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Title: South Africa's Regional Political Economy: A Critical Analysis of Reform Strategy in the 1980s.

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Introduction

Since the late 1970s the apartheid state has faced a sustained and deepening crisis of legitimation.(1) This crisis has been exacerbated by the attempt, and failure, to implement the post-Soweto 'Total Strategy' reforms - reforms which, in the case of the black people of South Africa, left the territorial and political basis of grand apartheid intact. Since the end of the short-lived boom of 1979-82, the crisis of political legitimacy has been amplified by the slide into economic depression, and the scope for concessionary economic reforms has been drastically curtailed.

For some time, the state has been caught up with the immediate threat of escalating opposition in the townships, the symptoms of the deepening economic crisis and spreading international hostility to apartheid. But while this has been happening, elements within the ruling groups, both inside and outside the state, have for some time been attempting to map out a longer-term strategic offensive aimed at defusing political conflict and re-structuring the economy. Faced with a shrinking material basis for concessionary economic reform and growing mobilisation behind the demand for the extension of political rights, the country's ruling groups have begun the search for political solutions to the crisis.

The schemes now being formulated take as their starting point the ultimate inevitability of political incorporation of black people into a single national state in South Africa. They aim to meet this in ways that ensure that real power remains in the hands of the ruling classes.

The move towards political reforms for black people has gone beyond the stage of discussion and planning in certain areas of policy. Already an important pillar of the emerging strategy has gained expression in local government measures passed in 1985. (2) However much of what is planned has so far only appeared in general policy statements. It is also evident that important facets of the strategy are still in the stage of formulation or are deliberately being held back for the moment. The fluidity of political conditions in South Africa is such that state strategy is the subject matter of open debate and contestation, and is unusually susceptible to official reconsideration and reformulation. Nevertheless we believe it is possible to identify the major contours of an emerging strategy which has been pursued with increasing determination by reformers within the commanding heights of the state since late in 1984.

This offensive is significant in that it goes well beyond the policy package associated with the Wiehahn and Riekert Commission reports, the Koornhof Bills, the new constitution, and the

confederation of ethnic states - it goes beyond the 'Total Strategy' formulated by PW Botha in the late 1970s. (3) In contrast to these policies, it is based on an abandonment of the political and territorial premises of apartheid, though not necessarily of race or ethnicity, and envisages the eventual re-incorporation of the bantustans into a single national South African state.

The manner in which this will occur is by no means clear or decided. However, this process of political re-integration of the bantustans is intended ultimately to result in the re-organisation of the territorial basis of South Africa's economic and political system. Central to the reform strategy is the conception that the present provinces and bantustans will be superceded by metropolitan and regionally-based administrative structures through a process of merging, absorption and cross-cutting of present geographical boundaries. It is this geographic outcome of the intended reform strategy that has led us to describe the complex of evolving measures as the state's regional strategy.

The aim of this article is to describe, anticipate and critically analyse the outlines of the emerging regional strategy. Its three major components are new controls on labour movement and settlement, regional development policies (notably industrial decentralisation), and local and second tier government reforms and corresponding constitutional changes. We examine each of these three components and their interconnections.

These changes are a ruling class response to escalating township struggles, the determined resistence of squatter communities to removal, the dogged efforts of unions to unite migrants and locals and mass rejection of the new constitution. They have also been shaped by the operation of glacial forces which have produced a concentration of industry and population in and around South Africa's metropolitan industrial and commercial centres. The development of metropolitan-centred and wider regional sub-economies over a decade and more, we argue, has eroded the primary division between the 'white' and bantustan areas on which apartheid was constructed; and has eroded the dualistic spatial framework on which South Africa's political economy was based.

A central issue taken up in the paper is the debate over the possible construction of a federal system in South Africa. We examine major alternative conceptions of the basis of federalism - geographic and ethnic - and show how they correspond to or contradict other plans to divide South Africa into metropolitan and wider planning and administrative regions.

The paper ends with an assessment and critical analysis of the regional strategy.

Industrial decentralisation and influx control policies

Labour movement and settlement controls

The basic aim of the urbanisation strategy set out by the Riekert

Commission report in 1979 was to resolve the township crisis by giving recognition to the permanence of urban Africans and to secure their ecoomic welfare by strengthening barriers against competition for urban jobs from the relatively impoverished rural workforce.

The Commission drew a sharp distinction between insiders - 'settled urban Africans' with residence rights under Section 10 of the Urban Areas Act - and outsiders - Africans domiciled in the the bantustans with temporary employment contracts in the white cities. While insiders were to be allowed to move freely within the urban areas subject to the availability of housing and employment, far stricter controls were to be applied to outsiders wishing to enter these areas. The new system of influx control was to be exercised by fortified labour bureaux called assembly centres. (4)

What distinguished this policy from traditional apartheid was official acknowledgement of the right of (a narrowly defined) group of African city residents to remain in white South Africa. This group was to be allowed to move freely between prescribed urban areas subject to the availability of approved jobs and housing. These rights were not, however, to be extended to the political realm. Urban Africans would only be allowed to exercise national political rights within their designated bantustans.

Thus the recommendations set out in the Riekert report were framed within the basic political and geographical premises of traditional apartheid; that the majority of Africans could be contained within the bantustans and that even those who resided in white South Africa could be treated as citizens of independent, or potentially independent, black states.

In the six years since the publication of the Riekert Commission report and acceptance of its recommendations by the government there have been repeated attempts to implement this policy through drafting new legislation and re-organisation of administrative machinery of labour control. All attempts thus far have failed to give effect to the basic Riekert strategy of dividing the African population into insiders and outsiders and implementing the legislation necessary to maintain this division. (5)

The breakdown of the Riekert approach was due to struggles waged against it by squatters resisting removal; by international pressure groups; and also by big capitalists (for example through the propaganda exercises of the Urban Foundation). The organisational efforts of the union movement, which served to unite long-distance migrants, commuters and urban dwellers, contributed to the erosion of 'insider/outsider' divisions rooted in the 'white' South Africa/bantustan divide.

Traditional labour movement controls in South Africa were designed to regulate the flow of African workers from rural to urban, and from bantustan to 'white', areas. However, the de facto incorporation of parts of bantustans into suburban peripheries of various metropolitan areas such as Durban and Pretoria over the last 10-15 years, and rapid and relatively unrestrained migration within bantustans from the rural areas to these metropolitan peripheries within bantustans is an important structural factor underlying recent policy changes.

The crucial consequence of these structural changes is the massive increase in the size of the cross-border commuter labour force and the relative decline in long-distance labour migration. (6) Despite their formal legal status, commuter populations have become effectively indistinguishable from urban insiders, even though they are located on the peripheries of the metropoles. Recent legislation has recognised this by allowing commuters to retain Section 10 rights. What these processes amount to is the occupational and residential stabilisation of the African working class in and around the metropolitan areas - the formation of what we call new regional proletariats in South Africa.

