Francis Wilson, coauthor with Mamphela Ramphele of *Uprooting Poverty*, made the U.S. connection explicit in his keynote speech to a recent conference for U.S. grantmakers. South Africa emerging from apartheid is like the U.S. emerging from slavery, he observed. We don't want to make the same mistakes you made in returning to inequality under a new guise after Reconstruction.

The poverty experienced by rural black South Africans was paralleled by the accumulation of riches elsewhere, he noted. Rural South African communities even subsidized the education of the current U.S. president, referring to Clinton's Rhodes scholarship established by the South African mining magnate.

There are, of course, a multitude of differences between the historical experiences. Comparisons are not precise, and can be misleading. But with the officially announced "end of apartheid," the parallels between the U.S. and South Africa resonate even more than during the anti-apartheid era.

In the current anxious period before South Africa's first non-racial election, those resisting a free vote call up memories of the die-hard opponents of the civil rights struggle in the early 1960s. There is similar uncertainty whether central government authority will act energetically to ensure democratic rights, or whether many formally committed to law enforcement will collaborate with those resisting change. The international observers flocking to the country, just as outside demonstrators going to the U.S. South, serve to open up the process to outside public scrutiny—and, just perhaps, to stimulate international reaction should something go drastically wrong.

Assuming the election proceeds without catastrophic disruption, and a new government takes office, unequal social structures—and the physical infrastructure of inequality—will remain in place the morning after. The formal achievement of democracy provides only the opportunity, not the guarantee, that the pressing problems which voters want resolved will be dealt with.

After the transfer to formal democratic rule in South Africa, U.S. and South African grass-roots communities will face many similar problems of social justice, violence, and racial inequality. And both face a world in which many possible solutions are ruled out by 'budgetary constraint' and the dominance of free-market ideology.

In many fundamental respects as well as in the details, the situations differ. The U.S. is more 'advanced; the new South African government will represent the majority of historically disadvantaged and elements of South African civil society emerging from struggle are more committed to fundamental change than in the U.S. Many more differences could be cited. But the similarities are close enough—and the ties built over the years of struggle against apartheid...
pervasive enough—that those concerned with social
justice in both countries can and should maintain
contact and learn from each other.

South African civil society will have new
freedoms and a sympathetic
government but enormous
historical disadvantages that will
not disappear for decades. Much
of the leadership of grass-roots
institutions will move into
positions of government responsi-

Assuming the
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inequality... will
remain in place the
morning after.

On the one hand, there is a feeling that the
momentum of the process, the compromises
already made, and the enthusiasm of South Africa's
majority will carry it off. On the other hand,
pertically from those at the grassroots level in
violence-torn areas, there are fears that many—
perhaps millions—of South Africans may be
deprived of an opportunity to vote freely.

Overall responsibility for the process is in the
hands of the Transitional Executive Council
(TEC), which began functioning in December.
The multi-party TEC uneasily shares power with
the incumbent National Party government, but
has become more sure-footed as it gains
experience. Details of organizing and monitor-
ing the election are in hands of an Independent
Electoral Commission (IEC). Responsibility for
ensuring a level-playing field in the media rests
with a newly established Independent Media
Commission (IMC).

The Electoral System

The interim constitution mandates a compli-
cated system of proportional representation. It
is based on division of the country into regions
(or provinces) having less powers than the
National Party (NP) wanted but much more
than envisaged in the initial commitment by the
African National Congress (ANC) to a strong
unitary state. The right-wing Freedom Alliance,
which demands virtual autonomy for ethnic-
based regions, was still dissatisfied.

Central government during the transition period
of five years will consist of a National Assembly
and a Senate. The National Assembly will consist of 400
members, 200 of whom will be elected on the
national level and 200 on the regional level. There
will also be a legislature in each province. The
Senate will consist of ten members from each of the
nine new provinces. Together, the Senate and the

One More River To Cross

As South Africa hovers on the brink of a new era,
the first and indispensable next step is completing
the country's first non-racial elections in a way that
is "substantially free and fair." Most South Afri-
cans—and others who are following events
closely—are simultaneously optimistic and worried.

South African counterparts, and engage in serious
dialogue about how to confront common prob-
lems of social injustice and achieve economic
advancement that benefits majorities.

The anti-apartheid struggle in the old mode is
over, just as the classic civil rights struggle ended
with the end of segregation laws and the formal
achievement of voting rights. In the struggle for
social justice in South Africa as well as the U.S.,
that's when the hard part begins.

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PRODUCED BY: Imani Countess (Executive Director), William Minter, Kristen Lee, Siza Tshekala, Pemilla Salli, Scott Cooper and Susan Masse.
National Assembly make up the Parliament, which will write the new constitution.

Each voter will receive two ballot papers. One will have the list of parties running at the national level, the other the list of parties running in the voter’s province. All South African citizens of 18 years of age or older are eligible to take part in the elections.

Voters vote for parties, not for individuals, and party representation is based on the proportion of votes each party receives. Each party has a list of candidates in order of priority. The ones elected will be those high enough on the list to fit into the number of seats the party wins.

The votes will be added up in four different ways for:
- National representation on the National assembly;
- Regional representation on the National assembly;
- Provincial legislature in the regions;
- Indirect representation through the provincial legislatures to choose the national Senate.

The interim constitution requires a government of national unity for a 5-year transition period. For every five percent of the votes a party gets, it will be entitled to one post in the CABINET.

