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Volume II. South Africa · Main Reports

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Background and Outline of the Study

1. Background of the Study

The situation surrounding Southern African Region has been changing radically. The end of the Cold War had consequently brought marginalization and unstabilization to whole Africa. The return of South Africa to the international community after the abolition of apartheid has had tremendous social and economic impacts to the Southern African Region.

JICA set up a study committee for the Country Study for Japan's Official Development Assistance to Southern African Countries in June 1999 to grasp present situation of the region and examine Japanese future directions for development assistance, especially focusing on three countries; South Africa, which is the key to stability and development in the region; Zambia, which is the priority country for Japanese assistance among inland countries of the region; and Mozambique, which is one of the poorest countries and now has a great need for assistance resulting from its past civil war.

2. Composition of the Report

The Study Committee completed a report including its proposals, which consists of eleven volumes in total; seven volumes in Japanese (including three volumes of appendices containing analytic data) and four volumes in English of the main chapters only. (See the table below).

Main Reports(Japanese and English)	Appendix Data(Japanese only)
Volume I Southern African Region	—
Volume II South Africa	Volume II-Appendix South Africa
Volume III Mozambique	Volume III-Appendix Mozambique
Volume IV Zambia	Volume IV-Appendix Zambia

3. Outline of the Report

(1) Volume I: Southern African Region

In order to establish new regional assistance policies, an accurate understanding of present situations is indispensable. Among the most important factors are historical antagonism between South Africa and the former frontline countries against the apartheid system, as well as the political and economical influence of the new-born South Africa after the apartheid.

Besides bilateral assistance which aims to meet each country's development needs, especially in the case of the Southern African region, special efforts should be placed on; i)cross-border issues and ii)issues common to the region by utilizing regional assets.

Basic direction for development assistance to the region include the following points; support for the formation of a new regional framework, attention to the sensitive relationships between South Africa and other countries in the region, the establishment of a constructive, complementary relationship with private economic activities, contributions to peace and stability of the region, and reinforcement of a good reciprocal relationship between the region and Japan.

(2) Volume II: South Africa

South Africa is a regional super power of overwhelming political and economic influence, but it is still suffering from the negative legacy of apartheid. Japan's assistance policy to South Africa, based on the historic relationship between South Africa and other Southern African countries, should be directed towards stability and development for the whole region through the stability and development of South Africa, and ultimately towards the enhancement of relations between Africa and Asia. Therefore, Japan's development assistance to South Africa is not just bilateral cooperation, but has the potential to become a bridge between Asia and Africa.

Assistance priorities should be focused on the following areas; i)social stability through the provision of basic human needs for the poor black people and the creation of job opportunities, ii)support for capacity building in the government and local authorities as the core of a sustainable development system, and iii)cooperation beyond the framework of ODA and utilization of various forum and schemes to meet specific needs of South Africa.

(3) Volume III: Mozambique

Mozambique is blessed with natural resources, fertile soils and a geographical advantage as a corridor country. Since the end of the civil war, this country has been developed through foreign investments and international assistance. However, the influence of the civil war is still serious, the majority of people still live in absolute poverty. and the rapid social change has given rise to new disparities. Therefore, Japan's assistance policy should aim at the self-reliance of Mozambique while supporting its poverty alleviation efforts and social stability.

Assistance priorities should be focused on the following areas; i)rectifying regional disparities and the stabilization of society through support to the poorest groups, victims of the civil war, and the vulnerable, ii)direct support for regional stability, and iii)human resources development and the formation of systems for self-reliance in the mid- to long term.

(4) Volume IV: Zambia

During the era of apartheid in South Africa, Zambia played the leading role among the former frontline countries. In the international political aspects, Zambia was highly praised by its contribution for the mediation of the civil war in the Democratic Republic of the Congo. However, as for its domestic economy, Zambia cannot extricate itself from the old copper-dependent economic structure. Structural adjustment and economic liberalization have had a negative impact, such as the weakening of social services and the increase in unemployment. Consequently, poverty is still spreading. Toward such situations in Zambia, foreign donors have been introducing the Sector Investment Programs to attain aid coordination. Japan should take a selective approach in accordance with the absorptive capacity and the aid implementation system of Zambia to make the most of assistance effect, based on the past experience of development assistance.

Assistance priorities should be focused on the following areas; i)poverty reduction, ii)support to the vulnerable, iii)efforts to achieve a well-balanced economic structure.

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Executive Summary – South Africa –

Part I. Present Status

1. General Remarks

- The Many Facets of South Africa as a Recipient of Japan's Official Development Assistance

South Africa is a regional superpower with a level of political, economic, social and military development that far surpasses the normal level for Africa, and when it is viewed in the context of a recipient of Japan's official development assistance, many differing facets of the country stand out.

First is that South Africa has a dual structure in one country: a rich developed society coexisting with a poor developing society. Correcting this imbalance should be seen as a key element of Japan's assistance for South Africa.

Second is that South African development has considerable potential to contribute to the development of the Southern African Region as a whole. It is certain that the expansion of the predominant economic influence of South Africa across national borders will stimulate the growth of southern Africa, so Japan's assistance strategy for South Africa should be formed as part of an assistance strategy for the southern African region as a whole.

Third is that South Africa could become an effective partner to Japan in the delivery of development assistance to the southern African region. Making most use of South African technology and other intellectual assets and human resources should become the main pillar of regional cooperation, so Japan's aid policies too should include active involvement in and support for regional cooperation revolving around South Africa.

The fourth is the newly born South Africa's role as a model for national reconciliation. South Africa has begun an extremely positive and unique effort to bury the "criminal past" of the Apartheid years and bring about racial reconciliation. South Africa's attempt here can become a model for many other African countries torn apart by ethnic conflict or civil war even after independence as they seek their own national reconciliation and national integration.

2. Politics and Public Administration in South Africa

- Present State of Democratisation: General Political Trends

The new Mbeki Government, established in June 1999, is to some extent inclined to fill key posts with close Mbeki allies, but also noticeable are considerations for balanced portfolio allocation in terms of gender, race, and ethnic groups.

Regarding general political trends in South Africa since 1994, there is a view that a movement toward centralisation has been under way. Major grounds for this are as follows. Firstly, the adoption of a new constitution has put an end to the pluralistic coexistence maintained under the Government of National Unity. Secondly, the activities of the ANC as a political party at the provincial level show an inclination to stifle autonomy. Thirdly, there is a move to tighten the party's internal discipline and an attempt to water down the accountability of the Parliament. Fourthly, there is an inclination towards imposing rules and regulations upon provincial governments in the administrative and budgetary areas.

- Surge in Crime and Safety and Security

One of the biggest challenges that South Africa faces today is crime. Since 1994, the incidence of vicious crimes in the nation has been at the highest level in the world. An influx of light/small firearms and infiltration of international crime syndicates are believed to have played a part in this. The economic toll of crime is also considerable, as it corrodes various parts of the economy and poses an obstacle to economic development, while hindering policy implementation in other fields.