The recognition of regional labour markets and the possibility of creating regional labour markets was considered in the The White Paper on the Creation of Employment Opportunities (1984). It approved of the policy, which

> ...pays particular attention to the need for creating more employment opportunities and places greater emphasis on dealing with labour matters in a regional context. (7)

Similarly the Department of Constitutional Development and Planning has expressed the view that labour supply areas should be identified with specific regions. (8) This clearly cuts right across the Riekert conception of rights of labour mobility being restricted to urban insiders within 'white' South Africa.

The distance of Port Elizabeth, the East Rand and, most importantly, Cape Town from bantustans, has rendered cross-border commuting non-viable in these areas (the Bronkhorstspruit township called Ekangala which is sited in KwaNdebele is altering this situation in the case of the East Rand). Even in these cases the state has proved incapable of preventing the permanent urbanisation of people who previously would have been prevented from entering these areas except as long distance migrants. State attacks on squatters in these areas have given rise to explosive situations - in particular at Crossroads. The resultant struggles received considerable international coverage and forced the state to accept the permanence of large informally settled African populations in Soweto-by-the-Sea and Crossroads; to build new townships in 'white' South Africa (as at Khayelitsha); and to grant leasehold rights to established Western Cape African townships such as Nyanga and Gugulethu. This shift of policy is expressed in the recent scrapping of the 'coloured labour preference' policy in the Western Cape, which reserved jobs in this area for coloured workers.

Organised industry's recently intensified campaign against influx control involves, in part, a concern to defuse the types of conflicts that have beset Crossroads. Capital also recognises that, in one form or another, 'urbanisation' is taking place in spite of influx control,(9) and this makes political costs of influx control appear even higher. Nor are the costs to capital only political: at a time of recession and inflation the administrative costs of influx control, the rigidities that it introduces into the labour market, and its impact on urban wages have appeared far too great.

No doubt some businessmen hope that the exposure of

organised labour to competition from a regional surplus population will put pressure on urban wage rates and thus erode the gains made by the independent trade union movement in the years immediately following the Riekert report. Certainly capital has called for greater play of market forces, involving a wider, more flexible definition of 'urban' and 'urbanisation' policy in an effort to counter this trend. (10)

The fundamental flaw of the urbanisation strategy set out by the Riekert Commission of 1979 was that it failed to address the twin issues of the urbanisation of the bantustans and African rural impoverishment inside and outside the bantustans. The success of its strategy of strengthening influx controls and segregating urban African 'insiders' from 'outsiders' in the bantustans, hinged above all on securing the economic viability and independence of the bantustans as well as the legitimacy of their political systems. In fact the six years since the Riekert report appeared have witnessed a mounting crisis of bantustan legitimacy. This has occurred through the exposure of desperate rural poverty, a flight from the countryside to the urban areas of the bantustans and into the peripheries of the white-controlled cities, increased reliance of Africans resident in the bantustans on incomes earned in the white-controlled economy through migration and commuting, and heavy dependence of the bantustan states on the South African treasury.

The failure of the Riekert strategy has led both the state and capital to reconsider and reformulate urbanisation strategy within a framework which rejects the premises and objectives of traditional apartheid, and to replace it with a concept of 'planned urbanisation'. In essence the emerging policy of planned urbanisation involves a widening of the official definition of 'settled urban' Africans to embrace sections of the de facto urban African population in and around the metropolitan areas. This new definition of the metropolitan areas is expressed in the recent Regional Services Council (RSC) Act. This Act provides for the inclusion of African townships within bantustan areas abutting metropolitan areas into the administrative ambit of these new local government structures.

This last provision is a decisive break with the notion of the bantustans constituting independent economic and political units which underpinned the Riekert strategy. The new definition of a metropolitan area includes urban and (potentially) quasi-urban settlements within parts of the bantustans - those within commuting distance of the industrial and commercial centres of the country. These areas are now being seen as falling within the sphere of the Regional Services Councils.

In another move which corresponds to the shift in policy, some metropolitan administration boards have, for over two years, given 'administrative' Section 10 rights to workers resident in commuter areas, if they previously held such rights in the prescribed urban area concerned. More recently legislation has been passed which enables Africans to retain Section 10 rights after they have been moved from a prescribed area into a bantustan.(11) In this way the meaning of 'local' labour has changed.

The state's current urban policy which acknowledges the

inevitability of African urbanisation, but seeks to control it, has been called 'planned urbanisation'. This policy does envisage the incorporation of some previously excluded sections of the African urban population into the administrative and financial ambit of the new metropolitan regions. But its aim is far from allowing unregulated rural-urban migration and settlement. Rather it aims to limit the growth of established townships in the core metropolitan areas and encourage homeless township families as well as some squatter families to move to new residential areas, called deconcentration areas, which are being established on the peripheries of the metropoles. These residential areas are to be linked to deconcentrated industrial and commercial centres which are intended to provide employment opportunities for the local residents.

There are undoubtedly limits to the ability of the metropolitan centres to generate employment and revenue to cater for growing numbers of African workers and their families leaving the countryside for the squatter settlements on their peripheries. Thus, invevitably, new forms and mechanisms of exclusion are being adopted to complement and make possible those of incorporation of the urban population already discussed.

Central among these mechanisms are the Regional Services Councils which are being developed as powerful administrative and fiscal centres. The proposed employment and turnover taxes which are intended to generate revenue for the Regional Services Councils are clearly designed to increase the cost and reduce the incentive to employ African workers in the established metropolitan centres and encourage their employment in deconcentration areas and development points. If successful, these fiscal measures could gradually replace the overtly racist and repressive direct influx and pass controls presently exercised by the labour bureaux.

Incorporation of new sections of the urban African population under the jurisdiction of these councils necessitates at the same time the exclusion of others. Thus while some sections of the urban population will be targeted as beneficiaries of re-distributive expenditures within the RSCs, others undoubtedly will be excluded. Thus a crucial unresolved issue is the formulation of criteria of inclusion and exclusion.

At the minimum, sections of the population resident in the rural areas within the bantustans will undoubtedly be deemed to have no claim on the revenues generated and controlled by the RSCs. If these people are to be prevented from migrating to the urban areas and thereby increasing urban unemployment, measures must be designed to control movement within the bantustans between their urban and rural districts. In some areas where the tribal labour bureaux have collapsed, the Development Boards are already operating mobile recruitment and registration units which selectively allocate employment and exclude some rural workers from urban employment. (12) Recent work done in the south-central areas of Bophuthatswana has exposed an apparently systematic attempt to harass non-Tswana people in squatter areas who commute to employment in the Pretoria or the industrial areas of Brits-Rosslyn. (13) These examples point to the types of ethnically-based physical movement and settlement controls that may be

expected from the new dispensation.

The evolving system of movement and settlement controls is linked to an emerging housing and employment strategy. The Riekert Commission insisted that the right to move from one urban area to another should be qualified by availability of approved housing and employment in the area to which a person wished to move, and restricted this right to Africans with existing permanent urban residence rights under Section 10 of the Urban Areas Act. These principles are being modified to meet the aims of planned urbanisation. While approved housing and employment remain necessary qualifications for movement and settlement, the standard of housing and employment deemed acceptable is being reduced.