A PRESIDENT chosen by parliament will head the country. The top two parties and any other with 80 or more seats (i.e., more than 20% of the votes) will be entitled to appoint an executive deputy president. The president will have the final say in the governing of the country, but will be obliged by the constitution to consult the deputy
The nine PROVINCES will have their own governments, each with an executive of ten members, headed by a premier. The provinces will have extensive powers and will also be able to draw up their own constitutions, but they will be subordinate to parliament. A recent amendment to the Constitution, however, provided that regional laws will prevail over national legislation on some matters.

In cases of conflict between regional and national powers, the CONSTITUTIONAL COURT will have the final say. The court will be the watchdog of democracy. All laws will be tested against the constitution, which includes a Bill of Rights.

At the conclusion of five years of joint rule, there will be an election for a new government based on the new constitution adopted by the Parliament.

Local elections are scheduled for the end of 1994 or the beginning of 1995. During the transition period, racially separate local authorities are expected to be joined into new local Transitional Executive Councils. Under an interim compromise agreement only 40% of the seats in these councils will be by proportional representation; the remaining 60% will be equally divided between African wards on the one hand and white, Indian and Coloured wards on the others. Provincial committees will monitor the implementation of these transitional local government structures, which must be established by May 2.

**Major Obstacles To A Free And Fair Vote**

Speaking at a conference of anti-apartheid groups in Brussels at the end of February, IEC chairman Judge J.C. Kriegler stressed that he and others involved in the process were going by “optimism of the will and pessimism of the intellect.” The Afrikaner judge, attributing the quote to the Italian Marxist theorist Gramsci, cited his presence in an anti-apartheid gathering as a measure of the changes that had already taken place.

The IEC’s 16 South African members and five international members, including one American—Gay McDougal of the Lawyers’ Committee for Civil Rights under Law Southern Africa Project—have very substantial legal powers on paper. By election time they expect to have some 200,000 employees. But implementation and enforcement will not be easy.

The short time for voter education in the mechanics of a complex process, in the context of a high illiteracy rate, poverty and distrust for the authorities, poses a formidable challenge. A host of voter education groups are now struggling to reach out to the estimated 22 million eligible voters in South Africa, of which more than 18 million have never before voted, and have no knowledge of electoral procedures, electoral laws or the voting process. An estimated 50% of eligible voters cannot read. More than 40% live in inaccessible rural areas. The last-minute change from a single to double ballot has added to the complexity of the process.

In a poll last fall sponsored by the USAID-funded South African Election Support Project, 38% of potential African voters said they were not sure their vote would really be secret, and 60% said they were afraid there might be violence on election day. Nevertheless, 88% said they were likely to vote.

Their chances of actually doing so will depend on the extent of violent disruption and how the South African security forces respond to it. Although a national peacekeeping force including troops from different parties was recently formed, no one expects it to be capable of playing a significant role by the time of the election. The South African security forces, on
the other hand, have been repeatedly and credibly accused of complicity in violence, or, at the least, of failing to respond to it in an effective and impartial way. The big question is: To what extent, how quickly and how consistently will they prove their announced intention to act impartially and firmly to ensure a smooth and democratic transition?

Until mid-March violence and even a total ban on voter education in some areas threatened as many as eight million of the estimated 18 million African voters in Bophuthatswana, Natal/KwaZulu, small rural communities and white-owned farms, and violence-torn townships, particularly on the East Rand. Despite the dramatic collapse of Bophuthatswana, opening up election prospects for an estimated 1.5 million voters, there are many areas where the obstacles are still formidable.

Bophuthatswana

Even after the conclusion of multi-party negotiations late last year, the regime of President Lucas Mangope in the nominally independent “homeland” of Bophuthatswana (“Bop”) rejected the new constitution and refused to allow election campaigning. A March 11 Amnesty International report documented increased repression and human rights violations. Voter educators, political activists and church organizations were prevented from organizing meetings to inform voters of their rights.

As the government and the TEC debated possible action, Bop citizens took the initiative. Civilian demonstrations and a strike by civil servants culminated in a confrontation over the weekend of March 11. Despite intervention by white right-wing commandos, the homeland’s own troops and South African forces restored order. Mangope was ousted, the homeland came under central administration.

The confrontation in Bop was the first visible sign that there might be energetic action to secure a free vote for all South Africans. But Mangope’s regime was widely thought to be only the weakest link in the Freedom Alliance opposition to the election.

The White Rightwing

Another major threat has been the white right-wing, grouped under the umbrella of the Afrikaner Volksfront (AVF) and including a wide variety of political groups and paramilitary networks. Rejecting the new constitution and lobbying for an Afrikaner “Volksstaat” organized on ethnic lines, right-wing leaders have threatened to disrupt the election. Their followers are well-armed and spread throughout the country. Their influence is particularly strong on farms and in small rural communities.

The major unknown factor, however, comes from their links with collaborators in the police and security forces. Even police and soldiers who do not agree with the right-wing may be reluctant to act against their ethnic brothers and, in many cases, their former colleagues. The confrontation in Bop, in which both homeland security forces and the national army acted against the right wing, indicated that the right-wing threat may have been overblown. But the critical tests are still to come.

Eight people have been arrested of suspicion in bomb attacks in recent months; but more bombings are likely. Many white farmers have been openly denying access voter education workers and election campaigners. Over 100 town councils in rural Orange Free State and the Vaal have passed resolutions declaring their
The South African police were repeatedly charged by human rights groups with aggravating rather than containing the violence.

