but measuring the outcome in terms of infant mortality Building a performance monitoring system will take five to 10 years, but when it's done that will be our biggest contribution"

Outsiders, though, are concerned that the capacity to monitor effectively simply isn't there and political pressure to deliver makes it worse

Expensive gesture

The school feeding programme, said one worker in hunger relief, was "done in direct opposition to advice from experts They opted for very quick delivery and there will be no nutritional value because nutritional problems arise in the early years of life

"This programme is simply not sustainable — you need to pilot, monitor and then expand on a systematic basis This has not been planned, piloted or monitored It is a very, very expensive gesture."

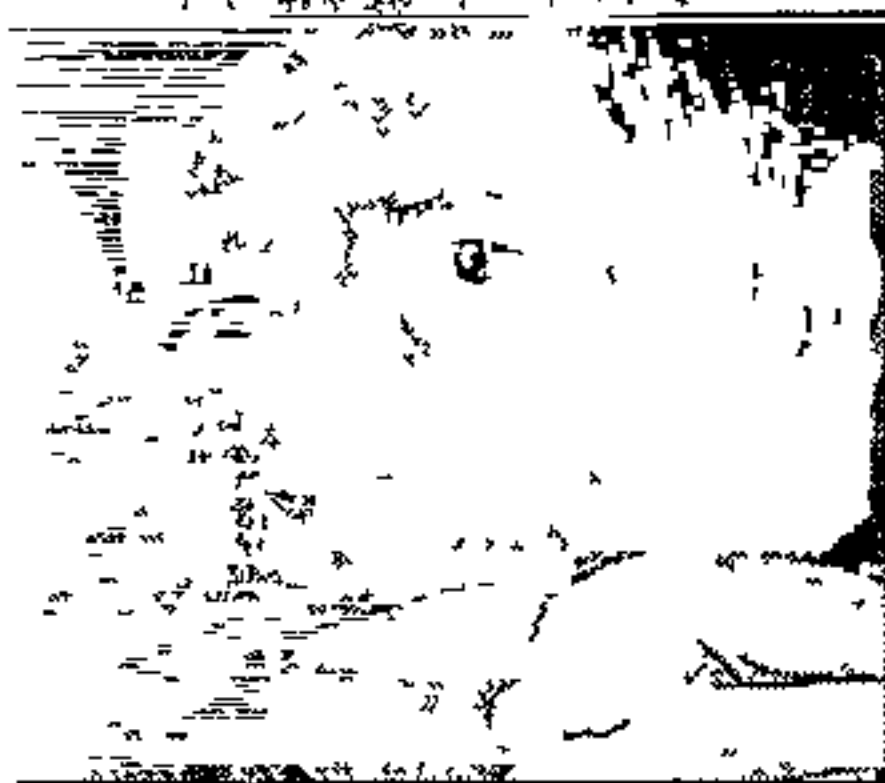
The ministry holds the feeding scheme up as one of its

The real sophistication lies in monitoring outcomes.

great successes — Naidoo told Parliament in his budget speech that the RDP was feeding "4.5-million children in more than 8 000 schools countrywide"

That might impress the statisticians. But is this programme sustainable? Has it created new structures of delivery that can be used on other projects? If Naidoo and the Government find themselves judged by those criteria they will at least have to concede that the right questions are being asked.

The complexity of rebuilding



At first it was billed a simple solution to many of the country's problems but it is becoming increasingly clear that the RDP is not just about speedy delivery, writes **JOHN PERLMAN**, Chief Reporter

As easy as RDP? That notion might have been okay for an election campaign but one year on, the Government is trying to get people to understand its realities for poverty and inequality in rather more complex terms.

Three letters have given way to an alphabet soup of words — capacity building, "community participation", "development facilitation" and "fiscal discipline". For men and women waiting to be nourished with bricks of houses, clinics and schools, it's a pretty thin broth.

At first, debate about the Reconstruction and Development Programme centred on statistics. "How many houses have been built? It's going to cost HOW much?"

From the perspective of an-

"You need to pilot, monitor and then expand on a systematic basis."

other great numbers game, cricket, RDP minister Jay Naidoo had been set 650 to win, facing Shane Warne on a crumbling wicket.

But Naidoo and his team have been trying to get a different perspective across — the RDP cannot simply be mea-

sured in buildings built. It's real goal is to restructure government and the economy to meet needs in a sustainable way.