Housing controls within established metropolitan townships have been relaxed to some degree and provision for some new sites made, largely for commercial housing construction and sale. Most expansion is, however, planned in the new deconcentration areas. Some of these areas, such as Soshanguve near Pretoria, may be incorporated into the bantustans, while others, such as Khayelitsha near Cape Town and Soweto-by-the-Sea near Port Elizabeth, are now likely to remain outside the bantustans.

The employment-linked movement and settlement controls advocated by the Riekert Commission are similarly to be modified in order to allow for the accommodation of larger numbers of Africans in and around the metropolitan areas. The essence of this strategy is to de-regulate economic activities in the urban areas and thereby foster the growth of 'informal sector' employment. This will entail the removal of health and safety regulations and exemptions from wage determinations in designated industrial areas.

The concept of 'planned urbanisation' thus seeks to replace bantustan policy with measures designed to regulate population movement and settlement within newly defined spatial units which are centred on the metropolitan areas and embrace neighbouring bantustans or parts of bantustans deemed to fall within their labour supply catchment areas. The objective of this policy is to link such residential areas to industrial deconcentration points not subject to the stringent wage and health regulations and high tax structure of the core metropolitan areas and to promote the growth of employment and income through the fostering of informal sector activities.

Industrial decentralisation

Industrial decentraliation policy has sought for decades to lend economic and political credibility to the bantustans, and was as such predicated on the geographical division between 'white' South Africa and bantustans. When, in 1975, the physical planning branches of the state divided South Africa into 44 planning regions deemed to be geographically and economically 'functional', they were still forced to take as a starting point the continued centrality of bantustan development and 'homeland' policy.

In 1981, however, Prime Minister Botha unveiled a regional

development plan premised on a division of South Africa into eight development regions - the boundaries of which cut across bantustan boundaries, as part of what the Buthelezi Commission termed the 'soft-borders' approach. This entailed the planning of economic development within coherent regions free of the constraints imposed by political borders. Its corollary was the creation of the 'multi-lateral' decision-making structure to co-ordinate development between South Africa and the Transkei-Bophutatswana-Venda-Ciskei (TBVC) states; the Development Bank of Southern Africa; and the establishment of Regional Development Advisory Committees (RDACs) to identify planning priorities within regions.

The eight regions are more than mere abstractions superimposed on the map of South Africa. Rather, they correspond to changes in the geographical patterns of capital location and labour settlement that have been developing since the late 1960s. These changes are, in part, the unintended result of previous decentralisation policies which, more from practical necessity than philosphical conviction, promoted suburban industrial development in places such as Hammarsdale, Brits and Rosslyn. They are also the legacy of the classical apartheid policy of limiting African urban settlement in 'white' South Africa, and promoting growth of towns behind bantustan boundaries.

Industrial development in South Africa's metropolitan centres has been seen as evidence for the validity of spatially dualistic theories. In the radical literature bantustans are believed to be the product of a process of underdevelopment, upon which the expansion of capitalist centres of industrial activity was based. Generalisations of this kind take as their starting point the notion that bantustans occupy a uniform position within a national division of labour. In reality the bantustans are highly differentiated entities - if in fact they can be regarded, economically, as constituting coherent entities at all. (14)

In our view, the expansion of the metropolitan space-economy since the late 1960s has entailed two facets: on the one hand an urbanisation process that has enmeshed and integrated growing sections of the bantustan populations into the metropolitan industrial working classes; and on the other the dispersal to the metropolitan peripheries (on both sides of the 'borders') of productive activities (in part through state inducement) that are closely tied to the central metropolitan economy through specialisation, the industrial division of labour and monopolistic relationships of ownership and control. It is this fundamental economic dynamic that we call integrative dispersal. This concept allows us to grasp the role that bantustans, metropolitan expansion, urban concentration, and regional economies play in a new emerging division of industry and labour. (15)

The new industrial decentralisation policy takes cognisance of these changes in two ways:

1. It seeks to ensure that the growth of metropolitan regions is not unnecessarily limited, and attaches considerable importance to deconcentration points. '... (I)t will largely be necessary to rely on a process of <u>deconcentration</u> through which the benefits of agglomeration in the metropolitan areas will be spread over a

wider area without aggravating pressure on the metropoles.´(16) In encouraging these trends, the state is acknowledging and attempting to build upon previous patterns of capital-dispersal.
2. It is now encouraging the dispersal of capital to the high-incentive industrial development points (selected outlying areas with the potential for further growth) rather than primarily to remote industrial points in bantustan hinterlands (five to eight points, according to Croeser). This policy bases itself on the notion of ´balancing growth poles´, which designates certain towns with proven growth potential as ´growth points´. Their expansion and development is encouraged in order to draw investment away from the traditional highly industrialised metropopitan centres. The designation of certain major towns as growth points themselves (Bloemfontein, East London, Port Elizabeth) is intended to facilitate this process.

The new official emphasis on deconcentration is one of several measures designed to encourage private sector participation in the regional development programme. Certain capitals have responded to the upgraded decentralisation incentives, but sections of organised industry continue to view the state´s decentralisation programme as an artificial attempt to redistribute resources between regions, rather than allowing the regions to compete freely against each other. Free inter-regional competition could, in the view of the FCI, ´....lead to the revitalisation of the South African economy,´ (17) whereas induced dispersal is viewed as imposing intolerable costs on industries based in the metropolitan heartlands, namely, the PWV area, Durban-Pinetown, Port Elizabeth-Uitenhage and Cape Town. Industrialists have recently expressed opposition to the indirect fiscal controls which the state now intends using to encourage industrial dispersal and to strengthen the tax base of the Regional Services Councils, shortly to be installed (FM, 15.03.85).

State planners intended the new approach to regional development to provide the basis for the future political and economic map of South Africa, whether defined in federal or confederal terms. As the Buthelezi Commission remarked, ´... through its new approach to regional development the government is taking the economic route to power sharing rather than the political one, which is unacceptable to its constituency.´ (18)

While the planning bodies associated with the development regions, like the RDACs, may not themselves evolve into administrative units, they are seen as a testing ground for ´co-operative decision-making´ and future constitutional arrangements. Clearly, there is no inevitability that the precise boundaries drawn up in the 1982 regional develoment policy will ultimately become the geographical boundaries of a second tier of government. What is apparent, however, is that the bantustans/provinces can no longer constitute the basis of a second tier of government and therefore new intermediate regional govrnmental units need to be established.

Constitutional restructuring

Apartheid's racially exclusive democracy was predicated on a system that reproduced cheap and differentiated labour power. (19) We have argued that this system has broken down and is being replaced by the formation of regional proletariats and sub-economies. The combined effect of this process and the crisis of political legitimation generated by the mounting national struggles for non-racial democracy created the conditions for the ruling classes to re-think the question of African political representation.

During the course of extensive debates key reformist groups have begun to perceive the metropolitan and development regions as providing the most appropriate geographic foundations for the construction of new local and regional authorities evolving towards a possible federal system. What follows is an examination of the institutional forms that the state introducted in 1984-85, followed by a discussion of the debate over how these structures can be built into a post-apartheid federal system.