The police were repeatedly charged by human rights groups with aggravating rather than containing the violence. In February, after negotiations at the TEC, a new peace plan for the East Rand went into effect, and the South African Defence Force moved in to replace the controversial police units.

Violence declined, with deaths for the entire PWV region in February down to 69, from a high of 310 in the East Rand alone in August 1993. But Inkatha has refused to cooperate with the plan, and threatened to force hostel residents to boycott the election. A recent poll found that 52% of hostel residents nationwide would vote for the ANC, but Inkatha leaders have warned that those who vote will be expelled from the hostels.

Natal/KwaZulu
By far the most dangerous flashpoint, however, is Inkatha's stronghold in KwaZulu and Natal. No one expects Buthelezi to succumb easily to the same fate as Mangope. Natal is the most populous province, with as many as 4 million African voters, almost all Zulu-speaking. Polls indicate that a majority support the ANC, and even among Inkatha supporters a recent poll in Natal showed that 47% wanted to contest the vote while only 31% supported Buthelezi's boycott posture.

A substantial minority of traditionally-oriented Zulu-speakers support Inkatha, however. Traditional monarch King Goodwill Zwelithini has recently been even more militant than Chief Buthelezi, demanding a sovereign Zulu state.

So far, in the runup to elections, violence in KwaZulu has continued to escalate, and the territory is divided into a patchwork of communities dominated by Inkatha or the ANC.

Despite ANC attempts to compromise, voter education workers and potential voters as well as ANC campaigners in the region have been continuously threatened and harassed and even killed while trying to organize meetings and election activities.

As election day approaches, key questions remain unanswered. Will Buthelezi back down from the brink? Will civil servants and police in KwaZulu have second thoughts and split with the hard-line Inkatha faction? If violence continues to escalate, what action will the TEC and the South African security forces take? If needed, will the U.S. and the international community...
More than 12,000 IEC monitors will monitor the voting at the polling stations.

Monitors, Observers and the U.S. Role

Election organization and monitoring

At the top of the pyramid of voter education and organization of the elections is the Independent Electoral Commission (IEC), which has separate sections responsible for administering the election, monitoring, and adjudication of disputes. There will be around 9000 voting stations, many remote from established telecommunication and transport infrastructures. The aim is to ensure that no voter has to go more than 10 km from home to vote.

More than 12,000 IEC monitors will monitor the voting at the polling stations. There will be at least one IEC monitor for each polling station. An IEC investigative unit can quickly institute prosecutions against suspected offenders in special judicial tribunals established in order to deal with political breaches of the rules. And the IEC has the discretion not to count votes from an area if the process is sufficiently disrupted. (International and NGO representatives will also be involved in "monitoring," but technically their status is "observers," with the obligation of reporting matters needing action to the IEC "monitors.")

Voter education and South African NGOs

NGO voter education inside South Africa is being coordinated by the Independent Forum for Electoral Education (IFEE), a coalition of over 30 NGOs. IFEE is represented, together with the South African Broadcasting Corporation and other groups, on a joint body responsible for coordinating voter education broadcasts on radio and TV.

Organizational confusion has been intensified by the separate formation, recently, of the Business Election Fund, which is running its own initiatives. Since its formation, the IEC has the authority to oversee and monitor all the other programs.

While duplication and competition are inevitable, it also seems likely that the vast majority of South Africans will be bombarded at least with the fundamental message: "Vote!"

Beginning in 1992, the South African Council of Churches (SACC) and the South African Catholic Bishops Conference (SAGBC) set up a programme called the Ecumenical Monitoring Programme in South Africa (EMPSA). The original aim of EMPSA was to bring international church partners to South Africa, to work with local counterparts to monitor violence in the country as well as the negotiation process. Now the mandate has expanded to include election observation. Approximately 200 international monitors, designated observers according to official election terminology, will take part in the EMPSA program.

UN and other Governmental Involvement

There will be up to 5,000 governmental and nongovernmental international observers expected to be officially registered with the IEC, not counting the host of others making their way to South Africa as journalists, activists or political tourists. Observers representing international intergovernmental bodies will be coordinated by the United Nations Observer Mission in South Africa (UNOMSA), which was established in mid-September 1992 with 50 observers. By the end of March, UNOMSA observers are expected to reach 500, with the numbers rising approximately 1700 to 1800 by election day. Around 50 U.S. citizens will take part in the UN international monitoring group.

UNOMSA, which has no direct responsibility in organizing the elections, will monitor the actions of the IEC, observe the extent of freedom of organization in South Africa, monitor compliance of security forces with laws and decisions of the TEC, and verify the activities of the Independent Media Commission.

Other intergovernmental observers, from the OAU (Organization of African Unity), the European Union, the Commonwealth and individual governments, will bring the total of UN-coordinated observers to close to 3000.

The major U.S. role, apart from participation in UNOMSA, has been USAID assistance for voter education programs. In February 1994 an extra $10 million was added to the previous $30 million earmarked for the elections. Of the additional funds, some will be used for further
voter education and expenditure related to the switch from a single-ballot system to a double-ballot system.

U.S. NGOs and Major Organizations Involved

A large number of U.S. NGOs have been involved in voter education programs or campaigning, and will be involved in election observation. Among the major players:

- In voter education the USAID-funded South African Election Support Project, a joint initiative of the National Democratic Institute (NDI), the International Republican Institute (IRI), and the Joint Center for Political and Economic Studies (JC), is one of the biggest projects. Participating in training has been available to political parties and organizations that have not previously competed in multiparty elections, who subscribe to the principle of non-violence, and whose support is drawn principally from the formerly disfranchised groups of population. Participating organizations presently include the ANC, AZAPO and the Inkatha Freedom Party.

