

Going for growth — while redistributing the cake

• All are equal before the law

A third area of gross misrepresentation occurs under the section entitled "Justice". Because of its narrow, "legalistic" approach, the reader is never allowed to consider the impact of the much abused South African legal system on the wider political struggle within the country. Instead, we are told the South African Police "is a paramilitary national organisation whose functions are to preserve the internal security of the Republic, maintain law and order, prevent crime and investigate offences". Similarly, the primary aim of the South African Prisons Service is "the protection of the community against a threat from criminals who are in prison under legal authority on account of their criminality". When one considers the state's repressive behaviour especially under the State of Emergency, the latter "definition" reads like a sick joke. The harsh reality with which most of apartheid's opponents have to cope, include:

- The gradual erosion, under apartheid, of individual rights.
- Absence of the rule of law, habeas corpus, and related aspects of a sound legal system.
- The perception that the courts are unable to advance, defend or protect rights because they act as the direct agents of the apartheid state.
- The existence of political trials, which seeks to punish those who challenge the existence of the South African state or who seek to mobilise resistance on a significant scale. It also aims at deterring others who might contemplate such activities.

• Capitalism creates wealth

If the Bureau is to be believed, South Africa is a highly successful example of capitalism. The booklet boldly proclaims that apart from a high inflation rate (which is "receiving urgent attention"), South Africa remains one of the cheapest countries to live in. It furthermore claims that the South African economy is based on private enterprise and ownership and a free-market system. The country is therefore by far the most highly developed on the African continent, and serves as the economic mainstay of the subcontinent.

While some of these extravagant claims might in fact be true, the Bureau skilfully neglects to inform the reader of the other half of the picture. That includes:

- In no other country in Africa is the contrast between wealth and poverty as stark as in South Africa. On average, whites earn between three and four times as much as blacks.
- According to Operation Hunger, as many as 1,5 million people are on the verge of starvation. Some rural hospitals report as many as 60 hunger-related deaths a month. The 1981 to 1985 infant mortality rate (number of deaths per 1 000 infants) in rural areas were 12 for whites, 20 for Indians, 66 for "coloureds" and between 100 and 135 for Africans.
- Black unemployment could range between five and six million.

How many people still believe that apartheid, or the new improved version, is the answer to the country's ills? *This is South Africa* could be viewed as a rather weak attempt at brainwashing, were it not that this glossy product is probably finding its way to hundreds of unsuspecting persons. By distributing these pie-in-the-sky fantasies, the Bureau for Information is adding to the deepening of the political crisis in South Africa.

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Some measure of wealth redistribution is inevitable and necessary in a post-apartheid economy. However this would need to be done without damaging growth prospects. This was the consensus among speakers at a seminar on the economic implications of the African National Congress' Constitutional Guidelines held in Durban on 28 June 1989. As one of the delegates so aptly stated, "One can't distribute wealth if you don't create it".

The seminar was hosted jointly by the departments of economics and industrial sociologists at the University of Natal in Durban, and IDASA. It was attended by business people, academics, trade unionists and members of related development and research agencies.

Prof Mike McGrath, head of the economics department at the Natal University in Pietermaritzburg and expert on the subject of income and wealth distribution, spoke of the vast disparities in wealth distribution as a consequence of apartheid social and economic policies.

Comparing South Africa with economies of a similar level of development, he said it should be expected to have a relatively high level of income inequality. However, the added effects of the racial segmentation of the labour market had led to a situation where in 1975 South Africa displayed a greater degree of inequality in income distribution than, "any economy for which family or household income data is available". The situation worsened dramatically between 1946/7 and 1970, and income disparities are still worse than the 1946/7 levels.

Since 1960 economic growth has ensured higher wage rates for black people in employment, however at the same time the level of black unemployment and underemployment has increased. This disparity reflects itself in growing income inequalities between rural and urban areas.

According to McGrath, in the mid-1970s 30% of African households in the metropolitan areas fell below their poverty line income. In the black states 62% of the population and in white rural areas 74% of blacks were living in poverty. By contrast only 4% of whites were in poverty at the same time.

The consequence of this history of income inequalities together with constitutional constraints of the rights of blacks to own capital has left us with a situation where the distribution of personal wealth was such that 5% of the population owned 88% of personal wealth.

Mr Tami Mhlomi, regional secretary of COSATU spoke about the ANC Constitutional Guidelines and the Freedom Charter on which it is based. He endorsed the call for a "mixed economy in which a private sector, a public sector, and a co-operative sector of the economy should exist alongside one another."

He stated that all South Africans had participated in the generation of the country's wealth, yet due to apartheid policies this had been unequally allocated in favour of whites. He therefore believes there would have to be a reallocation of these resources. In particular he called for an intensive investment in housing and education to meet black needs.

He questioned the capacity of the private sector to meet these needs entirely of its own accord and repeated the call for the nationalisation of key economic institutions alongside a range of other redistributive measures designed to boost the economic power of the post apartheid state. He argued that due to past inequalities it would not be sufficient for a non-racial democratic state to create equal opportunities. The state would have to intervene in the economy to attain the wealth necessary to meet the promises of the Freedom Charter.

Dr Ronald Bethlehem, group economic consultant for Johannesburg Consolidated Investments said that in the current international climate it was unhelpful to be caught up in a sterile debate between "capitalist" and "socialist" options for the future of the country. Within both systems the trend was towards a greater market orientation.