During the last half of 1984 and 1985 the state restructured the third and second tiers of government to conform with the procedure laid down in the 1983 President's Council (PC) reports. This 'consociational' structure was originally designed to underpin the tri-cameral parliamentary system, and hence excluded Africans. But sustained nation-wide resistance to the constitution and popular revolts in the townships during 1984 forced the state to incorporate Africans into the RSCs (the upper level of the third tier of government) in November 1984, and to restructure those departments which control African affairs at the first tier level. This abandonment of the PC's consociational/confederal vision (20) has put federalism on the agenda for a wide range of reformists.(21) These include English-speaking liberals, bantustan leaders, influential Afrikaner verlighte academics, ideologues and politicians, organised industry and commerce, and the coloured and Indian parliamentary parties.

The third tier

The third tier is composed of local authorities which deal with 'own affairs' for each racial group, and the Regional Services Councils (RSCs) which cater for 'general affairs' on a metropolitan level. (22)

The RSCs will not be elected, but made up of nominated representatives from all local authorities in a given metropolitan region, including the black ones. Each local authority will have one representative for every 10% (or part thereof) of RSC-provided services that they consume. None will be allowed more than 50% of the votes on the RSC, and a two-thirds majority is required for a decision. Thus those authorities which use the most services (that is, the white ones where industry is located) will have the greatest say. (23)

The RSCs will become the most powerful bodies involved in the provision of public goods at the local level. The most important local authority functions will be transferred to them. Although

RSCs are based on local authorities as defined by the Group Areas Act, they are in fact a form of local government that will govern across group area boundaries. In any case, group areas will probably be substantially modified once the new Demarcation Board replaces the old Group Areas Board. The declining importance of traditional boundaries is evident in the proposed establishment of 'grey' Central Business Districts (CBDs), in proposals to place industrial areas under the jurisdiction of black local authorities (Star, 05.06.85), and to include some 'homeland' areas into the jurisdiction of the RSCs.

RSCs are designed to be self-financing to facilitate the withdrawal of the central state from the provision of public goods and services. To this end, a new tax system incorporated into the RSC Bill is designed to raise R1,3 billion in the four main metropolitan areas. There will be two taxes: a regional establishment levy which is a tax on turnover that may not be added onto prices in the same way as GST; and the regional services levy which is a tax on wages, salaries, and returns from profits that may not be deducted from employee's pay packets.

The new tax system elicited a howl of protest from organised commerce and industry. ASSOCOM, the Federated Chamber of Industries (FCI); and the SA Property Owners Association criticised the system as 'totally unworkable' (BD, 09.05.85). They argued that the new tax will increase the number of bankrupcies, exacerbate unemployment and fuel inflation, and have tried to stall the Act in order to allow the Margo Commission on taxation to review it. (24)

Despite these strong objections, the state is determined to find a way to resolve the urban crisis and meet the demands of its moderate African allies. Minister of Cooperation and Development Gerrit Viljoen admitted in May 1985 that it had been a mistake to establish black local authorities without providing them with a viable revenue base (FW, 19-22.05.85). The RSCs, which were first mooted in certain inner-state circles in 1981, (25) are designed to overcome this weakness by accomplishing (at least in theory), three objectives:

1. Substantial redistribution of resources from white to black areas. Instead of increasing rent and service charges to finance urban renewal, oppressed communities will in fact be paying for it indirectly because the new taxes will increase consumer prices.
2. Facilitate the withdrawal of the central state from the provision of public sevices and deflect national political demands down to the local level.
3. The tax on turnover and labour costs is intended to encourage decentralisation of economic activity from the metropolitan areas.

The redistributive and legitimising role of the RSCs is unlikely to succeed in the near future for three reasons:

1. The third tier is in ruins in the African townships. In 1983, 34 Black Local Authorities were introduced and by the end of 1984 there were meant to be 104. By April 1985 there were only three still functioning (RDM, 16.04.85) as a result of mass resistance. Although this is unlikely to prevent redistribution, it will substantially undermine the legitimacy of the RSCs.

2. The RSCs are extremely undemocratic, with the balance of power weighted in favour of big business and the petty bougeoisie because voting capacity depends on 'user strength'. The democratic principle of proportional representation is totally absent, leaving the large impoverished communities politically powerless.
3. The economic crisis currently facing the state, and the debates between monetarists and redistributionists, will continue to constrain supply of public services and hence the management of capitalist urban reproduction.

The second tier

In May 1985 the state announced that provincial councils would be scrapped. They will be replaced by strong executive and administrative committees appointed by the state president. Contrary to the recommendations of both the majority and minority reports of the PC in 1983, and the Council for the Coordination of Local Government Affairs (released in April 1984), the new second tier authorities will have extensive legislative and executive powers. They will deal only with 'general affairs'.

These authorities' scope of jurisdiction has not been explicitly outlined, but there is little doubt that they will be based on the eight development regions. Already a substantial planning infrastructure exists on this level, including the RDACs, Development Advisory Committees, the Regional Liaison Committees for those regions that include independent bantustans, the planning branch of the DCDP, and the Development Boards.

Most provincial council functions will be transferred to the first and third tiers, and the second tier will in the near future take charge of local government, regional development, labour movement controls, and transport.

There has not been an official statement on whether Africans will be included on the second tier. Minister of Constitutional Development Chris Heunis did hint, however, that African interests will be accomodated (Star, 11.05.85), and a top official in the Department of Constitutional and Development Planning said that representatives of the non-independent states will be included. More significantly, the FCI's demand that the second tier be given substantial powers to coordinate regional development strategies across bantustan boundaries within a federal framework has been granted. (26)

The Natal-Kwazulu region is the most advanced as far as the politics of the second tier in an emerging federal order is concerned. Reformers of all persuasions, including the NP and the state have suggested in recent months that the Buthelezi Commission and the Lombard Report (27) be used as a framework for consolidating Natal and Kwazulu into a single regional unit (Star, 07.05.85; 05.05.85; 10.03.85; FM, 03.03.85; RDM, 16.04.85; BD, 21.05.85). In May the cabinet considered a plan to implement this. It would involve consolidating Kwazulu into an area stretching from KwaMashu outside Durban to the Mozambique border which would contain 'white' towns like Empangeni, Eshowe and Richards Bay. Natal would then stretch from the north of Durban, and include the south coast and East Griqualand. In keeping with

the Buthelezi Commission, the two parts would be governed by a central federal authority. In June the first step was taken when the NRP and NP representatives in the Natal Provincial Council began to formulate a framework for establishing a statutory body to deal with 'general affairs' for Natal-Kwazulu as a whole (Star, 06.06.85).