- In fundraising, corporation executives and other prominent Americans organized the South Africa Free Elections Fund (SAFE) in mid-1993, targeting corporate donors for support for the election process. The Fund for Democratic Elections in South Africa (FDESA), an initiative by long-time anti-apartheid supporters, launched a drive to raise at least $1 million in campaign funds from grassroots activists. It contributes directly to the ANC Elections Commission.

- The Southern Africa Project, Lawyers Committee for Civil Rights under Law, is coordinating observation efforts by U.S. NGOs. The Lawyers Committee is responsible for liaison on behalf of U.S. NGOs with the IEC, non-official South African observer groups, and other international observer groups on issues of accreditation and placement. The Committee will also, if necessary, facilitate contact between U.S. organizations monitoring in the same areas so that they may coordinate their activities.

U.S. NGOs sending delegations include many national and church groups, in addition to those going as EMPSA monitors. [Kristen Lee, of our office, who served as a EMPSA monitor last summer, has been invited to return to help supervise new monitors.] There will be at least 100 observers in several trade union delegations. The NAACP is sending 25 observers. Other national and local anti-apartheid, human rights, legal groups, and universities are also organizing delegations.

Everyone involved admits that coordination is already a nightmare and will get worse. But while most groups are discouraging “political tourists” without background on South Africa, everyone is aware that the more observers, as long as they are properly organized, the better chance disruption may be deterred. Or if it is not, that the international community may rouse from inertia and react.

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The South African Election Support Project
Phone: 11-339-2920/2904 • Fax: 11-339-5204

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EMPSA U.S. Contact: U.S. Catholic Bishops Conference
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To make contributions:
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The Morning After

The statistics of inequality under apartheid are well-known. Less often noted is the weak economic growth of recent years, which economists stress is not just due to sanctions but also to structural economic weaknesses and policy errors. The combination poses formidable challenges for a new government, and sets the context for an intense policy debate.

Practically everyone agrees that growth and redistribution must both be on the agenda, but deciding where to strike the balance and what specific policies to adopt reveals profound disagreements.

South Africa has been deeply affected by worldwide economic trends, compounded by the political uncertainties that face potential investors. The country’s annual GDP growth rate declined from almost 6% in the 1960s to less than 4% the following decade and to barely 1% during the 1980s. The South African economy contracted sharply during the recession-bound 1990s. Per capita income has declined each year of the past 12 years.

Despite its reputation as a rich country, South Africa is still overwhelmingly dependent on primary product exports (including gold). Its manufacturing industry is largely uncompetitive on a world scale. The educational and other deprivations to which its majority population has been submitted, moreover, are an economic handicap in a world in which competitiveness is linked to capacity for technical adaptation and innovation.

That is the context in which apartheid’s legacy must be addressed. Despite reforms implemented in the last years of the apartheid regime, and the strength in recent decades of the trade union movement, the statistics are still shocking.

A Legacy of Injustice

South Africa’s population is currently estimated at 41 million (75% African, 14% white, 8.5% colored, 2.5% Indian). And the race hierarchy can be observed virtually in any sector.

Legally enshrined and governmentally enforced discrimination has been a feature of the South African social order for over 300 years, and was sharply intensified in the last fifty years. Both the economy and the social order are profoundly marked by this past. Removing inefficient bureaucratic duplication, discriminatory habits and the social consequences of enforced separation in housing, education, health and other areas will be an enormous task.

About 25% of South Africans live in grinding poverty. At least 7 million South Africans are homeless. Millions of black South Africans live in shacks with no sewage system, no water, and no electricity. Fifty percent of the country’s population is illiterate. According to a 1989 business survey, over half of all African families live in extreme poverty - earning less than R400 (about $170) per month, compared to 2.6% of whites in that income category. Sixty-one percent of infant deaths among black families are caused by malnutrition.

A recent World Bank report estimated that South African whites have a personal per capita income level that is 9.5 times higher than Africans, 4.5 times higher than people classified as colored (mixed race) by the apartheid system, and three times higher than Asians. The most recent data (from 1991) show South Africa as the most unequal developing country in the world among the 36 for which data is available. The poorest 40% of households earned 4% of total income, while the richest 10% earned more than 50%.

Patterns of inequality extend beyond income to access to services and education, employment opportunities, and wealth, all still heavily inclined toward the white population. It is generally accepted that unemployment among Africans is far higher than among other groups. Only an estimated 41% of the African labor force is employed in the formal economy, for example.

Reflecting the country’s relative wealth, South Africa’s child death rate of 73 per 1 000 live births is lower than the 183 per 1000 average for Sub-Saharan Africa. But, calculates the latest UNICEF report, it is more than double the world average for countries of comparable wealth. This health deficit—paralleled by comparable backlogs of social investment in education, housing and other areas—is a national economic handicap as well as a moral scandal.

...South African whites have a personal per capita income level that is 9.5 times higher than Africans...
Ownership of property is even more unequal than income. Almost all the major companies listed on the Johannesburg Stock Exchange (JSE) are white-owned and controlled. The Anglo American Group's accounts for 43.3% of the capital of stocks traded, the Rembrandt Group 13%, Sanlam 10.5%, South Africa Mutual 9.7%, and the Liberty Group 7.2%. Together these companies control over 80% of all stocks traded on the JSE. There are only three black-owned companies listed, two established in the last year.