- Present State of Public Administration and Administrative Reform

For taxation in the new South Africa, efforts at reform started shortly after the inauguration of the Mandela Government in such areas as the land tax system, income tax system and NPO tax system. In the public service area, the government is conducting an all-out review of the role and functions of the public service.

Provincial administration in South Africa had a combined budget equal to two-thirds of the national budget in FY 1994. How-

ever, inadequate provincial-level budget execution capacity has been aggravated by an exodus of personnel to the better-paying private sector.

Thus, provincial governments' overall administrative capacity is said to be on the decline, but on the other hand, some people insist that access to services, such as treatment at publicly-run medical institutions, has been improved, suggesting that in some areas, provincial governments are held in relatively high public esteem.

- Relationship with Neighbouring Countries

South Africa takes increasingly obvious new economically-driven market-oriented policy stance towards the Southern African sub-region amid accelerating globalisation and economic liberalisation trends. Careful study is required to show what serves the national interest of South Africa as a member of the Southern African countries.

South Africa showed apparent inconsistency in the response to two international incidents that occurred in 1998 — the Congo war and Lesotho crisis, for which South Africa chose “neutrality” and “intervention”, respectively. It illustrates, at least to some extent, the differences between South Africa and its neighbours in the area of military affairs and diplomacy. “Open intervention” in Lesotho by South Africa, along with Botswana, in the name of the SADC, despite having opposed military intervention in the Congo, has made it all too obvious that South Africa pursues its military/diplomatic policy towards Southern Africa on a “selective” basis in consideration of its own national interest. These problems at least show South Africa's limitations as a middle power, and because of these limitations, there is a possibility that South Africa's ‘leadership’ is taken as hegemony, casting a shadow over its military/diplomatic relationship with its neighbours — a point that deserves attention.

- Relationship with Japan

Japan has been providing assistance for South Africa from the following point of view: “In light of this process, Japan should provide South Africa with assistance as the world's largest aid donor keen to make an active contribution to world peace and stability in accordance with its ODA charter, by focusing on South Africa's nation-building and human resource development efforts”. In addition, Japan has also stated its policy to continue providing assistance based on “an understanding that assisting South Africa will contribute to progress in the development issues faced by the Southern African sub-region and the African region as a whole”.

As has been discussed, however, the reality is somewhat different from this scenario. Economically, the Southern African sub-region has internal cracks amid accelerating globalisation, while, politically and militarily, it is plagued by open internal divisions over regional conflicts. In the future, therefore, it will be necessary to pursue a new policy approach based on a balanced sub-regional understanding by taking a more cautious attitude towards the above assumption. This policy approach must include the following concepts: South Africa is destined to be the sub-regional political and economic driving force, and introduction of a new perspective of contributing to the realisation of the common interests of the sub-region and maintenance of sub-regional order.

3. Economic Situation

- International Presence of the South African Economy

South Africa is a regional economic superpower which is second to none on the African Continent. Trends in the South African domestic economy not only play a decisive role in shaping the course of the African regional economy, but also constitute a factor that impacts on the workings of the world economy as a whole, which encompass, among other things, the “North-South” relationship.

South Africa's GDP, for example, is comparable to that of Poland which has a similar population size. Moreover, South Africa is the world's top gold producer and the largest supplier of scarce mineral resources. Overseas investment by South African companies is also brisk, with its destinations spread across most parts of the world, including developed regions, Latin America and Asia, as well as the African Continent.

Since the inauguration of the Mandela Administration, South Africa has forged a close bilateral relationship with the United States. Ties with Malaysia, which is enthusiastic about business expansion to Africa, have also made remarkable progress. Moreover, upon the reversion of Hong Kong to China, South Africa established a formal diplomatic relationship with that country in an effort to strengthen mutual economic ties. South Africa's relationship with France, which until recently concentrated its diplomatic efforts on French-speaking African countries, has also been developing rapidly.

In South Africa, such omni-directional diplomacy is called “Butterfly strategy”. In the background against this, there is South Africa’s diplomatic stance of “bridging the North and South” based on its self-awareness as a link between the developed and developing worlds. This shows that South Africa’s economic strategy has assumed a global dimension.

- Place of South Africa in African Economy

The South African economy accounts for more than 40% of the combined GDP of all of the countries in sub-Saharan Africa. South African products have been spreading all over the continent. Because of the one-sidedness of its intra-regional trade relationships, South Africa has been chalking up massive trade surpluses on the African Continent. This means that, as African countries have increased their dependence on South African goods, the African market has become an indispensable part of the South African economy.

African intra-regional investment by South African companies has grown. In recent years, direct investment in Mozambique has grown particularly rapidly, and South Africa is now the largest provider of direct investment capital for Mozambique. The destinations of South African direct investment have also spread from the SACU zone and southern African sub-region, where extensive investment has already been made, to all other parts of Africa, covering a wide range of industries, including mining, tourism, construction, brewing and service industries. Helped by the entry of South African companies, the production infrastructure of the African economy as a whole has been improving, though slowly.

- Present State of Economy in South Africa

In the 1960s, South Africa was in relatively sound economic circumstances, but this deteriorated rapidly in the early 1970s. After experiencing its first negative economic growth in 1982 and 83, the country entered the 1990s in the midst of the worst recession in its post-war history. The legalization of the ANC and democratization negotiations began against this backdrop. The situation during this period was better described as “stagflation”, which is characterised by the simultaneous occurrence of inflation and a fall in the economic growth rate.

Economic growth returned in 1993, with inflation brought under control as well. Under the Mandela Administration, the trend of improving economic performance took hold, but a slowdown in economic growth was undeniable, with the average annual growth rate even falling short of the average annual population growth rate. As a result, the per capita national income has been steadily falling in recent years.

The loss of growth momentum in the South African economy can be attributed to a fall in investment. Investment fell to mere replacement investment levels just before the inauguration of the Mandela Government, with virtually no new investments made.

- Employment Trends

Although the South African economy has been pulling itself out of a long slump since democratization, there are still no signs of improvement in the area of employment. The national census held in 1996 revealed that the nation’s unemployment rate was as high as 33.9% overall and 42.5% for African blacks. Among African women, the figure was an astonishing 52.4%. Given the fact that the unemployment rate stood at 20.9% among coloureds, 12.2% among Asians and 4.6% among whites, South Africa’s high unemployment is predominantly an African problem. In light of the existence of such a large number of unemployed people together with a large income disparity between rich and poor, the fundamental resolution of the security and social security problem does not seem likely in the near future. As President Mbeki points out, there are strong correlations between high unemployment and deterioration in security and social security.

- Development Tasks

As has been discussed, the South African economy contains both quite advanced and extremely backward elements. It is necessary to split the South African economy into two parts: one which has a potential for greater economic co-operation with Japan through investment and trade based on its characterization as an active player in the world economy; and one which Japan needs to assist by injecting ODA, if necessary.

The development tasks of the new democratic South Africa boil down to the eradication of Apartheid legacies. Assistance should therefore focus on efforts made by South Africa along these lines, targeting areas considered difficult for it to tackle with its own resources.

1) High Unemployment and Safety and Security Problems — Can current policies relieve the unemployed?