The Buthelezi Commission called for a federal legislative authority for all races in Natal-Kwazulu to be elected on a one-man-one-vote basis with proportional representation. The multi-racial executive should be co-chaired by the provincial administrator and Kwazulu Chief Minister Gatsha Buthelezi. Other recommendations were: a minority veto for 10% of legislature; that legislation should be tested by the courts; a Bill of Rights; and minimum group representation. Although these proposals were rejected by Finance Minister Owen Horwood in 1982, in May Cooperation and Development Minister Viljoen announced in parliament that the Buthelezi Commission was in line with President PW Botha's policy that the only alternative to the complicated task of further consolidating Kwazulu was to recognise that Natal and Kwazulu are economically and hence politically inter-dependent (Star, 06.06.85). This announcement was followed by a meeting between PW Botha and Buthelezi which the press interpreted as another step towards the implementation of a regional federal solution for Natal-Kwazulu (ST, 19.05.85).

Although the new second tier system centralises power in the hands of the DCDP, this is designed to facilitate the transition to multi-racial regional authorities that cut across bantustan boundaries in the long run. The politicised nature of the old provincial councils (with the Transvaal moving increasingly to the right), would have prevented a technocratic top-down transition to multi-racial regional authorities in the manner envisaged by the Buthelezi Commission and Lombard Report. The fact that they have extensive powers suggests that the regions will be able to develop according to regionally specific economic, political and ideological conditions and the way in which these are used by local economic and political elites.

The first tier

There is a new consensus that 'no real progress in stabilising and normalising relations between people within South Africa or between South Africa and other countries can be made unless legal racial discrimination is removed in the political institutions of this country. The future 'legitimacy of the Republic of South Africa both internally and externally depends on this issue'. (28) Stoffel van der Merwe, National Party MP and ideologue, wrote in the NP pamphlet entitled '...And what about the Black People?' that was approved by PW Botha: 'Now, in 1985, we have reached a stage where it (the national convention) can be postponed no longer.'(29)

The state has not yet presented a coherent outline of what a future first tier will look like. Instead, the special cabinet committee formed in February 1983 to investigate the 'urban black problem' established a multi-party negotiating forum in January 1985. This was to discuss with 'black leaders' ways to include

Africans in higher levels of decision making. Commonly referred to as a 'mini-national convention', the forum generated a spate of declarations of intent, as various ruling group interests tried to force the state to give the forum a clear federalist agenda. However, much to Buthelezi's chagrin, the state has refused to issue a declaration of intent, on the grounds that negotiations should remain open-ended. Instead, the state has introduced a range of reforms used by officials to demonstrate the state's good intentions. These include the repeal of the sex laws, the removal of the ban on multi-racial political parties, the announced moratorium on removals, easing of inlux control, moves to de-racialise CBDs, and promises to incorporate blacks into higher forms of decision making.

Stoffel Van Der Merwe's NP pamphlet maps out a corporate federal structure for the central state that would involve establishing a Black Assembly to deal with African 'own affairs' for 'non-homeland' Africans. This would then link up to a supra-parliamentary coordinating organ made up of representatives from the Black Assembly, the tri-cameral parliament, and independent bantustan states. In this way the dual 'own affairs'- 'general affairs' structure would be replicated on all three tiers, leaving the NP's white power base intact - a model that PW Botha calls 'cooperative co-existence'. This has been interpreted by some observers as the first step towards a geographic federation (SStar, 19.05.85).

The regional or geographic federal alternative proposed by the PFP, the Labour Party, Inkatha and big business is critical of the racial federal model because it concentrates power in the central state. They call for the transfer of substantial power to democratically-elected regional and local federal authorities, with Kwazulu/Natal as the first laboratory for a future geographic federation. This implies that the future form of the central state should be designed only after the lower tiers have been established.

In the meantime, powerful reformers in the state have substantially modified key central state institutions. The recent cabinet reshuffle saw a significant shift of institutional power. The state under 'grand apartheid' controlled every aspect of African life in 'white' South Africa through a separate department (Native Affairs through to the present Department of Cooperation and Development - DCD) and by way of the 'homeland' states in 'black' South Africa.

The DCD is now virtually defunct. The following functions have been transferred to other departments over the last year: African education to the Department of Education and Training, labour bureaux to the Department of Manpower, commissioners' courts to the Department of Justice, relations with 'homelands' to the Department of Foreign Affairs. In the cabinet reshuffle, responsibility for black local government and the Development Boards was transferred to the DCDP. This leaves the DCD in charge of trust land and development aid for the 'non-independent' bantustans. The DCDP now controls the following: all local authorities and RSCs through the multi-racial Council for the Coordination of Local Government Affairs (CCLGA); the second tier which includes the new regional committees, RDACs, Regional

Liaison Committees, and significantly the Development Boards; (30) liaison with the bantustans through the multi-lateral coordinating bodies; 'homeland' consolidation; and Group Areas.

This Bonapartist concentration of power in the DCDP clears the way for a process of reconstruction that may have far-reaching implications for the federalist momentum. The fact that it works closely with capital in the RDACs, with the bantustans in the multi-lateral structures, and with moderate urban Africans in the CCLGA and Development Boards, means that it will be directly exposed to the combined demand of these interests for a more coherent geographic federation to ease South Africa out of the present interregnum.

The federalism debate

After 1979, reformers inside the state began to recognise that the Verwoerdian vision of parcelling South Africa up into independent ethnic states was unrealisable.(31) Those institutional pillars of apartheid, the bantustans, could not achieve either economic autonomy or political legitimacy. Their re-integration into a common economic planning and political framework was increasingly seen as inevitable, notwithstanding the granting of 'independence' to Venda in 1979 and Ciskei in 1981.

The concept of federalism has a long history in the English-speaking reformist community.(32) The Progressive Party advocated a federal formula as far back as 1962, following the recommendations of its internal Molteno Commission. The United Party adopted a federal programme in 1972, and its successor, the New Republic Party, has advocated a 'federal-confederal' option for South Africa.(33) Both parties view African urbanisation as inevitable, and accept the corrollary that sections of the African population must eventually somehow be politically accommodated within central state political institutions.

Set up by the Kwazulu legislative assembly, the 1982 Buthelezi Commission report recieved strong support from English-speaking liberals in Natal. It argued for a single geographically-based federal administration for Natal and Kwazulu. (34) The report hinted that a national federal system, in which Natal and Kwazulu together made up one of a number of regional units, provided a long-term solution to South Africa's problem of national political representation. (35)

Before the 1985 parliamentary session, the government was publicly committed to establishing a confederal system which required bantustan leaders to accept independence and then enter into an 'international' agreement linking them to South Africa. Some bantustan leaders - for example Sebe of the Ciskei and Mphephu of Venda - supported the government's ethnic confederal blueprint, and resisted the idea of geographical federation in which bantustans would lose their 'independence'. (36)

Other bantustans refused independence (Kwazulu, Lebowa, Kangwane, Gazankulu and Qwa Qwa), and two 'independent' bantustans (Transkei and Bophuthatswana) openly rejected Pretoria's schemes for confederation. In July 1983, the leaders

of these bantustans, excluding Bophuthatswana, issued a declaration of intent in which they stated that, in the event of their opting for a constitutional arrangement, they would structure it on a regional, non-racial and non-ethnic basis.(37)

There is considerable ferment among Afrikaner verligte reformers, both within and outside the National Party (FM, 23.11.84; 14.06.85). The NP pamphlet entitled '...and what about the Black People?' acknowledges that grand apartheid has met with insuperable problems, and enumerates several new possibilities:

> The national states might obtain powers over some of the areas outside their borders; local authorities might be given considerably wider powers; local authorities might be linked together in authoritative structures encompassing larger areas; new bodies comparable to the white provincial councils might be established; a national assembly of black people outside the national states might be brought into being; some of these bodies might be involved in decision-making at the highest level in conjunction with the South African parliament and the governents of the national and possibly even the independent states. (38)

Two key features are present here: a search for means of incorporating Africans within central state institutions, and retention of race or ethnic identity as the basis for political representation. This may lead to what has been termed corporate federalism (or federal/confederalism), where membership of a racial or ethnic group, rather than territorial location, defines the composition of the federating units.