He said that South Africa's economy was faced with contradictory needs. On the one hand there was a need to pursue a labour intensive approach to cope with the presently high levels of unemployment and the continual stream of new work seekers. On the other hand greater capital intensity would be needed to improve the country's competitiveness in international markets.



Dr Bethlehem . . . business must remove need for punitive redistribution in future

Dr Bethlehem said he believed the onus rested on the business community to remove the need for future punitive redistribution. He advocated a strategy of "black economic empowerment" as the basis of black exploitation had been relative black economic weakness. Two problems to be confronted in this regard were that blacks would be suspicious that this approach was a "technique to divert people from political freedom". On the other hand whites might fear that increased black economic power would amount to a "depowernment" of whites.

Mr Peter Corbett of the department of economics at the University of Natal in Durban read a paper prepared in conjunction with Professor Gavin Maasdorp of the same department and Professor Ari Sitas, head of industrial and labour studies in the sociology department. This paper drew on the experiences of other countries to look at the implications of proposals for wealth redistribution.

Professor Maasdorp's contribution analysed the types of economic reforms occurring in Eastern Europe as these centrally planned economies (CPE) move towards more decentralised systems.

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The people's man of God



Archbishop Hurley . . . IDASA treats the white survival syndrome.

Also in 1987, Law and Order spokesman Leon Mellet hastily denied Archbishop Hurley's statements that about 25 000 people were being held in detention.

He has indeed come a long way since he first felt the calling during his childhood days on Robben Island, where his Irish father was a lighthouse keeper.

After matriculating at the Marist Brothers College in Pietermaritzburg, Archbishop Hurley entered the Novitiate of Oblates of Mary Immaculate in Ireland in 1932. He studied in Rome, obtaining licentiates in philosophy and theology, and was ordained as a priest on July 9, 1939.

On his return to South Africa, he served as curate at Durban's Emmanuel Cathedral until 1943, and at Pietermaritzburg's St Joseph's Scholasticate of Oblates of Mary Immaculate until 1946. He was named Vicar Apostolic of Natal in late 1946, and the next year became one of the youngest men to be ordained as a bishop. From 1951, he served the territory as Archbishop of Durban. He has twice been president of the Southern African Catholic Bishops' Conference, and is still active in its Justice and Peace Commission. He was appointed a member of the central preparatory commission of the Central Vatican Council in 1961 and has served on several religious commissions.

Archbishop Hurley was appointed as a member of IDASA's board of directors in 1987. He does not hesitate when asked why he chose to become involved with IDASA:

met if the state were to concern itself with black economic empowerment; that is, with raising the share of the black majority in asset ownership and in managerial positions; as well as with guaranteeing equality of access in employment and social services, while nurturing the market as the engine of growth in an efficient, mixed economy.

He proceeded, however, to draw attention to the limits of redistribution and urged "great care and hard-headed, objective analysis in the decision-making process". He then proceeded to outline the mechanisms a future state could employ to redistribute wealth and incomes.

In his closing summary after a lively discussion between the panel and delegates, Professor Maasdorp said, "the seminar had been

"I was impressed by the objectives and purposes of IDASA's two founders, Frederik van Zyl Slabbert, and Alex Boraine. I was impressed by the people they are and by their intentions to educate South Africans to accept the changes which will come, hopefully in peace.

"It's a huge undertaking. Tackling the 'social survival syndrome' of white South Africans, their hanging on to power and privilege, is a noble and difficult task."

Although Archbishop Hurley confesses that his brimming schedule leaves him little time to become as fully involved in IDASA as he would like to be, he approves of the "very practical way" in which the institute is carrying out its task — and its results.

"The institute believes strongly in the method of encounter, of exposing people to the realities of Africa and to new social experiences. IDASA is getting people to face the facts and accept change."

The archbishop does not believe that the NP leadership is facing up to facts with their new "reform" package. "I would like to know if these leaders have the real transformation of South African society in sight, or if they are just trying to pull the wool over our eyes by calling marginal change reform."

And he should know. Archbishop Hurley's achievements are many: he has a string of honorary doctorates in law, literature, social sciences, humane letters and sacred theology from both local and international universities.

The city of Durban bestowed upon him civic honours in 1972, and in 1975, France enrolled him in the Legion of Honour.

In Durban in 1976, he founded Diakonia, an ecumenical agency for social concern, and he was president of the South African Institute of Race Relations in the 1960s, "in the days when it was the most active and liberal agency". His hope is that South African churches will become more active in endeavours parallel to IDASA's. "Some churches already have some very helpful and productive programmes, such as the Anglicans' Partners in Mission and the Roman Catholics' Pastoral Planning programme.

For Archbishop Hurley, politics means the ethics of social and working life and of social relations. And in that field, his dedication to his task as a bishop is tireless.

Meeting welfare goals by economic empowerment

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lised decision-making and resource allocation through a market system.

He concluded by arguing that in the context of moves in the CPE's, "it would be most inadvisable for a post-apartheid government to become preoccupied with issues such as nationalisation of enterprises and land. The welfare goals . . . would be more effectively

grappling with a number of complex issues for which there were no easy answers but that there was an indisputable need to transform the economy to a more just one". To support from the delegates he suggested IDASA host further discussions on specific issues which arose in the discussion, for example share ownership schemes and worker participation on company boards.

• IDASA's Natal office is presently putting together a seminar series entitled, Democracy and the Workplace, which will address topics such as those suggested. This programme begins in September. Further information can be obtained from the Natal office.

Gary Cullen
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