All black-owned businesses combined account for less than 1% of South Africa's total economic output. Less than 3% of middle management positions and less than 1% of top management positions are occupied by Africans.

The Constraints of Policy Debate

There has been no lack of advice and debate about what should be done next. Everyone from the present government and the business community to the World Bank and USAID have been eager to 'educate the ANC.' The world economic climate and recession in South Africa, the collapse of state-socialist models in Europe, commitment to a government of national unity and restraining white flight—all have combined to produce a sobering pragmatism among future government officials. Talk of socialism and nationalization has been played down, if not entirely abandoned.

Yet many in the ANC's grassroots constituency expect and will demand drastic changes. There are suspicions that supposedly disinterested economic advice from beneficiaries of the old order disguises self-interest in deflecting challenges to the domestic or international economic hierarchy.

The detailed issues are complex. They are being fought out now in debates within a series of forums, involving government, business, trade unions, civic groups and others. Outside donors, most prominently including the World Bank, have taken a leading role, building on their advantage in mobilizing detailed data and advice. Once a new government takes office, the battles will shift in part to inside bureaucratic maneuvering.

So far, the parameters have been set by two primary positions. The outgoing government advocates a supply-side emphasis on providing investment incentives. Innovation is apparent in military budget cuts, increased social spending, and finance for small and informal-sector business. But the driving force of Finance Minister Derek Keys' Normative Economic Model (NEM) is lower tax rates, in the hopes of stimulating the private sector. This is a recipe for the status quo with minor modifications, say critics.

The World Bank has produced policy recommendations on sectors such as agriculture and housing, stressing reliance on market mechanisms. And it has proposed a policy committed to "export-led growth" with particular emphasis on rationalizing the tariff structure and reduce protection for domestic industries.

The ANC's program, in contrast, lays the major stress on jump-starting the economy with major social infrastructure expenditures. This program of relatively moderate reform, with little remaining hint of 'socialist' policies, has nevertheless been strongly criticized by more conservative economists as a 'populist' approach doomed to economic failure.

Status Quo Plus

The South African government and business community have strongly argued that the country's economic development would best be served under the banner of "growth through privatization and deregulation". Arguing against the past apartheid state control of the economy and warning against future government intervention under a majority government, they say deregulation will free up the economy and eventually lead to effective redistribution by allowing participation without racial restrictions.

They point to the growth of backyard shops and the black taxi business, even under stifling apartheid conditions, as prime examples of the free-market energy that could be released.

Deregulation, they argue, can be followed by extensive privatization. Targets for privatization include not only government-owned corporations (shares of many of which have already been sold to private investors), but also state-owned land and housing, as well as many health and education services.

State-owned land and housing, which includes the black townships surrounding white
cities, could be sold at a nominal value to current occupants. The money received by the government could be used to retire debt and lower taxes. While there may be an immediate need for state-funded health and education, these services should also be systematically privatized as much as possible. To criticisms that the poor will lose out in such a private-market environment, conservatives argue that if there is a sufficient demand for a certain good or service—even low-cost health care, education and housing—the market will always be the most efficient mechanism to provide it.

Proponents of this approach argue for extensive reform in the public sector. They say savings can be mobilized by reforming the tax system, reducing distortionary transfers and subsidies, economizing on the wage bill, disengaging the government from direct involvement in such economic activities as marketing and production, and curbing unproductive outlays on the military and nonviable projects. They agree on public expenditures for essential public services, including expansion of health and education, and social safety net mechanisms. But they argue the primary effort should be to create a favorable environment for private investors.

Among the priority measures:
- continued liberalization of prices, foreign trade, and the exchange system, which provides increased access to foreign exchange and imports;
- simplification and rationalization of the tax system, to make it more transparent and equitable, and reduction of the tax burden on the private sector;
- privatization of loss-making state enterprises, transforming them from receipts of government subsidies into profitable entities that pay taxes and thus help finance necessary public expenditures;
- labor market reforms to introduce greater flexibility in wages and employment decisions at the enterprise level; and
- reforms to make the financial sector more accessible to private investors and better equipped to mobilize savings.

Advocates of this generally supply-side economic policy say belt-tightening and restriction of consumption may be necessary in the short run. It will pay off, however, in future growth.

A Chastened Reform Agenda

In the words of the ANC’s Secretary for International Affairs Thabo Mbeki, today, there is a clear awareness that both redistribution and growth are necessary. “To find the right mix of economic policies to provide for the urgent needs of those who have been excluded, and simultaneously to ensure through growth that their aspirations are met more fully in the future, is one of the crucial challenges that faces South Africa,” Mbeki explains.

The ANC admits that without significant economic growth, it will not be able to address the pressing problems of economic inequality, poverty and stagnation. Increasingly, its views of what is possible have been adjusted downwards, and its energies directed towards reassuring domestic and foreign investors, as well as the multilateral financial institutions. But it still insists that a new growth path should be based upon satisfying the basic needs of the impoverished and deprived majority of South Africans.

This perspective has been worked out through considerable debate in a series of documents, including the reconstruction program laid out by the Congress of South African Trade Unions in 1992 and the report by the Macroeconomic Research Group (MERG) in December 1993, The Reconstruction and Development Program (RDP)—incorporated into the ANC’s election manifesto this January—went through more than five drafts before it was adopted.

The RDP mandates strong roles both for the state and the private sector:

“The democratic state shall ensure that the entire economy serves the interests and well-being of all sections of the population; the state shall have the right to determine the general context within which economic life takes place and define a limit to the rights and obligations attaching ownership and use of productive property; the private sector of the economy shall be obliged to cooperate with the state in realizing the objectives of the Freedom Charter in promoting social well-being; the economy shall be a mixed one with a
The historical ties of South Africa with its neighbors are intimate and unequal.