Another model has been proposed in reports sponsored by organised industry and commerce (notably ASSOCOM and the Sugar Association). (39) They call for a federation based on geographically rather than racially or ethnically defined units. ASSOCOM's report rejects corporate federalism on the grounds that it will be seen to be racist and calls instead for a geographic federation which can protect minority group rights while simultaneously creating a single national state.

Federalism is seen by the ruling groups as a resolution to the problem of incorporating Africans politically, while retaining and strengthening a capitalist system. Both conceptions of federalism, corporate and geographic, have in common two basic features:

1) the view that 'economic freedom and the private enterprise ethic - as well as the norms with which they are associated - are best entrenched in a future political system embodying the principles of federalism or confederalism'; (40)

2) the belief that federalism is preferable to both apartheid and a majoritarian unitary state, because it allows for creation of a new nation-state which grants political rights to all its subjects while 'protecting minorities'.

In fact, concern for group rights masks more fundamental fears: firstly, that a state dominated by a black majority could begin building socialism, or at least impose a welfare state system that entails 'confiscatory taxation', (41) fiscal indiscipline, high minimum wages and nationalisation. (The latter

is certainly implied in the Freedom Charter.) Secondly, the too-rapid advancement of an inexperienced black elite into senior positions in the civil service, government and business could lead to managerial inefficiency and administrative 'chaos'. (42) The third fear, rather than that whites would be attacked, is that ethnic conflicts under majority rule could lead to economic and political breakdown.

Proponents of federalism argue that the only way to prevent a black majoritarian state imposing socialism or a welfare state from above is to establish relatively autonomous local and regional political entities. These would hold sovereign power over limited coercive apparatuses and economic policies, fragmenting a national majority regionally.

Federalism also lends itself to a system of institutional checks and balances both regionally and within the central state. These include structures like an independent federal reserve bank, separate legislative houses, a separate legislature, executive and judiciary. Further, entrenched constitutional provisions could protect freedom of contract, the status of the currency, minority veto rights, the right to property, and so on. A federal system would thus limit any one group's access to political power.

A central government operating according to these principles might for example have to:

* accept unpopular monetary measures imposed by the (ostensibly apolitical) federal reserve bank; or
* secure acceptance of legislation from two legislative houses; or
* accept limits on its power to impose its policies on particular regions; or
* allow the constitutionality of its policies to be tested by an independent judiciary.

This is what Lombard and du Pisanie call 'polycentrism'. Such 'division of sovereignty' (43) is a prescription for minimal or limited government, which leaves the state incapable of affecting radical changes. Reformers in the ruling groups hope a federal system would place the central state above political conflict, making it difficult to mobilise nation-wide forces around demands with national scope. A federal state would by default leave intact the foundations of the economy and relations of production, and expose only marginal or localised elements of the economic system to modification.

The meaning of 'group rights' and the theory of ethnic pluralism thus becomes apparent. The apartheid legacy of 'ethnicity' is now being used by many reformers as a rationale for a federal system which could provide the basis for a reconstituted capitalist political economy. Ethnicity need not necessarily be legally entrenched, because apartheid has ensured that racial and ethnic groups are already geographically separate.

The call for some kind of federal solution is rapidly becoming the cornerstone of consensus among those favouring a reformist solution in South Africa.

This paper has not attempted to provide a holistic analysis of the current period of crisis and restructuring in South Africa. Such an analysis would have required an examination of a number of developments that we have left out of our account, or have only superficially touched upon: the economic stagnation of the 1970s and 1980s; the current recession; the resurgence of various froms of oppositional politics; the 1984-85 township rebellion culminating in the state of emergency; and numerous other factors that have combined to make the present conjuncture extremely fluid and unpredictable.

We argued that a consensus has emerged within the reformist elite about the need to implement changes that go well beyond the 'Total Strategy' initiatives of the late 1970s and early 1980s. In part this further metamorphosis of the reform process is the outcome of increasingly intense conflict between the regime and its opponents - in particular its failure to establish legitimacy for the new black local authorities and the tri-cameral parliament and, more recently, its inability to curb the wave of popular demonstrations, boycotts, strikes and other civil disturbances that began early in 1984.

It was these events which forced the government to include Africans in the RSCs, to re-examine the question of African political participation in the central state, and to consider substantial modifications to its influx control policies.

However we also argue that the necessity for, and direction being taken by state restructuring in these areas can only be fully understood if it is related to changes in South Africa's spatial reproductive economy. By this we mean the development of new patterns of capital and labour location, in particular the dispersal of capital from metropolitan heartlands to metropolitan peripheries and to other regions; the enmeshing of certain bantustan labour supply areas into the process of metropolitan urbanisation; and the crystallisation of regional economies and regional proletariats. These processes, which have drained of meaning the conventional dichotomies of bantustan/white South Africa and urban/rural, have informed thinking about the RSC concept as well as debates around second tier regional structures in a future federation. They have also directly shaped the regional development strategies. Finally, they have influenced aspects of the emerging policy of 'planned urbanisation'.

We have showed, briefly, how the devolution of power, the partial 'de-racialisation' of administration and the proposed federalist system are being developed as an alternative to 'majoritarianism' and all that the ruling groups fear would accompany majority rule: bureaucratic breakdown, social disruption, inter-communal conflict, welfare statism, socialism.

The more immediate purpose of these initiatives is to help the state re-impose 'law and order', secure a degree of popular quiescence and regain control of the pace and direction of political developments. The 'reforms' are conciously designed to arrest, rather than promote, rapid and fundamental change. They are, we believe, therefore unlikely to satisfy crucial popular demands.

The reform initiatives are unlikely to meet popular demands for rational economic planning to reduce unemployment and inflation or for improved provision of basic services. The restructuring process involves a curious combination of 'free market' and 're-distributive' policies. On the one hand, the central state, confronted by a fiscal crisis and committed to a monetarist economic program, is cutting back its role in the provision of welfare services (as for example in the case of bread and transport subsidies). At the same time, the state is confronted by a political crisis in the urban areas, and recognises that it has to improve the quality of life of black townships in order to restore stability there. Its solution is to force the RSCs to subsidise expenditures in the townships through its payroll and turnover levies.