The pure numbers game makes the problems facing the RDP look awesome enough. Out of the Government's R153,3-billion budget, just 9% can be spent on infrastructure. The other 91% goes on salaries, welfare, and on servicing the national debt.

Lower down the chain, money doesn't buy as much as you might think. R38-million represents a major input into the Port Elizabeth township of Ibhayi, but all it will buy is 3 000 serviced sites. People will get a housing subsidy of R15 000 each, but after their share of service costs has been deducted there's less than R5 000 left for building.

There have been improvements. The creation of Special Integrated Programmes (SIPs) last year allowed for "intervention without the huge red tape of government", says Chippy Oliver, the RDP's director of national development planning.

Cash injection

Special presidential projects which had health, education and public works components, were "fast-tracked" and launched without having to go through the labyrinthine funding procedures of each department.

Says Oliver, "We can't pretend that we went out and started those projects. There were clear community processes that were already underway."

"We have given them what they lacked and that's a very significant cash injection."

But these projects were chosen precisely because they could "show progress as a matter of urgency."

Development in other areas will be slower. While the October elections will address one of the RDP's key weaknesses — the absence of credible local government — they will also expose other problems. The first is what is euphemistically called a "lack of capacity" in government.

The second is less quantifiable. The RDP office has encouraged local development forums involving business, civics and others. How these



MAKING A START: With the election now behind them, the Government RDP offerings would be very basic and will depend on the people there.

Before the country can start co-ordinating and the bricks, the government

should relate to elected local authorities, though, is the subject of "a debate within this ministry," says Oliver.

The possibility of conflicts between local authorities and development forums is just one sign that "community participation" is trickier than it looks.

Naidoo believes the Masakane campaign to get rent and services payments back on track has made communities more aware of their RDP responsibilities.

But he also concedes that development can be divisive. "In Alexandra township, you have displaced people living in churches, you have people in

squatter camps and in hostels," says Naidoo. "As you begin to deliver houses you must decide who gets first access. It could be a point of conflict."

Experienced development workers will concur. The National Union of Mineworkers has built up a network of development centres for retrenched miners. Kate Philip, co-ordinator of the programme, warns that "the first two years are spent dealing with power struggles and creating channels for conflict resolution."

"In Mount Fletcher, miners left the NUM co-op because they were paid to work on a public works programme."

"The work, a community project, in the last five,"

"The have y returns tainable."

The set ba ment by non-go tions.

"At central says 'F'

ANC factions in township 'war'

By TEFO MOTHIBELI

ANC-aligned factions are locked in a bloody tussle for control of a Reconstruction and Development Programme (RDP) project in Dobsonville's Doornkop squatter camp, residents and community leaders claim.

Dobsonville Community Policing Forum chairman Joseph Banda this week confirmed there were "some problems" in connection with the project, but said the North West Metropolitan Sub-Structure had appointed a sub-committee to investigate the matter.

Community leaders and residents alleged the Soweto squatter camp had been torn apart by two armed groups, both of whom claim to represent the ANC.

"There are some individual members of the branch execu-

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tive committee of the ANC who are at war with some elements of the self-defence units," ANC regional community leader Bheki Hlatshwayo told Saturday Star. At a news conference on Thursday, community leader Matodzi Sadi said: "The problem of violence, intimidation and senseless criminal and political killing that have been plaguing the Doornkop community is getting uglier by the day."

The conflict which began in the five-year-old camp in mid-January, has claimed at least five lives and left scores of people seriously injured.

It is believed the "war" broke after a moratorium placed on the election of a new leadership for the squatter camp was breached. This apparently followed the arrest of the "true leaders" on a charge of arson.

Residents claim about 200 people from Tladi in Soweto took advantage of the vacuum and imposed themselves as the interim leadership of the squatters after "Mickey Mouse elections".

It is believed that the ANC is losing members to the PAC because of the clashes in the area and some defectors have paid dearly for their actions.

PAC secretary-general Maxwell Nene, who has been involved in trying to stop the killings, accused the ANC and the provincial safety and security ministry of not showing commitment to resolving the matter.

Safety and security MEC Jessie Duarte in turn accused the PAC of not showing commitment to resolving the matter, but of being more concerned with electioneering.