Advocating a strategy of "growth through redistribution," the ANC's program in economic terms lays greater emphasis on the demand side of the equation. A more equal society—with the aid of vigorous state action—will increase consumer demand in multiple ways, thus stimulating investment and promoting economic growth. Among the areas stressed as needing immediate attention are:

**Redistribution of income:** Firstly, for providing a mass consumption market, this will enable domestic business to operate with greater efficiency. Secondly, increasing incomes at the low end of the scale is an essential requirement for the growth of the very labor-intensive manufacturing sector, including the "informal sector".

**Redistribution of educational opportunities:** The radical transformation of the current wasteful education system to one which could contribute to economic development is crucial. Deliberate increased investment by a post-apartheid government in education, skills acquisition, research and development will have a positive impact on economic growth.

**Redistribution of infrastructural expenditure:** The provision of housing in a post-apartheid South Africa, a political and social necessity, can also contribute to economic growth. Construction makes a direct contribution to GDP and also provides important linkages, especially if related to a transformed construction and building material sector. More permanent settlements, coupled with widespread electrification, telephones and roads can become powerful employment creators. The multiplier effect on related industries will further boost accumulation of wealth.

**Redistribution of power relations on the shopfloor.** The repressive authoritarian production relations of apartheid are no longer conducive to manufacturing capacity. Modern competitiveness requires that the labor force be treated as a resource rather than a cost to be minimized, and that organized workers have a major role in economic development, including planning.

The economic arguments for the alternate framework are laid out in most detail in the MERG report, the product of a collaborative effort on behalf of the ANC by South African and international economists. The 330-page *Making Democracy Work* proposes massive cash injections into education and training, job creation, housing and health. It is based on a two-stage strategy: the first five years concentrating on public investment and the second on phased growth with an emphasis on private sector investment.

The report details macroeconomic projections, criticizes the accuracy of government data in the NEM, and makes specific proposals for major economic sectors. Controversial proposals that contrast dramatically with the status quo include, to mention only a few, a national minimum wage, a land-distribution program focusing on female members of landless households in rural areas, and tripling the number of state-backed housing sites from the current 100,000 to 300,000 a year. It argues for focus on eliminating government inefficiencies due to duplicated apartheid institutions and a case-by-case approach to state-owned enterprises, rather than across-the-board privatization.

Once the new government takes office, it will have to walk a narrow line between making compromises that are really necessary and conceding so much to entrenched bureaucracies and conventional wisdom that little changes for the majority of South Africa's disadvantaged. Government officials committed to substantive change will need support—and constructive criticism—from grassroots organizations in South Africa's civil society and their outside allies.

**South Africa in Africa**

The historical ties of South Africa with its neighbors are intimate and unequal. Even discounting the enormous destruction of apartheid's total strategy wars of the 1980s, which caused over $60 billion in damage (more
than twice the region’s annual Gross Domestic Product), the relationship has been an unequal one. Migrant laborers and some raw materials have flowed from the region to South Africa; services and manufactured goods in return.

Although South Africa has one-third of the population of the sub-continent, it has three-quarters of the region’s GNP. South Africa’s GNP is three times that of the Southern Africa Development Community (SADC) countries; its GNP per capita is almost two-and-a-half times that of the rest of the region.

There are contradictory expectations for what the end of apartheid may bring for South African relations with the rest of the continent. On the one hand, southern Africa and indeed the entire continent are eager for mutually beneficial trade and other economic ties. On the other hand, particularly in those countries with the most experience and closest ties, there are fears that South African entrepreneurs will dominate and take unfair advantage. The purchase of land by white South African companies and farms is already a major issue in Mozambique.

Other analysts caution that South Africa has its own enormous backlog of social investment. It may simply concentrate on domestic issues, and, with its relative prominence on the world agenda, inadvertently drain off investment and aid funds that might have gone to other African countries.

Yet with the worldwide trend towards economic integration, the advantages of closer ties between South Africa and the rest of Africa are undeniable. Both SADC and the Common Market for Eastern and Southern Africa (COMESA, formerly the PTA) are planning on including South Africa. The ANC has pledged to build mutually advantageous relations with African states. But working out the details will be complex.

Nelson Mandela, in a recent article in Foreign Affairs, stressed that “southern Africa will only prosper if the principles of equity, mutual benefit and peaceful cooperation are the tenets that inform its future.” He pledged that “democratic South Africa will, therefore, resist any pressure or temptation to pursue its own interests at the expense of the sub-continent.”

Mandela added that any program for regional cooperation must be “sensitive to the acute imbalances in existing regional economic relations” and “carefully calibrated to avoid exacerbating inequities.”

According to Tito Mboweni, Department of Economic Policy of the ANC, “Significant opportunities exist for a democratic, post-apartheid South Africa to expand its economic relations with its neighbors.” This implies, he noted, that South Africa would have to find ways of increasing purchases not only of oil, power, water and a variety of raw materials but also of certain manufactured goods. The exploration of countertrade (barter) might ease some of the foreign exchange constraints on trade within the region.

Yet South African relations with Africa will not only be influenced by ANC policy, but also by bureaucratic maneuvering, business lobbying and broader international pressures. The recent GATT agreement, for example, will constrain both South Africa and its neighbors in negotiating protection arrangements for their industries. Some trends may be difficult to manage for mutual benefit even if South Africa and other governments agree.