From an economic point of view, the increased incidence of vicious crimes is attributable to a scarcity of job opportunities with adequate wages as the basis of a stable democratic society. An unimaginably high unemployment rate and the widening gap between rich and poor associated with it provide a hotbed for crime. Needless to say, the main blame lies with Apartheid.

Although double-digit growth rates would lift employment even under current conditions, such growth rates do not seem realistic. The recent pattern of GDP expansion only managing to slow the rate of fall in employment, rather than increasing it, seems to point to a need for a micro-level structural policy rather than a macro policy.

2) Industrial Policy and Rural Village Creation — Struggle against Apartheid legacies

High unemployment in South Africa is a problem that has arisen against a background of the country's peculiar industrial structure, where those industries that are major providers of employment in countries that have achieved virtual full employment are stunted. In concrete terms, it should be necessary to direct efforts towards areas such as the targeted fostering of industries aimed at strengthening the domestic production of machinery(centring on household electrical appliances)and the creation of rural villages through the restoration of a small black farmer class.

An appropriate approach may be to mutually confirm each other's role as a key country for economic relations between Asia and Africa by making use of existing forums, with mediation between Asian countries keen on African expansion and South Africa as one of its functions.

For these reasons, it seems desirable that the emphasis of Japanese development assistance for South Africa be placed on employment creation in the manufacturing and agricultural sectors. In this regard, it is important to identify organizations and groups actually involved in relevant projects and seek close co-operation with them in the rural development area. These organizations and groups will include provincial/local governments and NGOs. Not surprisingly, the role of NGOs in the social development area has been stressed repeatedly in the RDP.

Looking at the unemployment problem in South Africa, it appears necessary to introduce new types of jobs and industries, in addition to increasing the number of enterprises. To this end, it is extremely important to have regular policy dialogue with the South African government as a vehicle for passing on Japanese experience from a viewpoint of identifying effective policies.

4. Social Development

- Characterization of Social Development and Affirmative Action

South Africa is counted as a typical example of an anomalous middle-income country which has a surprisingly low Human Development Index (HDI) compared to its income level. However, visible through this apparent paradox are extreme racial, regional and gender disparities that permeate the society. There are close correlations in South Africa between poverty and human development and between poverty and human security. Aggravated by worsening unemployment, the frustration of poor Africans has pushed up the crime rate, and the deterioration in public order amid rising vicious crimes has become a major stumbling block to social development, encompassing education, medical care, etc., as well as economic development in cities and rural villages alike.

The ultimate goal of affirmative action in South Africa is to bring about social participation, particularly employment participation, that is in line with the racial population mix as well as the gender population mix. Thanks to affirmative action, participation in employment by women and Africans has been rapidly expanding, centring on the public service. However, with as many as 42.5% of all black African workers unemployed(34.1% of males and 52.4% of females)and 1.2 million surviving by finding odd jobs in the informal sector, the employment situation is still extremely bleak for minorities and the underprivileged. It is therefore fair to say that those who benefit from affirmative action are a lucky few. This means that affirmative action as a means of rectifying inequality resulting from racial discrimination should be implemented in conjunction with other measures, such as informal sector assistance and rural development, thereby preventing it from further marginalising the poorest sections of the minority/ underprivileged class.

- Migrants

The issue of migrants and refugees who have entered the country from neighbouring countries either to work as labourers presents South Africa with not only another social/human development challenge, but also a diplomatic challenge over how to lay to rest the spectre of its hegemonistic sub-regional control and find ways of harmonious coexistence with its neighbours.

To address the illegal immigrant problem, South Africa took a carrot-and-stick approach, which consisted of the granting of amnesties to illegal residents who satisfied certain conditions, and the barring of illegal immigrants from accessing social security services through the issuance of an ID card to all residents. Amnesties were granted in two stages. Against this background, the Southern African Development Community (SADC) proposed a phased liberalization of population movement within the community and the abolition of national borders 10 years down the track in June 1995 by releasing a draft agreement on Southern African free movement. At present, however, South Africa is opposed to the agreement, citing regional conflicts and border control problems as official reasons.

- NGOs

Many South African NGOs are classified into four groups: organizations dedicated to the relief of the poor, which accepted the Apartheid system as a fact of life; humanitarian aid organizations that relied on white liberals, who were critical of Apartheid; organizations formed to facilitate the implementation of development policy based on the wishes of the industrial community; and organizations dedicated to black community development under the ideological influence of the black consciousness movement and the ANC. After the discrediting of the National Party, they provided an interface for financial assistance from overseas aid donors, thus assuming a function of government.

The growth of NGOs since the 1980s owes much to financial support provided by foreign donors. Upon the establishment of the new democratic government in 1994, overseas donors began directing their funds to government-initiated RDP projects, and, as a result, many CBOs ran into financial difficulties, with some forced to close down.

Despite slow government action and financial and manpower difficulties, the importance of the NGOs' role has not diminished. Namely, apart from providing checks and balances for the ANC Government, work geared towards achieving policy consensus within the civil society, while maintaining a co-operative but arm's-length relationship with the Government, will continue to be needed for a considerable period in light of the deeply entrenched racial inequality and the country's complex ethnic composition.

5. Rural Development and Environment

- Trends in Agricultural Production

Agriculture occupies a relatively insignificant place in the South African national economy, which is reminiscent of a developed country. Agriculture's contribution to the GDP is only a few percent, which is a far cry from its heyday in the 1920s, when the figure was around 20%.

For its low economic contribution, agriculture employs fairly large portions of the overall population and economically active population. Namely, the proportion of the agriculture-dependent population to the overall population and that of the agricultural working population to the economically active population remained above 10% even during the 1990s.

- Distribution of Agricultural Resources

The combined area of cultivated land in South Africa has been around 13.2 million ha or slightly more than 10% of overall national land since the 1970s. Of this, irrigated farmland accounts for a tiny fraction, slightly more than 1 million ha. As the probability of large-scale irrigation dams being built is very small, agriculture is basically rain-dependent. Important points that need to be kept in mind when looking at the distribution of agricultural resources are province-to-province disparities and the dual structure of agriculture. The dual structure of agriculture refers to the gap between subsistence agriculture carried on in the former homelands and commercial farming practised at white-owned farms. This dual structure has spread as Apartheid promoted the protection of white-owned farms.

- Agricultural Marketing Policy and Reorganization of the Domestic Market

The South African Government, under the Apartheid system, has had wide-ranging market intervention powers, and has set up/

drawn up monopolistic marketing boards and marketing plans, while adopting price support systems. The introduction of a whole-sale market system destroyed local-based production industries. However, the monopolization of marketing and inefficient management practices became a serious problem. As a result, the Kasser Commission in 1992 released a report calling for the relaxation of government controls and regulations.

As a result of its active efforts to comply with the WTO framework and to conduct drastic measures for reform of agricultural product marketing systems, South Africa has earned a reputation as a country with one of the most liberalised markets in the world, alongside Australia and New Zealand.