The logic seems to be threefold. First of all, such a programme (theoretically) allows the central state to insulate itself from competition over the allocation of resources, thereby localising these conflicts. Secondly, devolution of fiscal responsibility forces capitalists to choose between subsidising metropolitan services or relocating their investments to decentralisation growth points. In other words, businessmen cannot have it both ways: if they insist upon the desirability of urbanisation they must be willing to pay for it.

And finally, since the total resources available for redistribution remains limited, especially in a period of economic stagnation, it is impossible for the state to satisfy every locality's claims on social resources. Given that this is so, it makes sense for the central state to allow local and metropolitan governments to rely on their own fiscal resources, however unequal these may be. The likely result is increased inequality between metropolitan regions. To offset this (and its potentially explosive political consequences in areas like the Eastern Cape) the state is relying on persuading capitals to relocate to less developed regions in response to incentives offered there. These incentives form part of a decentralisation program that is itself expensive, at least in the short to medium term.

Whether these various objectives - central state withdrawal, metropolitan upliftment and regional development - can be accomplished simultaneously, especially in a period of low economic growth, remains highly doubtful. Consider the dilemma facing the metropolitan authorities. Since the RSCs would enjoy a minimum of financial support from the central state, the only way they could hope to deliver adequate services to the black urban areas would be by raising metropolitan taxes and levies beyond the levels presently envisaged. If they raise taxes beyond a certain point, they could provoke either a capital flight to regions offering better incentives or else an investment slowdown that would further reduce economic growth in the economy as a whole.

If they chose to spend beyond their means the RSCs could generate a series of local fiscal crises, forcing the central state to bail out troubled councils in an ad hoc way. The state's overall borrowing requirements would have to expand (whether it is the central state or the metropolitan authority that does the

borrowing), and this in turn could swell the national debt, create inflationary difficulties or force interest rates to rise. The alternative would be to cut back on the provision of services.

If the RSCs cannot provide goods on a scale that meets the increasingly insistent demands of poor and working people in the urban areas, they could be forced into a game of 'divide and rule', playing some recipients of social goods off against others. With considerably more goods available for distribution in black townships than in the past, metropolitan authorities could, in some cases, play such a game quite effectively, providing them - and the central state - with new resources of social control.

Faced by increasingly sophisticated techniques of co-option, popular organisations will have to rethink their own tactical and strategic responses. Under these circumstances it will be more important than ever to reiterate the demand for democratically-determined social welfare priorities, and for services that address the needs of the poorest regions and social strata within regions. These demands will have to backed up by an increasingly articulate call for strategies to promote economic recovery in ways that are not detrimental to the interests of the working class.

The reforms cannot satisfy popular demands for democratic participation in the reform process. Political restructuring is proceeding in a top-down, managerial way, with at best a small circle of influential reformers and black collaborators being drawn into decision making. The public language of ruling group reformers is framed in the imagery of the free market economy, technocratic neutrality, local democracy, consensus and consultation. Its private agenda - where such an agenda exists - is shrouded in deliberate secrecy. Public deception is central to the timing and delivery of reforms; it is seen as crucial to defusing opposition from both the right and the left. If it should fail to effectively contain popular opposition, the state is more ready than ever to resort to repression. It seeks reform, but as a precondition for that it demands tight control.

Reformers are concerned to maintain constant vigilance against all political initiatives not amenable to state manipulation. They are determined to force others to conform to their own plans. This requires that they negotiate only from a 'position of strength' - which means ensuring the weakness of community organisations, trade unions and political groupings seeking fundamental change through grass roots struggle. Deception and repression are thus the constant companions of 'reform'.

Reformers in the state cannot satisfy popular demands for democratic political representation. While accompanied by talk about the 'devolution' of power, the reorganisation of the state system involves a combination of centralising and decentralising tendencies. Crucial functions - for example, security, the formulation of the reform program, foreign policy - are being concentrated in executive organs insulated from electoral pressures and public scrutiny. These organs include the office of the president, top officials in a few key departments (like

Constitutional Development and Planning), and the State Security Council. These are the commanding heights of the authoritarian-reformist state that the Botha leadership has set in place.

At the same time, second and third tier structures will be given genuine powers, but mainly (it seems at this stage) of an administrative kind. For example, while the RSCs are likely to command considerable resources, their sole function will be the management of certain kinds of 'hard' services at the metropolitan level. At the same time an attempt is deliberately being made to remove the RSCs from the field of political contestestation, to present them instead in a neutral, technical visage. They will also be predicated on indirect, rather than direct, representation and on the over-representation of wealthier municipalities. Devolution of power along these lines does not involve real democratisation.

A final - and directly related - demand that the 'reforms' cannot satisfy is the demand for national democratic rights - for the effective transfer of sovereignity to the representatives of the majority of South Africans. The emerging federal framework is intended to prevent national democratic forces from mobilising against the central state and, should they come to control that state, it is designed to prevent them from effectively using it to bring about radical social and economic changes.

The ideological rationale for anti-majoritarian federalism lies in the argument that minority rights need to be protected from 'majority domination'. And, indeed, one can readily concede that minorities should have 'rights' - rights to freedom of speech, press, association, religion, petition, to practice their own culture, to equal political rights, to safeguard their material well-being. But minorities do not have the 'right' to entrench their political and economic privileges at the expense of the majority.

In South Africa the right of the majority to rule - whatever form that rule may take - remains non-negotiable. This is the basic right demanded in the Freedom Charter and other popular manifestos, and is implicit in the programme of the workers' movement.

Conclusion

The fate of the 'reform' process is extremely uncertain. Whether or not it gains any substance will depend on the outcome of struggles within the ruling party and in reformist circles; it will also depend on struggles between reformists and their opponents both on the right and in the popular movements; finally, it will depend on the state of the economy. Yet it would be wrong to dismiss the restructuring process as simply cosmetic. It could prove real enough to reshape, in important ways, the terrain upon which struggles over fundamental change are being played out.

The 'reforms' could have a considerable impact on, for example, the amount of resources available for the co-option of sections of the black population. They could also affect the international saleability of South Africa's constitutional order.

These are but two of the many areas in which they could have an impact.

How far the restructuring process 'succeeds' will depend on how seriously it is taken by its opponents. To dismiss the 'reforms' in advance as illusory or unworkable, or to suppress discussion of their content and direction, would automatically enhance their effectiveness as weapons in the hands of the ruling groups.

The claim that the 'reforms' are cosmetic is likely to carry less analytical and moral force as time goes by. A much more powerful criticism would be one that exposes the real motives behind the 'reforms', decodes the discourses and shows, concretely, why - and where - they are unlikely to satisfy key popular demands. We have already commenced, but by no means completed, this task.

We should not however assume that the entire 'reform' process is so pervaded with repression and authoritarianism, or that it so uniformly expresses the will of the ruling class and the imperatives of class domination, or that it is so immutable, that some of its elemants are not open to transformation into something more democratic and into something capable of advancing certain popular objectives.