(297) Star 29/5/95

Disputed US foreign aid Bill loses support

■ BY PETER FABRICIUS
STAR BUREAU

Washington — Republican Party attempts to slash US foreign aid — which includes a 34% cut in African funding and an end to housing loan guarantees in South Africa and elsewhere — are los-

ing steam in Congress as opposition continues to mount.

After President Bill Clinton threatened a veto, the majority of Republicans last week withdrew a contentious Bill which would diminish US financial assistance from \$17,4-billion in 1995 to \$16,5-billion in 1996 and

\$15,4-billion in 1997

The Bill will not be re-introduced until June 6, and congressional sources report that before then, the Republicans will be prepared to negotiate compromises

The Bill would terminate US housing loan guarantees around the globe

This includes funding worth \$200-million in South Africa for three programmes

The US government regards the housing loan funds, which are financing the building of tens of thousands of homes in black townships, as the kingpin of its aid programme in South Africa

'Govt must be active partner in RDP'

CT (BR) 30/5/95

(297)

By JOHN SPIRA

PH

GAUTENG BUSINESS EDITOR

The private sector cannot become meaningfully involved in meeting the enormous requirements of the RDP without the willing and active partnership of the government

That's the word from Colin Campbell, group managing director of LTA, who suggests that for most infrastructural development, government participation could take the form of a subsidy to allow the private sector an adequate return on the funds it invests

A subsidy need not mean money but could refer to the transfer into the private sector of an existing asset such as a road, airport or power distribution

system on a one-off basis "This sort of kickstart can turn a non-viable project into one that can be sustained"

But the private sector will need assurances that political acts which may affect the security of their investment will not be introduced or permitted by the government, he says

The issue of financing raises further problems Campbell points out that, with the new provinces and the changing municipalities, there are no established credit ratings which allow banks and other fund suppliers to rate potential borrowers "The banks will look for secure guarantees at provincial or central government level."

Because of its absolute necessity in everyday life, infrastructure develop-

ment should be regarded as a low-risk investment and should not require an unduly high return "At present, of course, it is perceived to be a very high-risk investment," he says "Only the development of trust between the private and public sectors can bring confidence and reduce the perceived risk"

Campbell says substantial training and gearing up will be required to increase the size of the construction industry's trained workforce "The reduction of labour unrest is also an absolute requirement"

He views the involvement of disadvantaged contractors in infrastructural development as the key and says LTA has launched a number of projects involving disadvantaged contractors

COSMOS DESMOND

WHAT passes for political debate in the "new" SA resounds with echoes of Thatcherism, the effects of which I was fortunate enough to escape, as would 50% of the British population if they could

"Foreigners are taking our jobs and should be sent home. You can't solve problems by throwing money at them. Workers must curb their demands. You can't interfere with the workings of the free market. People must stand on their own two feet. Social welfare payments create a nation of scroungers." It cannot be long now before a senior government minister, perhaps even the President himself, says "There is no such thing as society; only individuals." The ultimate Thatcherism.

Perhaps nowhere is this more evident than in the burgeoning debate about a social welfare system in SA. One would have thought that after decades, even centuries, of exploitation, deprivation, deliberate impoverishment and marginalisation, the need for such a system was both self evident and urgent. But no, we are told — usually by people who wouldn't need it — such a system would only increase dependency.

From a socialist perspective, there is much to be critical of in relation to social welfare systems. They deny

Welfare debate is xenophobic
(297) 30/5/95 BD

people any say in their lives. They deliberately humiliate people. They try to depoliticise them. Most important of all, they drive a wedge between them and the working class and thus promote the interests of the ruling class.

The ruling class and the middle class are not threatened by the extremely poor. They are frightened of the working class and are prepared to spend a great deal of time, energy and money to emasculate (is there a nonsexist word for that? Neutering, perhaps?) the latter. A capitalist government has to keep the poor alive in case their labour should be needed. "Caring for the poor" is also a good PR exercise and serves to mask government's hostility towards working class interests.

Social welfare "handouts", it is claimed, "disempower" people. The solution, therefore, is to "empower" them. Turn them all into entrepreneurs and small business people. A naively noble notion — compared to chain-gangs — but ridiculously unrealistic.

How does a violently widowed or deserted young mother, living in a shack with three or four young children, start a business or even patronise another? She has no land and has to spend half the day foraging for wood and drawing water.