- Farmer Organizations and Agricultural Co-operatives

South African farmers are very well-organised, and have formed various organizations that promote agricultural interests, such as community-level development committees, farmers unions and industry-specific unions. Of these, the most important are agricultural co-operatives.

On the other hand, rural villages in the former homelands are devoid of agricultural activity, and for those villages it will be of strategic importance to explore the possibility of developing multi-purpose agricultural co-operatives that incorporate non-agricultural elements.

- Resource and Environment Policy in Agriculture

Many environmental problems in rural villages are attributable to absolute poverty. The South African rural environment exists on a precarious balance of nature due to low and unreliable precipitation. Nevertheless, farmers have no choice but to go against traditional wisdom and overuse agricultural resources because of a shortage of land, population pressure, and constraints in irrigation access, energy use, etc. The biggest task of agriculture-related environment policy, therefore, is to break the vicious cycle of poverty, population increases and environmental degradation.

- Rural Poverty and Food Supply

In South Africa, agriculture is important from a food security viewpoint. For poor farmers, market-based agricultural land reform is basically beyond their reach. So, the best short-term solution would be to boost production through a community-level co-operative approach with a view to improving nutrition and pursuing opportunities to sell any excess crops.

- Gender Issue in Rural Areas

In South African rural areas, with many male adults economically active having left villages to become migrant workers, most domestic chores, including the carrying of water and gathering of firewood, are undertaken by women, on top of any economic activities. Under traditional customary law, women's access to farms is restricted, and female-headed households tends to be very poor.

Therefore, the gender issue in rural areas has closely relation with poverty. The urgent tasks for the economic independence of women include establishing a social support system, incorporating enhanced health and medical care, shelter against violence, counselling, legal advice, and the like, in addition to providing economic support(encompassing, among other things, land access, financing for small business start-up, education, job training and literacy programmes) .

- Forestry and Fisheries as Basic Rural Industries

In South Africa, forestry and fisheries are fairly low-key industries. While the commercial fisheries industry is virtually non-existent outside the Western Cape Province, commercial forestry operations threaten to undermine the rural livelihood even if they contribute to the GDP.

For example, efforts by commercial forestry operators to expand timber production have been the main factor in the dramatic reduction in forest area, although they have led to an expansion in exports. On the other hand, the importance of firewood as the main rural energy source remains, so commercial forestry operations have also been causing other problems, such as a further reduction in forests' already depleted water retention capacity and a fall in their tourism value due to a reduction in biodiversity.

- **Basic Perspectives of Agricultural/Rural Development Assistance**

There are several basic perspectives that should feature in agricultural/rural development assistance. Firstly, development assistance must take root in the community and lead to self-sustainable community development. Secondly, it is important to recognise the indigenous nature of agriculture and the rural community. Thirdly, for this type of agriculture, the crucial point is to put emphasis on human/institutional development, rather than material development. Infrastructure development should therefore be thought of as a basis for human/institutional development, with assistance provided from that viewpoint.

Fourthly, scrupulous consideration should be given to the fact that in South Africa, the main target of agricultural/rural development must be the residents of the former homelands, which account for about 14% of national land.

- **Recommendations on Agricultural/Rural Development Assistance**

We recommend the following nine points for agricultural/rural development assistance in South Africa.

- 1) Rural development through a cross-sectoral approach
- 2) Preferential assistance for the creation of rural villages and farming activities in areas undergoing land reform
- 3) Assistance for establishment of small-scale enterprises
- 4) Development of local knowledge into a database and establishment of new farming techniques based on it
- 5) Effective integration of agriculture (both cultivation and livestock farming) , forestry and fisheries industries
- 6) Assistance for the creation of an accessible market
- 7) Creation of urban-rural integrated marketing zones
- 8) Development of a mechanism for participatory assessment/development planning and its accumulation of know-how
- 9) From extension workers to facilitators

6. Urban Problems

- **Urban Problems in South Africa**

Urban problems in South Africa are attributed to the distortions among urban-structurally irrational segregation justified under the Apartheid-based urban policy, rational urban programs for layout of some development areas, and the recent neoliberalistic investment in urban development.

In particular, cities have spatial characteristics in that ‘developing cities’ are layered on ‘modern’ urban planning, and this has come to be referred to as the urban Apartheid structure. City planning in South Africa have much in common with that in North America in such features as central business district with high-density integration of functions, suburban residential areas laid out with a view to individual home ownership, trunk road networks linking the two, and suburban centres (“edge cities”) located at junction points.

In contrast, residents in areas of small and densely packed housing lots or in squatter camps that fill the space between areas of residential land are continuously confronted by urban issues, such as a lack of water supply and drainage, and other basic social infrastructure necessities, mountains of discarded waste, elementary toilet facilities encircling the villages, and a complete lack of transportation linking these areas with residents’ places of work.

- **Inner City and Public order**

Malfunction of CBD, and the deterioration of the living environment are paid attention in South Africa as well. An outflow of the population and an outflow of manufacturing facilities from the major cities in South Africa has been quite pronounced since the 1970s and 1980s, respectively. The continuing exodus of companies from inner-city is expected to exacerbate falling tax revenue, declining employment, real estate neglect and hotel closures. And with deteriorating safety and security, rising numbers of homeless and street children, and the business activities of illegal immigrants, perceptions of the inner city will plunge, causing consumers, tourists and the business sector to give this area a wide berth.

Furthermore, tenant overcrowding that exceeds the load capacity of apartment utilities is creating a range of problems, such as breakdowns of elevators, shortage of water supply and drainage systems, large amounts of uncollected garbage lying about, and power demand that cannot be met by the existing power supply. On the other hand, there is also the view that traffic congestion in the suburban areas has become so critical that companies are finding it hard to continue operating, and the progress of suburban

development is stalling.

- **Conclusion and Recommendations - Burying Urban Distortion**

In this light, Japan can extend its cooperation in the following areas to help the government tackle urban problems: 1)to reform the remained urban Apartheid structure; 2)to accept and foster the dynamism of the informal sector and street traders; 3)to tackle urban law and order.

7. Health and Medical Care

- **Measures for Health Sector and the Legacy of Apartheid**

The health sector in South Africa today is still characterized by striking structural inequalities formed during the Apartheid era. Substantial gaps in health standards between income levels, between regions, and between races, combined with an inequality in access to health services and a clear differentiation between private medical facilities that boast a high level of medical care and poorly funded public medical facilities are a major impediment to the growth of South Africa's health sector. The spread of AIDS in recent years has caused a further decline in health standards in impoverished regions.

The basis of the government policies to alleviate the structural problems in the health sector is to remove inequality in access to health services and enhance measures to reduce poverty. And the objectives established include integrating and enhancing various initiatives aimed at better and more equitable access to health services, resolutely tackling HIV/AIDS and its socioeconomic cost, and improving the efficiency of hospitals while seeking the stable operation of public hospitals.

- **Health and Medical Care Spending**

The quality of public medical services in South Africa is grossly inadequate, even though the nation spends R30 billion on health services, or a high 8.5% of the GDP. The policy agenda concerning health and medical care spending must be implemented along with the strengthening of the economic management aspects of the health sector and the rectifying of the inequity in health services. In reality though, there are many difficulties to overcome, and prospects are just as tough as they have always been.