The last 20 years, for example, have seen significant changes in the pattern of migration between South Africa and its neighbors. The official flow of migrant labor to the mines was reduced substantially by South Africa, for both political and economic reasons. Illegal migration, particularly of Mozambicans fleeing Renamo.

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**Case Study #1:**

The Bay Area Southern Africa Network (BASAN) was formed in 1989 as The Bay Area Anti-Apartheid Network, an association of 25 community, civic, labor, church, academic, and cultural organizations which had long supported democratic movements in South Africa. With the release of Nelson Mandela in 1990, the Network, along with community leaders and political groups, organized a successful public event celebrating his freedom. The event, featuring actor Danny Glover, raised a donation more than $11,000 for the ANC.

The BASAN has continued involved in education and fundraising leading up to the South African elections, and plans to maintain its expanding links to South African community groups. The network shipped tens of thousands of dollars worth of computer and communication equipment shipped to help out with elections. Another ongoing project for library support has already sent thousands of books to South African communities that are without library facilities. Its last shipment of 20,000 books went to a library in the northern Transvaal region. “We are expanding the project to other rural areas in South Africa that have long been deprived of educational resources,” says Kathy Cook, one of the organizers.

Contact: BASAN, 3254 Adeline St., Berkeley, CA 94783 (Tel: 510-232-7633; fax: 510-841-4410).
Case Study #2:
The United States South Africa Sister Community Project is a non-profit organization which works to support local and community based initiatives for social and economic justice in South Africa. Since 1987, the organization has been working to promote linkages between local cities in the USA and disadvantaged communities in South Africa.

Established at the urging of the democratic movement in South Africa, the project began with a Sister Community linkage between Berkeley and Oukasie near Pretoria.

Since then, a total of 11 linkages have been officially established. Initially the project focused on human rights issues, particularly communities threatened with forced removal. The project continues to highlight the struggle over land rights in South Africa, as a critical step in overcoming the legacies of apartheid.

But it also focuses on community development issues, providing a combination of material, political and technical assistance to communities.

There are central offices in California and in Johannesburg to help with coordination. But for the most part the linkages operate as a decentralized network, with each pair of communities setting their own agenda. Among the activities:

- **Seattle** has helped support teacher training for a preschool in Dalite near Queenstown in the eastern Cape Province.
- **Chicago** is linked to **Alexandra**: Chicago activities include an annual June 16 Walkathon, held every year for the last five years. In 1993 nearly $10,000 was raised for voter education in Alexandra.

Contact: USSASCP, 3254 Adeline St., Berkeley, CA 94783 (Tel: 510-601-7635; fax: 510-655-7440) or Box 5326 Johannesburg 2000 South Africa (Tel: 11-834-1677; fax: 11-834-8385).

attacks and economic disaster, grew enormously. Professionals from other African countries took jobs in South Africa, particularly in the homelands in significant numbers. In recent years both professionals and informal sector traders from as far afield as West Africa have flocked to South Africa. These trends, driven by structural economic disparities, will not easily respond to policy mandates. And they hold the potential for significant conflict between immigrants and South Africans, just as do similar flows from Third World countries to the U.S. and Europe.

The challenge of substituting structural inequality with sustainable programs of affirmative action, between South Africa and the region, is just as great as in the domestic arena within South Africa. Balancing reliance on the market with necessary state programs will be no easy task. In both arenas, it will require intensive debate on the details as well as good will to construct a viable post-apartheid alternative.

**U.S./South Africa Post-Apartheid Cooperation**

In the apartheid era, the debate was primarily focused on how U.S. government and business either reinforced or challenged the apartheid system. Anti-apartheid activists built their own links with the exiled liberation movements and civic groups inside South Africa. As a new government takes office, relationships at official and business level will take on increasing prominence. But such ties will prosper on a sustainable basis and be mutually beneficial only if they are rooted in continuing and expanding broader ties among institutions of civil society in both countries.

While attention is currently concentrated on the elections, there has already been much focus on the future. Among recent developments:

**Government**

The administration is considering proposals to commit as much as $160 million for USAID programs in South Africa. WOA and other Africa advocacy groups argue that South Africa does indeed need new funds, and that now is the time to make the commitment. Africa advocates agree that such funds should be new commitments, but unless there is significant pressure it is likely they will instead be taken from the Development Fund for Africa, thus setting up a competition between South Africa and other African countries and taking funds away from even needier areas.

At the same time USAID program commitments in South Africa are shifting from the agenda defined by the Comprehensive Anti-Apartheid Act of 1986, under which there was substantial support for education, human rights and political empowerment of the disadvantages. The program is expected to continue its emphasis on support for NGOs, instead of government-to-government programs.

As an increasing proportion of the program is dedicated to “economic empowerment,” there is concern among progressive NGOs in South Africa that it will be used to push the agenda away from state and community involvement in favor of purely market-oriented initiatives. Some USAID training and institutional development for NGOs has been accused of emphasizing accountability to elite actors such as donor agencies rather than
The ties between a wide variety of U.S. institutions and groups and their counterparts in South Africa have grown enormously during the last two decades or more of public prominence of the anti-apartheid cause, accelerating during the 1980s and continuing, if changing shape, in the last four years.

Also of concern are broader economic issues, in which the U.S. reinforces international economic policy trends limiting South African options. The recently concluded Uruguay Round of the GATT talks, for example, is calculated by the OECD to produce $2.6 billion a year in trade losses for Africa by 2002, including $400 million a year in losses for South Africa. OECD countries (Europe, USA, Japan) gain $124 billion. Some sectors in South Africa may benefit, but job losses are estimated as high as 4% in labor-intensive industries like textiles.