All the education and training in the world won't help her. She already has lots of skills which she uses to raise her children (How many white women, complete with PhD, could survive in such circumstances?) She needs financial and other support. She has made a contribution to society. She may have produced a future President or, better still, a really good human being. Society owes her something, particularly as it is society — rather than her own individual shortcomings — that is primarily responsible for her plight.

A social welfare system would doubtless be abused by some, although on a much lower level than that practised by passengers on the gravy train, large-scale income tax dodgers, casino owners, illegal exporters of capital, et al. Only a tiny minority would choose to live as beneficiaries of such a system. I know. I have experienced it.

Most people get sick at some time. Many experience unemployment. Some are disabled. We all become old or die. A capitalist system demands some unemployment and with the increasing use of technology, the percentage can only escalate. Some sort of social system is, therefore, required, at least as a safety net.

Even capitalist governments recognise that and use it in their own

interests. But it should also be much more than that.

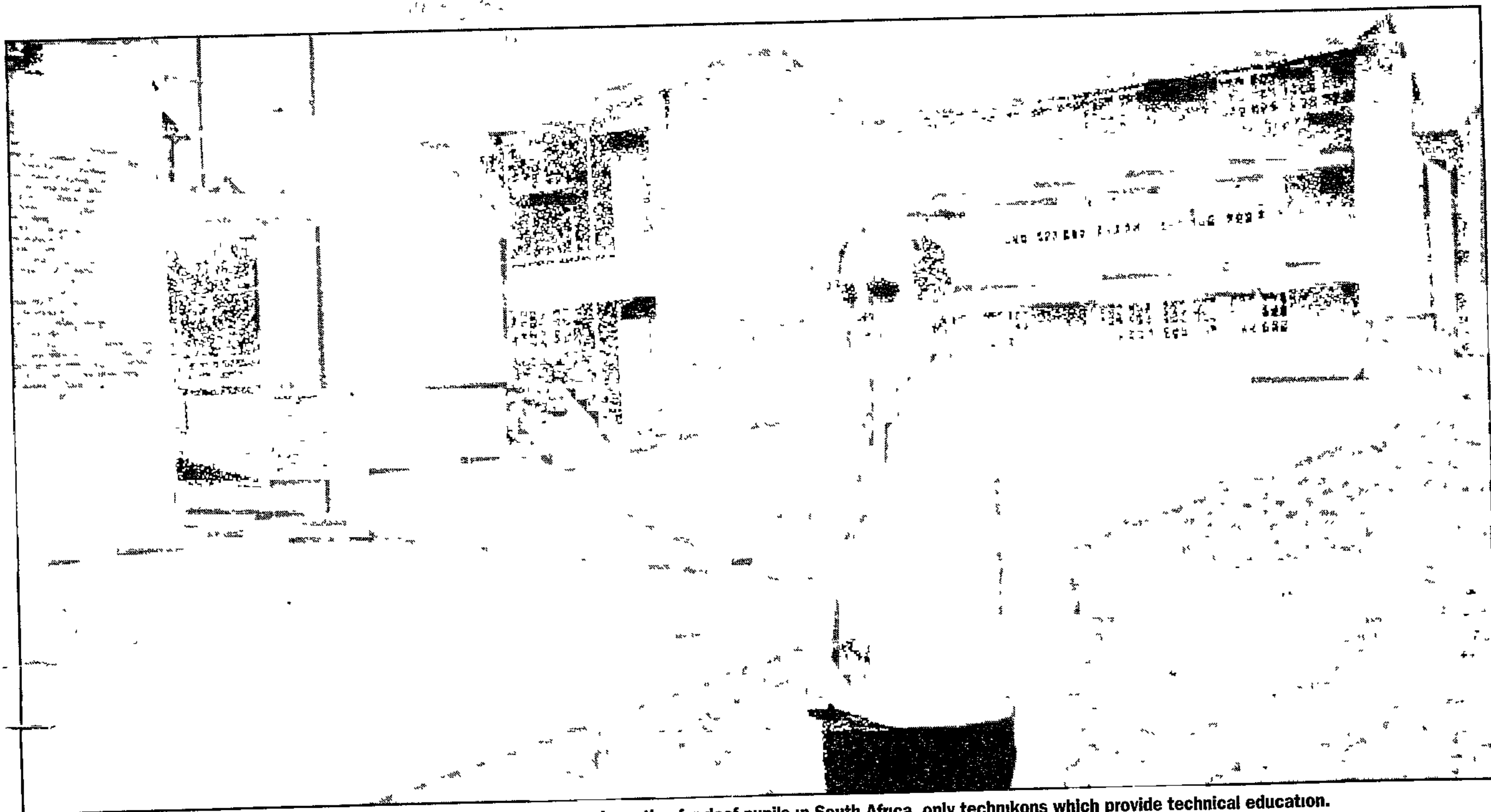
Such a system should not be seen as consisting of handouts from a benevolent state but rather as a recognition of people's right to a decent standard of living, over which they have some control. In existing welfare systems the recipients are seen as purely passive. Generally speaking, their only choice is "take it or leave it". It should be a base from which people are able to organise themselves and to tackle their problems collectively, rather than as isolated, powerless individuals.