The public health service largely depends on tax revenue for funding. Public health spending eats up 10-11% of the government's budget expenditure, so there is little hope that more tax money can be allocated to health. In a reflection of South Africa's decentralized financial management, furthermore, there is a considerable gap between provinces in the real level of spending on public health. This is also causing the major inequity between provinces in health services to become even more pronounced.

- **Direction of Assistance for Health and Medical Care**

Poverty and low health standards seen among the many poor black people places South Africa below other middle-income developing nations. The two key pillars of South Africa's current health and medical care strategy are to improve and strengthen primary care and public hospitals. In view of the limited financial and personnel resources of provincial governments, it is desired to strengthen effective primary care without placing a heavy financial burden on the provincial governments.

In the future, it will be necessary to establish a relationship of confidence with the South African Health Ministry as a partner and participate in policy discussions to rebuild the health sector as well as discussions on drawing up comprehensive plans for funding the required rebuilding work while narrowing down the necessary items. Parallel financing for primary health care programs through the supply of capital goods and other forms of assistance is believed to hold great promise for aid effectiveness. Further, it is also important to extend follow-up support so that the equipment provided can also be installed and used in other hospitals, and to provide support programs based on detailed planning that incorporates management aspects.

8. Education and Human Resource Development

- **Historical Background and History of Education Measures**

In South Africa in the Apartheid era, education for Whites, Asians and Coloureds was racially divided under the unprecedented system, so each group had its own administrative body for education. This in turn has led to a massive educational disparity between white and black children. Thus, South Africa finds itself in a unique situation marked by the coexistence of a modern edu-

cational sector and a second educational sector faced with the urgent task of qualitative improvement and quantitative expansion of basic education that is no different from that in other African countries.

Drastic reform of the education system is the most crucial issue facing post-Apartheid South Africa as it strives to build a democratic nation, and reform here is seen as having the potential to be an important catalyst for change in other sectors.

- **Primary and Secondary Education**

Primary and secondary education is a priority area for the government, and urgent tasks for future include expanding educational opportunities and improving the quality of education. What is vital for this to become reality is true social equity in which discrimination because of race, gender, language, age or any other grounds ceases to exist. Limited resources must be used effectively and efficiently, and perhaps some degree of financial contribution by the beneficiaries cannot be avoided.

A major problem, like other African countries, the immense disparity between regions as seen in the fact that education environment is seriously deteriorated in many of the homelands. The poor standard of science and mathematics at the former black schools is quite striking, and this becomes even more obvious as students progress through the higher school years. In this regard, too, there is a pressing need not just to expand opportunities to gain a higher education, but to improve the quality of that education as well. The reality of the situation, however, is that the education budget is already coming under severe pressure, and teacher numbers are being cut.

- **Higher Education**

Institutions of higher education in South Africa are a complex mix of universities, technikons (technical schools)and colleges. More than a few graduates of secondary school have an inadequate language capability or a poor understanding of science and mathematics, but at the same time, there is some concern that because higher education is opening up and being made more accessible, standards at universities and the like may drop.

The standard of education and research at the former white universities has been world-class, whereas at the former black universities, besides other constraints, the academic capabilities of students graduating from secondary schools were often less than adequate, so naturally there were limits on the quality of the education provided. Another factor exacerbating the problem of declining quality is that funding has not kept pace with the sharp rise in the number of students entering the former black universities. And even after the students graduate, their chances of finding employment are extremely limited. Moreover, the general trend is that higher education budgets are being cut, and the number of entrants into universities has levelled off these past few years.

- **Adult Basic Education and Training**

Adult basic education and training(ABET)occupies a pivotal position in the RDP. Government policy affords ABET the same status as school education, but current realities are that the education budget is under severe pressure and there is not enough funding even for schools, let alone education targeted at adults.

ABET organizations include adult basic education centres operated by labour groups, churches, NGOs and the like, and other adult schools that use primary school facilities after hours. However, the government has shown no sign of actively attempting to systematically combine school education and education facilities and giving illiterate people the opportunity of gaining an education.

- **Vocational Training**

Government of South Africa is endeavouring to position vocational training at generally the same level as school education. While obtaining a skill through vocational training does not mean that it will lead directly to a job, there is also a need to consider providing the opportunity to acquire basic skills for earning a living, including the potential for self-employment in the informal sector.

The private sector is much more mature in South Africa than it is other African countries. Department of Labour of South Africa, however, is aware that training is not being carried out on an organized basis in companies, and the lower level workers are hardly given any opportunities for formal training. In the future, the Government plans to implement skills development measures, including skills development programs conducted by local governments, under the Skills Development Levies Act.

- Direction of Assistance

When considering assistance to South Africa, consideration should be given to the possibility that the Government of South Africa will not accept foreign assistance unless it is rational. In particular, if donor countries and recipient countries aim at a purely equal relationship as partners, there is a need to listen carefully to what South Africa has to say.

The role South Africa can play in the development of education within southern African region is by no means small, provided the region can achieve political and economic stability. In particular, South Africa's predominance in higher education institutions is clear, and it is widely hoped that this framework will promote the effective use of information technology in areas such as distance education, and advance exchanges that will work for the benefit of all.

Thus, assistance approaches to be implemented in the future in the areas of education and human resources development should include the following:

- 1) Priority to primary and secondary education;
- 2) Improve the quality of education;
- 3) Rectify regional disparities;
- 4) Emphasis on science and mathematics;
- 5) Support for employment creation;
- 6) Cooperation in management aspects;
- 7) Effective use of local resources;
- 8) Flexible response to aid needs

9. Infrastructure and Energy

- General Trends in Energy Sector

With limited oil and natural gas reserves and hydropower potential, South Africa's energy resources are relatively insignificant, except for its abundant coal, leading to a lopsided energy structure through over dependence on coal. In the area of renewable energy, active efforts are being made for development of solar energy and wind energy.

- Electric power

South Africa has the largest power network on the African continent. The nation's power generation capacity accounts for 40% of total African capacity. This, however, is largely built on the power consumption of the white population, which makes up just 10% of South Africa's total population, while a large percentage of black poor, who form the majority of the population, still have no access to electricity.

Through ESKOM, South Africa is an important player in power supply in the southern African region as seen in the SAPP program that seeks to link SADC countries with South Africa through a power network.

- Roads and Urban Transport

The road infrastructure in South Africa expanded rapidly in the 1960s and 1970s with the extensive construction of primary roads, including highway networks. While primary roads are comparable with those in developed countries, only 17% of regional roads are paved (1999) , and this figure includes the primary roads. Similar to other facets of the economic infrastructure, roads are also subject to a national "north-south divide" with rural roads in particular badly neglected.

About nine million South Africans in cities depend on public transport. However, the coverage of public bus routes is inadequate, and safety and security is a problem on commuter trains, so many commuters end up having no option but to use minibuses or taxis.