Many similar issues will face the new South African government as it confronts a difficult international economic policy environment. “South Africa should bargain with [the IMF and World Bank] from a position of strength and negotiate terms which support a strategy of development,” argues the MERG report for the ANC. If USAID serves, as past practice indicates, as leverage to reinforce indiscriminate acceptance of the advice of these institutions, it is quite possible that its positive contribution to South African development will be outweighed by the negative impact.

Business

U.S. companies are returning to South Africa following the lifting of sanctions, with 42 counted by the end of 1993, of more than 200 which left South Africa since 1984. Twenty-one top executives accompanied Secretary of Commerce Ron Brown on a visit to South Africa in December, at which he that the Overseas Private Investment Corporation (OPIC) would offer guarantees to stimulate investment.

In March OPIC announced $30 million in loans and guarantees for Black business development, as well as a $75 million for an equity investment fund expected to attract several hundred million in foreign investment. U.S. investors and brokerage firms are reinvesting in the Johannesburg Stock Exchange, encouraged by signs of economic recovery. Smaller entrepreneurs, including many individual African American businessmen, are exploring opportunities in South Africa.

Some state and local sanctions remain in place, and discussions continue on corporate codes of conduct for social investment and workers’ rights (see WNA, Fall 1993). But despite fears that such factors might discourage investment, the principal obstacle still seems to be political and economic uncertainty surrounding the election and policies of the new South African government.

Civil Society

The ties between a wide variety of U.S. institutions and groups and their counterparts in South Africa have grown enormously during the last two decades or more of public prominence of the anti-apartheid cause, accelerating during the 1980s and continuing, if changing shape, in the last four years.

On January 9, 1994, photographer and activist Abdul Shariff was shot and killed in Katlehong township on the East Rand outside Johannesburg. Shariff, 31, was a South African member of the progressive photography cooperative Impact Visuals and was close to the ANC and its trade union movement. He was working on a day contact for the Associated Press to cover the peacemaking visit of ANC Secretary General Cyril Ramaphosa and Communist Party Chairman Joe Slovo to the township. Shariff was one of the coordinators of election coverage for Impact Visuals and a long-term anti-apartheid activist.

Supporters of the Inkatha Freedom Party fired into the crowd of ANC supporters in an apparent assassination attempt, killing Shariff and injuring several others.

A fund has been established in the memory of Abdul Shariff to support South African documentary photography. The New York-based Africa Fund will accept tax-deductible donations on behalf of Shariff's family and Impact Visuals. Please make contributions payable to the Africa Fund and note “Abdul Shariff Fund” on the check. Send to: The Abdul Shariff Memorial Fund, c/o The Africa Fund, 198 Broadway, New York, 10038.
of more open access. Businesses, universities, foundations and a host of other groups became involved, whether out of dedication to the anti-apartheid cause or in response to protesters who demanded some action.

As the character of those ties shift, each group is having to rethink its involvement. Although many face crises of funding as the media conclude that apartheid is gone and South Africa no longer an issue, most are trying to find ways to stay involved and relevant.

For those trying to find out where things stand, a useful starting point is a recent comprehensive report by Ann Micou from the Institute of International Education: *The U.S. Independent Sector as it relates to South African Initiatives: A Directory*. The data is also available on-line in South Africa with SangoNet, available to U.S. subscribers to the NGO Handsnet network. [For more information contact SangoNet (phone: 11-484-3777; fax: 11-484-3557) or HandsNet (phone: 404-257-4500; fax: 408-257-4560)].

Even that listing, however, which includes universities, religious organizations, advocacy groups, trade unions and other NGOs, makes no claim to be comprehensive. There are a wide variety of grassroots initiatives. A few examples are given in the case studies on pages 13, 14 and 16 to make the point that continued linkages in support of the struggle for justice are still needed and are alive.

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**Case study #3:**

Service Employees International Union (SEIU) is one of many U.S. unions that have built close links with the strong South African union movement. In 1985 the AFL-CIO-affiliated SEIU started its own South Africa Freedom Fund to help end apartheid and support South Africa’s emerging black and nonracial trade unions.

The South Africa Freedom Fund supports education and training for workers in various parts of South Africa, concentrating on those organizing in sectors similar to those covered by the SEIU. The first two unions that SEIU developed close ties with were the Brushes and Cleaners Workers Union and the South Africa Health and Allied Workers Union. The first union was affiliated to National Council of Trade Unions (Nactu), the second largest South African trade union federation. The second union is part of a large body of unaffiliated trade unions in South Africa.

Since then, SEIU has also developed relationships with other unions, including the Municipal, Education, State, Health and Allied Workers Union (MESHAWU) and the Vukani Guards and Allied Workers Union, (both Nactu affiliates), as well as the National Education, Health and Allied Workers Union (NEHAWU), the South African Domestic Workers Union (SADWU) and the Transport and General Workers Union (TGWU). The last three are affiliated to the country’s largest trade union federation—the Congress of the South African Trade Unions (Cosatu).

SEIU is involved in financial assistance to South African unions for education, training, and transport for organizers. It is also actively raising money to support the Congress of South African Trade Unions (Cosatu) nominated candidates for the forthcoming democratic elections in South Africa.

Contact: SEIU, 1313 L Street NW, Washington D.C. 20005 (Tel: 202-898-3200)