"In order to get what we need," says a London Claimants' Union, "we have to realise that we are not just individual cases — our shared experience gives us a common interest and a basis on which to organise collective action, and not only collective action but also common action with other working class organisations, since an adequate social security system is also in their interests."

A capitalist-oriented government, however, is not likely to further such an alliance. It would rather stick to "handouts" or, better still, turn as many people as possible into little capitalists.

□ Desmond was a PAC election candidate.

NEWS SABC presenter wins award and proves that being deaf is no limitation



Mr Fred Swarts at Usizo Technical College in Katlehong. There are no universities for deaf pupils in South Africa, only technikons which provide technical education.

Deaf presenter wins top award

Sowetan 30/5/95 (296) (297)

■ ACHIEVER

Dedication to helping others:

FOR THE FIRST time at an SABC Artes Award ceremony a deaf presenter has walked away with an award for Best Presenter.

He is Pumelele Gemane, a 30-year-old employee of the Witwatersrand Deaf Association.

He won his award in the category "Best Presenter of any Programme on NNTV" for a montage of inserts in the NNTV programme *Sign Here*, the only programme for the deaf and hard of hearing on South African television.

His portfolio covered a range of challenges, including storytelling, interviewing and role-playing.

"He performed all these in a controlled but professional manner with an obvious knowledge of his subject," according to Mr Red Merwich, marketing director of NNTV and chairman of the jury that made the selection.

"The jury was most impressed with Pumelele's articulate communication through his own language in a manner that is pleasing and enjoyable to both the deaf and the hearing viewer."

"His presentation has charm, spontaneity and warmth."

Gemane was born in 1965 and educated at St Thomas School for the Deaf. For the past 18 months he has worked at the Witwatersrand Deaf Association where he offers assistance in interpreting for the deaf who do not fully understand the English language as well as



Deaf people are not stupid, says Gemane. Here disabled Zilethile of Orlando West in Soweto and her mother, Mrs Shabalala, communicate in sign language.

those whose sign language differs from the average sign.

A former chairman of the Thembalethu Deaf Club in East London, he is at present a member of the Deaf Christian Fellowship and the Young Warriors. He does Bible studies with fellow deaf Christians and enjoys singing in church.

He plans to become a social auxiliary worker. He has participated in rugby, soccer, table tennis, karate and cricket.

Being named the Best Presenter in the Artes Awards is confirmation that Gemane has overcome huge odds. The *Sign Here* programme which he

presents is on Sunday morning on NNTV. In the programme he interviewed pupils from a deaf boarding school in Namibia. The pupils were surprised and delighted to find a deaf person doing a job done mostly by hearing people.