Key areas that can be considered for future roads-related assistance are, depending on the form of the loans, infrastructure development through private-sector participation, and the construction and maintenance of access roads for poor black communities. As road maintenance is identified as an urgent issue, technical cooperation and soft loans to this area are also worth examining.

- Rail and Urban Commuter Rail Service

South Africa's rail network is the most advanced on the African continent, and virtually covers all major cities in South Africa.

Demand for urban rail as a means of urban commuting has been at about the same level as that for bus services, so rail has become an important means of transport for the black poor. During Apartheid, the commuter rail network did not receive appropriate investment, and in the absence of systematic and uniform transport policies, management and operations remained inefficient, and rolling-stock and other related infrastructure deteriorated. Meanwhile, train violence and destruction became rampant, and in the face of growing popularity of and intense competition from minibus taxis, the number of passengers using commuter rail services fell sharply.

The Mandela administration reviewed the effectiveness of inexpensive, environmentally friendly, and, in terms of accidents, relatively safe rail transportation, and gave a high priority to the maintenance and extension of the commuter rail network in the public commuter transport plan with a view to a future urban development plan.

- Ports and Harbours

With its relatively smooth coastline, South Africa can hardly be said to be blessed with good natural ports, but situated at the southern tip of the African continent and serving as a vital link between the navigation routes of the Indian and Atlantic Oceans, South Africa has long had well-developed harbours such as Durban and Cape Town.

South Africa has long been the door to the ocean for many SADC countries, and in 1996 South African share of all goods handled by southern African ports (SADC countries) stood at 91%. The South African government is also planning to help develop Maputo port in Mozambique, which is closer to the metropolitan area of South Africa.

- Aviation

Most airports in South Africa are under public management, but in the past few years the government has been pushing ahead with privatization. Johannesburg International Airport has already shifted to private-sector management.

Johannesburg International Airport, the largest airport in South Africa, is also among the largest in Africa, and with the end of Apartheid and South Africa's closer ties with other African countries, its role as a hub airport linking Africa with Europe, North America and Asia has become much more prominent.

- Telecommunications and the Postal Service

For a developing country, South Africa possesses a high level of technology and has a well-developed infrastructure, however there are still many telecommunication-related issues that must be addressed, including the low telephone penetration rate among black communities, measures to counter crime such as theft of telephone cable, unpaid telephone charges in poor regions, and catching up to the developed countries in information technology. Again, the major task in the area of telecommunications is to remove the racial disparity in access to infrastructure.

In the area of postal services as well, racial and regional disparities has grown in the provision of services under the Apartheid structure.

What is needed in this area from Japan is technical cooperation rather than loans; for example, offering advice on the organizational reform of Telkom, and providing IT-related assistance. Loans, however, still have an important role to play along with technical cooperation, though, in connecting poor rural areas to the telephone network as an integral part of comprehensive regional development.

- Water Resources

South Africa's water resources tend to be concentrated in remote regions, so water often has to be piped considerable distances to places of demand, limiting the volume of water and supply and pushing up water resource development costs. Along with runoff, groundwater is also being developed, but there are problems with this source in that groundwater boreholes are scattered throughout the country and all are of a small scale, and that the quality of the water obtained is generally poor and not particularly suitable for drinking. Nonetheless, groundwater still fulfils a role in farm irrigation in dry areas, and for water supply in black rural communities.

The 1996 Constitution guarantees that everyone has the right to have access to sufficient water, indicating the importance of

water supply as a national issue.

- **Water Supply and Sewerage**

As in many other aspects of South African life, the country is in fact two societies in one: in the cities people have access to world-class water, whereas people living in black residential areas in the former homelands do not even have access to community water taps. For them, reality is constant trips to carry water from the local well or river, but the quality of the water even from the wells is quite poor, and sanitation is often a problem.

To tackle these problems, the South African government has emphasized water supply to and environmental sanitation in black rural communities. Since fiscal 1994, numerous water projects have been implemented in all provinces, but much still needs to be done to increase access to clean water.

The RDP highlights sanitation, including sewerage systems, as a priority area along with water supply, but sanitation facilities were in an even poorer condition than water supply, making their development that much more difficult. As is the case with water supply, there is substantial racial inequality in access to sewerage systems, with the level of access among black communities manifestly low.

- **Direction of Assistance**

In South Africa, there is an ongoing need to inject significant amounts of money in all infrastructure areas, and to identify how those funds will be obtained and who will take the lead in infrastructure development as the central government continues along its path of “small government”, reduced subsidies and privatization.

When providing aid to South Africa, Japan must present schemes that are in line with South African needs and are as flexible as possible in consideration of South African government’s wariness of the political influence of foreign assistance. Both Japan and South Africa must patiently discuss the various issues at all levels, from policy to implementation, and from government to private sector.

Priority must undeniably be given to improving the living environment for black communities. Specific targets include electrification, roads, commuter rail, water supply and sewerage systems, telephones, and housing development in provinces and areas surrounding the major cities.

In upgrading South African industry, it should be appropriate to conduct technical cooperation in concert with Malaysia and other countries with which South Africa has close and strong relations. It is expected that the private sector will extend funds and provide assistance for natural resources development and profitable type economic infrastructure development on a private or semi-private base, so Japan should also look into providing fund assistance centred on the use of, for instance, the OOF (other official flows) such as JBIC untied loans (including BOT-type programs).

Part II. Trends in Japan’s ODA to South Africa

Since 1990 Japan has been providing grant through international organisations, accepting trainees and extending grant aid to projects help Africans, who were forced to make tremendous sacrifices under Apartheid. Since Mandela’s election in 1994 Japan has positioned South Africa among its highest priority aid countries from the viewpoint that the development and stability of the new South Africa can contribute to the development and stability of southern Africa, and indeed, the entire African continent. In July 1994, Japan announced the South African support package centring on aid that would benefit the poor. In December 1998, policy discussions were held on technical cooperation and grant aid, agreeing to set human resources development for black people as its basic policy line.

In addition, when President Mbeki succeeded President Mandela in June 1999, Japan announced that it would continue to provide an appropriate level of assistance based on cooperation outcomes over the past five years that had totalled roughly \$1.5 billion.

So far, Japan’s primary task in providing cooperation to South Africa is to support the two aid pillars of satisfying the basic needs of the people equally by enhancing the delivery of services, which is a central theme of the RDP, and creating employment by cutting the budget deficit and achieving a stable high rate of growth around the 6% mark through stronger GEAR policies.

Yen loan assistance began as part of Japan’s South African assistance package announced by the Japanese Government in July

1994 (worth 1.3 billion dollars) following the dismantling of Apartheid and democratisation in South Africa. The assistance package included 300 million dollars of ODA, of which 250 million dollars were earmarked for yen loans. However, the actual lending process has not been all that smooth for a couple of reasons. First, there have been instances of the South African Government waiving a yen loan after making a request for one, as in the case of the Eastern Cape Province Road Development Project. Second, problems such as a delay in the approval of a loan after the signing of an E/N and the failure for some projects to translate into an increase in actual lending after their approval have arisen from the currency exchange risks associated with yen loans.