The 'reforms' are complex and varied; some offer more spaces and opportunities that others. We need to seriously examine these spaces and opprtunities, both to assess their importance to short and medium term strategy, and in order to determine what elements, if any, can be built upon in the struggle for a radically different order. (44)

If we accept that the process of building democratic structures must begin in the here and now, and that certain progressive reforms are possible prior to the achievement of full democratic rights, then we must ask whether, and to what extent, the reform process is generating resources and openings that can be utilised as a part of a 'politics of transformation'.(45) Can some of the emerging structures be utilised by organisations seeking to institutionalise genuinely democratic practices? Can they be used to secure material concessions that in turn could help to bolster the credibility, and power, of those organisations?

It may be wrong to adopt a principled but purely rejectionist response, in advance, to everything that the restructuring process delivers; what is needed instead is the capacity to butress rejection with rigorous critical analysis, and to modify rejection, where necessary, with a careful assessment of new strategic opportunities.

Notes

1. See, for example,, J Saul and S Gelb, The Crisis in South Africa. Class Defence, Class Revolution, Monthly Review Press, 1981; G Moss, 'Total Strategy', Work in Progress, 11, 1980; D O'Meara, 'Muldergate, and the Politics of Afrikaner Nationalism', Work In Progress, 22, 1982; R Davies and D O'Meara, 'The State of Analysis of the Southern African

Region: Issues Raised by South African Strategy', Review of African Political Economy, 29, 1984; D Glaser, 'The State, the Market and the Crisis', Work In Progress, 34, 1984.

2. See the Regional Services Councils Act, passed June, 1985.

3. Commission of Inquiry into Legislation Affecting the Utilization of Manpower, RP 32/1979, (Riekert Commission); and Commission of Enquiry into Labour Legislation, RP 47/1979, (Wiehahn Commission).

4. D Hindson, 'The Role of the Labour Bureaux in the South Africa: a critique of the Riekert Commision Report', in (ed) D Hindson, Working Papers in Southern African Studies, Johannesburg, 1983.

5. D Hindson and M Lacey, 'Influx Control and Labour Allocation: Policy and Practice since the Riekert Commission', in South African Review One, Johannesburg, 1983.

6. See BENBO, Statistical Survey of Black Development, 1982, Part 1, Tables 24 and 26.

7. White Paper on A Strategy for the Creation of Employment Opportunities in the Republic of South Africa, 11(2.32), 1984, emphasis added.

8. Department of Constitutional Development and Planning - submission to the Regional Development Advisory Council (NRDAC), 02.08.84, 6(c).

9. G Relly, 'Influx Control and Economic Growth', in (eds) L Schlemmer and H Giliomee, Up Against the Fences, Cape Town, 1985.

10. Relly, 'Influx Control'; M Swilling, 'Transport and Political Resistance: Bus Boycotts in 1983', South African Review Two, Johannesburg, 1984.

11. S Bekker and R Humphries, From Control to Confusion: The Changing Role of the Administration Boards in South Africa, 1971-1983, Pietermaritzburg, 1984.

12. S Greenberg and H Giliomee, 'Labour Bureaucracies and the African Reserves', South African Labour Bulletin', 8(4), 1983.

13. J Keenan, unpublished mimeo, Sociology seminar, University of Witwatersrand, 1985.

14. This point was made by J de Villiers Graaff in 'Homeland Function and Dependency; a Case Study of Reformist Potential', paper presented to the Development Society of Southern Africa, University of the OFS, 1984.

15. The transformation of South Africa's spatial economy cannot be understood by those who remain trapped within two key assumptions that, until recently, pervaded the literature on apartheid: firstly, the assumption that South Africa can be understood as a spatially dualistic socity, differentiated into two coherent but radically different entities called bantustans and 'white' South Africa; and secondly, that these spatial entities correspond exhaustively to distinct, even if interconnected, forms of social reproduction.

16. Summary of Report of the Study Group on Industrial Development Strategy, (Kleu Report), 1983, 21, 10.8.

17. G Maasdorp, 'Co-ordinated Regional Development: Hope for the Good Hope Proposals?' in Schlemmer and Giliomee, 'Up Against the Fences.

18. '...and what about the Black People?', National Party pamphlet, 1985, 9.

19. D Kaplan, 'The South African State: The origins of a racially exclusive democracy', The Insurgent Sociologist, X(2), Fall 1980.

20. NP pamphlet, '...and What about the Black People?'.

21. See J Lombard in Sunday Times, 03.03.85; and M Forsyth, Federalism and the Future of South Africa, South African Institute of International Affairs, Johannesburg, 1984.

22. The RSC Bill went through its second reading in early 1984, after which it was referred to a parliamentary select committee where its controversial tax system and racial composition was reviewed. It was passed by parliament in June 1985.

23. At this stage the provincial administrator will appoint the chairperson, decide on the number of representatives and can make rulings on decisions that are not supported by a two thirds majority.

24. The Margo Commission into the tax system in South Africa has not yet reported.

25. Interview with G Croeser, Deputy-Director of Finance.

26. See FCI Memo, 'Regional Development in South and Southern Africa', submitted to the meeting of the National Regional Development Advisory Council (NRDAC), 02.08.84.

27. J Lombard, Alternatives to the Consolidation of Kwazulu (Natal), University of Pretoria, 1980.

28. ASSOCOM Memorandum, Removal of Discrimination Against Blacks in the Political Economy of the Republic of South Africa,

(emphasis in the original).

29. See NP pamphlet, '...and what about the Black People?', 9.

30. There is evidence that these boards are to be phased out. See Star, 06.06.85.

31. NP pamphlet, '...and what about the Black People?'.

32. The possibility of uniting South Africa on a federal or confederal basis was first raised in a serious way by Lord Carnarvon's confederation scheme in the 1870s, and was raised again by the proposal of Milner's Kindergarten that South Africa be united on the basis of federation rather than union.

33. B Hackland, 'The Economic and Political Context of the Growth of the PFP in South Africa, 1959-78', Journal of Southern African Studies, October, 1980. On the NRP, see Star, 09.03.85.

34. Buthelezi Commission, The Requirements for Stability and Development in Kwazulu and Natal, Vol 11, 4.2.1, 76.

35. Buthelezi Commission, Vol 11, 5.4, 111-115 and 6.6.2, 126.

36. The term is borrowed from Fleur de Villiers, Sunday Times, 23.05.80.

37. South African Institute of Race Relations, Survey of Race Relations in South Africa, Johannesburg, 1983, 316.

38. NP pamphlet, '...and what about the Black People?', 13.

39. ASSOCOM Memorandum, Removal of Discrimination,; and Lombard, Alternatives to Consolidation.

40. ASSOCOM Memorandum, Removal of Discrimination, 2.

41. ASSOCOM Memorandum, Removal of Discrimination, 24.

42. NP pamphlet, '...and what about the Black People?'.

43. ASSOCOM Memorandum, Removal of Discrimination.

44. G Adler 'The State, Reform and Participation', paper presented to the Contemporary Studies Seminar, Sociology Department, University of the Witwatersrand, 31.07.85.

45. A Erwin 'On Unions and Politics', paper presented to ASSA Conference, University of Cape Town, July 1985.