Unwanted animals

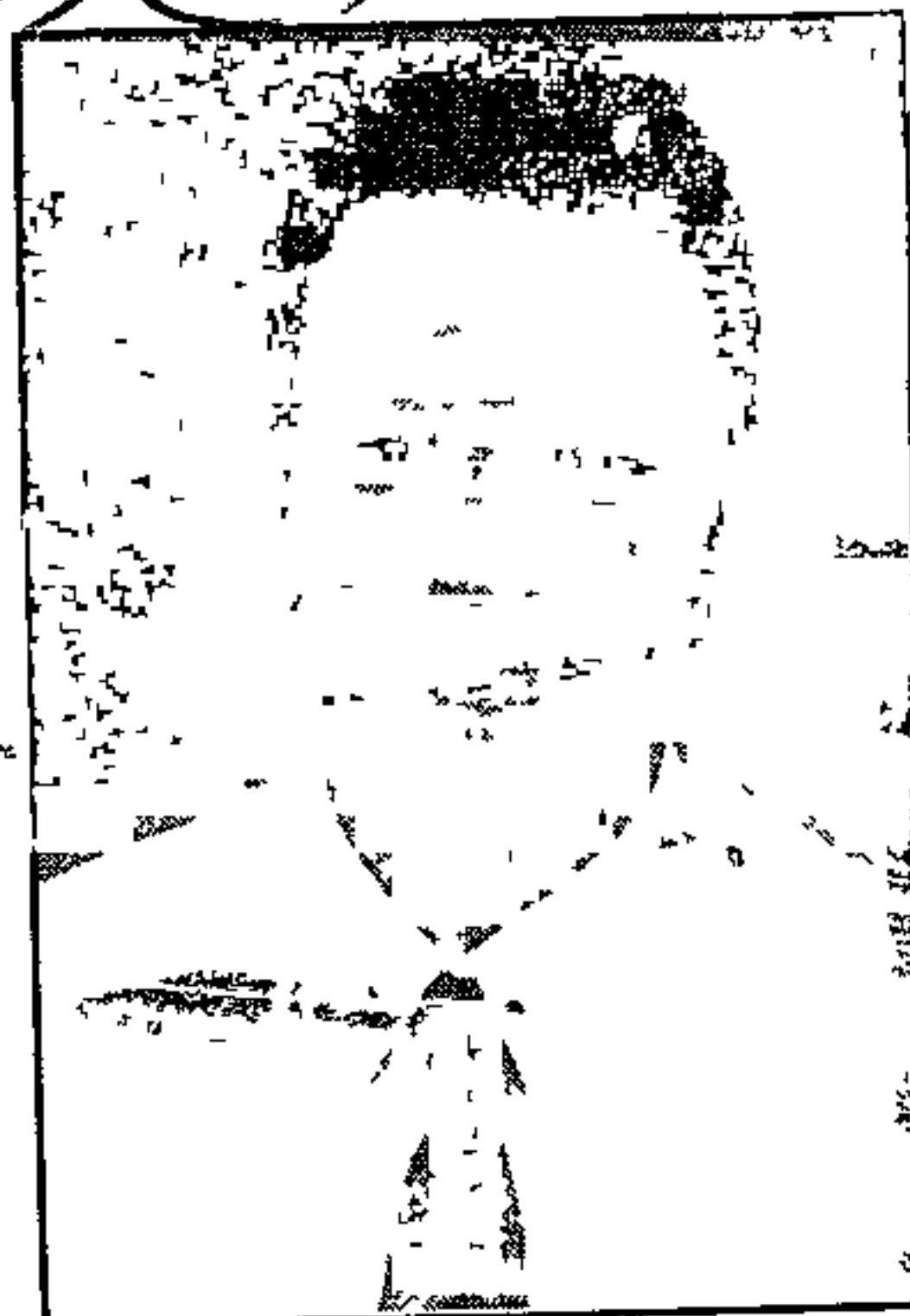
In the film submitted for the award Gemane related a story about animals that were no longer wanted by their owners because they were old and seen as useless.

And he made the story come to life. Walking and acting like the animals he

was talking about provided such effective communication that even those who do not understand sign language would understand and enjoy watching.

Sign language is, says Gemane, a valid language. And while he finds it easy to read a script, his communication problems start when there is no equivalent of a word in sign language. But he has found ways to deal with that.

"When I have such a problem the best strategy is to literally spell each letter of the word in sign language. English being a broad language makes interpretation difficult because sign language is limited."



Pumelele Gemane

"In fact, sign language is better than any other language because it is simple," he says. Also problematic for Gemane is that sign language on its own has many dialects — 11 in South Africa.

"Many people think that sign language is universal when it is not. It differs from one language to the other because it was not recognised before. As a result most of us developed our own signs in our different areas. So not all signs are the same," Gemane says.

Although there are only two programmes for the deaf on South African television, Gemane believes that if there were more deaf filmmakers there would be more shows for the deaf.

"But for now I will be happy if we could have news and sports programmes broadcast in sign language. There must also be a lot of children's shows that could have sign language added."

● Watch NNTV tonight for more on this subject.