Part III. Recommendations for Japan's ODA to South Africa

1. Basic Perspectives on Bilateral Development Cooperation to South Africa

- Singular Regional Power” - South Africa as a player in the world politico-economic situation

Accounting for almost half of total production by Africa's 47 countries and 80% of production by SADC member countries, South Africa alone stands out in Africa Region. Although an aid recipient, at the same time South Africa also provides aid of roughly 300 million yen a year to neighbouring countries. Since the end of Apartheid, South African private-sector investment has been spreading widely, not just throughout neighbouring countries but around the central and southern regions of the continent as well. When looking at South Africa, therefore, we should always view the nation as a player in the world politico-economic situation.

- The Legacy of the Apartheid: Hidden awful backwardness

In contrast to such an external appearance of strength, South Africa is burdened with the Apartheid legacy. South Africa cannot deal with its dark past reaching back 400 years and build a new nation overnight. The vigour of the mining industry and other core industries, and average income levels give no indication of the problems facing South Africa's black poor. Comprehending the special character that stems from the two sides of South Africa – “strength and future as a regional power” and “difficulties brought on by remnants of the old Apartheid institution” – is the most fundamental and crucial key to understanding the significance of international cooperation for South Africa, and reflecting on how that cooperation should unfold in the future.

- The Role of ODA for Strengthening “Global Partnership”

In the light of its position in the world, the idea of cooperation to South Africa should not be confined to contributing to the stabilization and sound development of that country alone; rather, there is a need to broaden the cooperation vision to incorporate southern Africa, or the entire African continent, and in turn, to work toward strengthening ties between Africa and Asia. To achieve this, both Japan and South Africa need to question the current form of Japanese ODA from the key concern of how it can contribute more directly to peace and stability in southern Africa and throughout Africa as a whole. In view of their respective positions, furthermore, Japan and South Africa should step beyond the simple bilateral framework and pursue a cooperation structure that is conscious of the potential of this cooperation to form a bridge for broader Asian and African cooperation.

2. Priority Areas for JAPAN's ODA to South Africa

- Social Stabilization through Support for Basic Livelihoods of the Poorest African Population and Job Creation

1) Stable supply of basic public services

Major challenges in assistance for South Africa's African poor are summarized below.

First is the stable delivery of basic public services. Health and basic education services, including basic health care, primary and secondary education, literacy education, and general water supply, are fundamental. The efforts of the government and people alone are not enough to build a society where even the poorest groups have access to at least the minimum necessary health care, education and other public services to enable them to live independent lives with dignity. Japan must continue and expand cooperation with highest priority given to these areas.

2) Support for self-reliance through job creation

Second is the importance of assistance for self-reliance through job creation, especially rural community development and fostering labour-intensive industries.

Apartheid completely disregarded African agriculture, and dispossessed of their land and forced to work long distances from their homes, black communities move out of agriculture, and rural communities were no longer able to absorb labours. Apartheid also prevented labour-intensive industries typical of a semi-industrialised country from developing, resulting in a very serious employment situation in South Africa.

In the face of this, the South African Government has identified employment creation as one of the top priority economy policy tasks, but the initiative is yet to produce tangible results and its future outlook is not particularly good.

Based on this, Japan has been providing cooperation for grass-roots project for organizing farmers, improving farm management, and fostering African and women entrepreneurs. In future cooperation, it will be important to continue cooperation in these areas and to develop and implement specific cooperation programs for creation of new rural communities.

3) More direct support for social stability and protection of the socially vulnerable

The deterioration in safety and social security in South Africa is extremely serious compared to other nations in the world, and there is a pressing need to tackle the high incidence of heinous crimes. Support should not be confined to simply preventing the direct damage from crime; unless crime is reduced and people can feel safe to leave the protection of their own homes, socioeconomic development is a mere pipedream. Japan has already been providing cooperation to enhance the function of the police force, but more is required from the perspective of protecting women and other vulnerable members of society from crime, and contributing to the improvement of safety and social security in poor residential areas. This should go beyond strengthening measures to curb crime. There is also a need to examine the kinds of cooperation that can enhance protection for the rights of victims, prevent crime, and turn around the trend of tolerating violence, which is at the heart of much of the crime in South Africa.

- Support for Provincial and Local Government Capacity Building that will Form the Core of the Sustainable Development System

Regarding measures to combat poverty, South Africa is burdened with a severe handicap of a major administrative void as a legacy of Apartheid in which 35 million African people were not recognized as citizens of South Africa, and received no government services. It is important to fill this major administrative void and build a sustainable development system, and the key to this is the part played by local entities, especially provincial governments, and the non-profit sector.

In general, the South African government only formulates policy, and hardly becomes involved in its implementation, while provincial governments and other local government bodies in many cases do not have sufficient capabilities to implement these functions as to date the private non-profit sector has been the main provider of those services. Provincial governments, moreover, are generally lacking in people with technical or specialist skills, and overall administration can tend to be inefficient.

Japan is providing assistance for human resources development in such areas as general local administration institutions, police, health and education by way of programs for provincial and local government capacity building to help South Africa resolve this administrative void through its own efforts. Cooperation in this area should be implemented more efficiently in the future.

- Clarification of Cooperation and Role-Sharing beyond the ODA Framework

When considering ODA to South Africa, what are important are a partnership that steps beyond the ODA framework, and, at the same time, formation of a part of the process of clarifying ODA role sharing within that partnership. It is desirable that Japan actively implement various promising aid proposals that combine both practical appropriateness and creativity. It is also desirable that policy makers adopt as flexible an approach as possible regarding the ODA system and the form of aid, with consideration given to the special nature of South Africa and the importance of the Japan-South Africa relationship.

What South Africa is looking to in its international cooperation with Japan is the development of bilateral relations based on a bold outlook conceived in the advancement of 21st century globalism, and pragmatism that will bring this to fruition in a tangible form. With full consideration to South Africa's expectations, Japan is extending ODA to the "shadow" areas where OOF and private-sector economic activities on a commercial base would find it difficult to enter, and at the same time, it must also maintain

cooperative ties with OOF and the private sector and provide lateral assistance that is complementary to their activities.

3. Practical Measures and Considerations

- **Cooperation that Reaches the Poorest People and Ensuring Sustainability**

Having cooperation reach the poorest communities by expanding its effect from single points to whole areas in a form that can ensure sustainability is by no means simple. So that aid does not end up as mere relief from past poverty, aid providers and recipients must take a tough view on what kind of aid can be absorbed and sustained after it has been implemented, and work together through trial and error to ensure the aid provided is appropriate without sticking to traditional approaches.

- **Effective Collaboration with the Non-Profit Sector(NGO/CBO)**

The private non-profit sector has been providing services on a voluntary basis in place of local governments, and has built a great depth of experience and influence in development projects. The experience and vitality of the private non-profit sector can be effectively utilized to complement the service-providing efforts of provincial governments, and ensure that assistance reaches poor Africans.

More can be expected not just from the South African private non-profit sector, but also from the Japanese private non-profit sector active in South Africa. For example, one Japanese NGO is carrying out many dynamic projects including those aimed at revitalizing communities by building structures that promote the autonomous community development and assistance for natural farming methods, and has established a valuable human network within South Africa. Participation in the Japan-South Africa Partnership Forum by NGOs from both countries is worth serious consideration.

- **Effective Collaboration with Local Resources(local private companies)**

South Africa has many highly capable private companies, and these local resources can be used in such areas as construction of facilities under financial assistance. Their use is expected to increase in the future.

- **Consistency with South African Government Policies and Partnership including the implementation level**

The South African government does not always give the same priority to issues as that given by international cooperation for South Africa. Moreover, while the central government does not welcome participation by foreign experts in the policy making process within the government sector, the South African government does use the private sector quite decisively in policy formulation. When considering participation in its policy process, therefore, it is important to observe the following two points: the donor should never be presumptuous enough to request it or even force it; and even if it is allowed to take part, the donor should never “advertise” the fact. Indeed, these have become a common understanding of locally-based experienced foreign aid personnel from various countries.

Abbreviations

ABET	Adult Basic Education and Training
AFD	France Development Agency
AfDB	African Development Bank
AIDS	Acquired Immune Deficiency Syndrome
ANC	African National Congress
CBO	Community-Based Organization
CEC	Commission of the European Communities
COSATU	Congress of South African Trade Unions
CSS	Central Statistical Service
DBSA	Development Bank of Southern Africa
DFID	Department for International Development
DLA	Department of Land Affairs
DTI	Department of Trade and Industry
DWAF	Department of Water Affairs and Forestry
EU	European Union
FAO	Food and Agriculture Organization
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GEAR	Growth, Employment and Redistribution
GNP	Gross National Product
HDI	Human Development Index
HIV	Human Immunodeficiency Virus
HSRC	Human Science Research Council
IBRD	International Bank for Reconstruction and Development
IDASA	Institute for Democracy in South Africa
IDT	Independent Development Trust
IFC	International Finance Corporation
IMF	International Monetary Fund
IOR-ARC	Indian Ocean Rim Association of Regional Cooperation
ISS	Institute for Security Studies
JSE	Johannesburg Stock Exchange
JVC	Japan Volunteer Center
KfW	Kreditanstalt für Wiederaufbau
MERG	Macroeconomic Research Group
MIIF	Municipal Infrastructure Investment Framework
NDA	National Development Agency
NGO	Non-Governmental Organization
NQF	National Qualification Framework
ODA	Official Development Assistance
RDP	Reconstruction and Development Programme
SAA	South African Airways
SACP	South African Communist Party
SACU	Southern African Customs Union

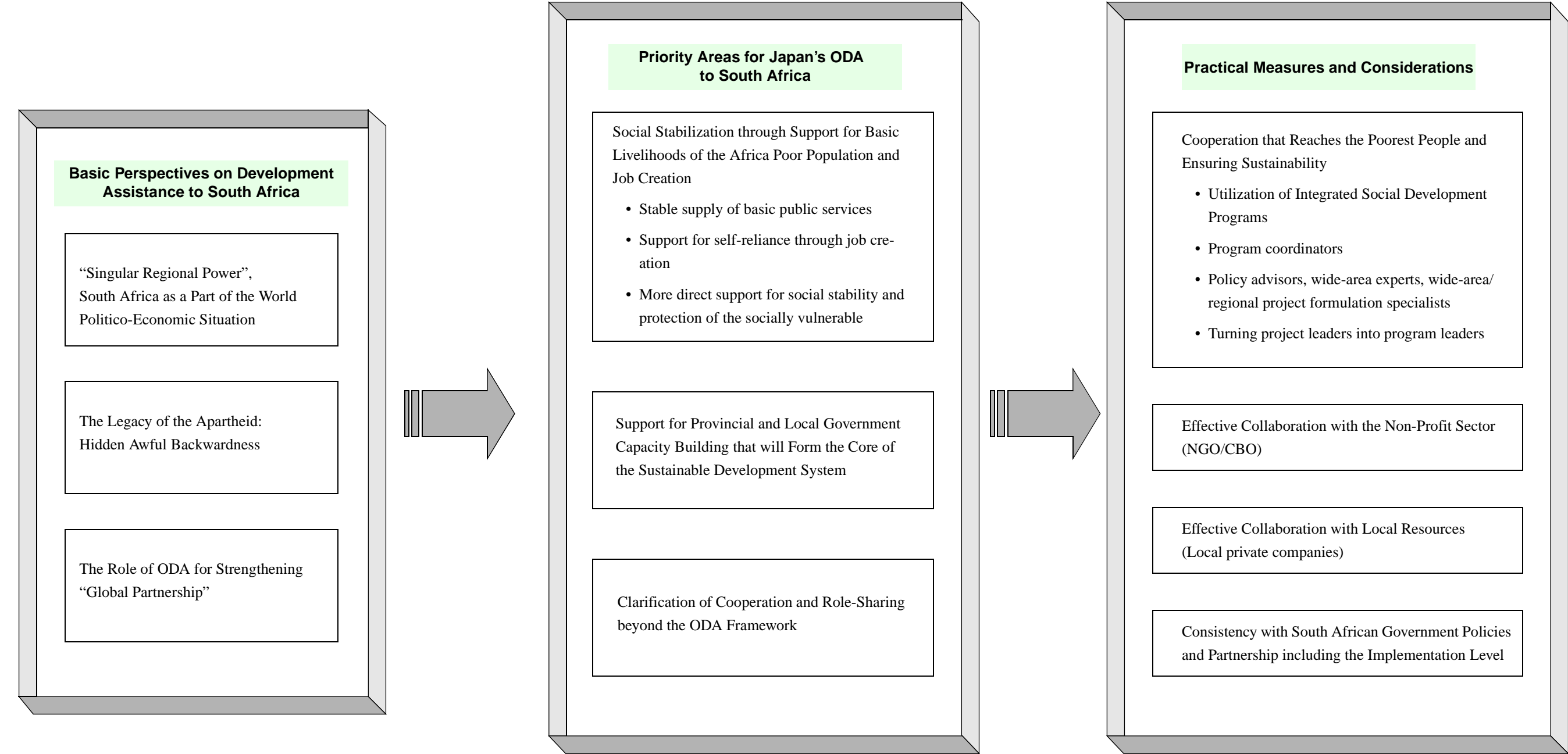
SADC	Southern African Development Community
SANGOCO	South African NGO Coalition
SANRA	South Africa National Roads Agency
SAPS	South African Police Service
SARB	South African Reserve Bank
Stassa	Statistics South Africa
TICAD	Tokyo International Conference of African Development
TNDT	Transitional National Development Trust
TRC	Truth and Reconciliation Commission
UN	United Nations
UNHCR	Office of the United Nations High Commissioner for Refugees
UNIDO	United Nations Industrial Development Organization
UNISA	Univesity of South Africa
USAID	United States Agency for International Development
WTO	World Trade Organization

< Currency > Currency = Rand (Rand: R) US\$1 = 7.74R (as of Dec. 1, 2000.)

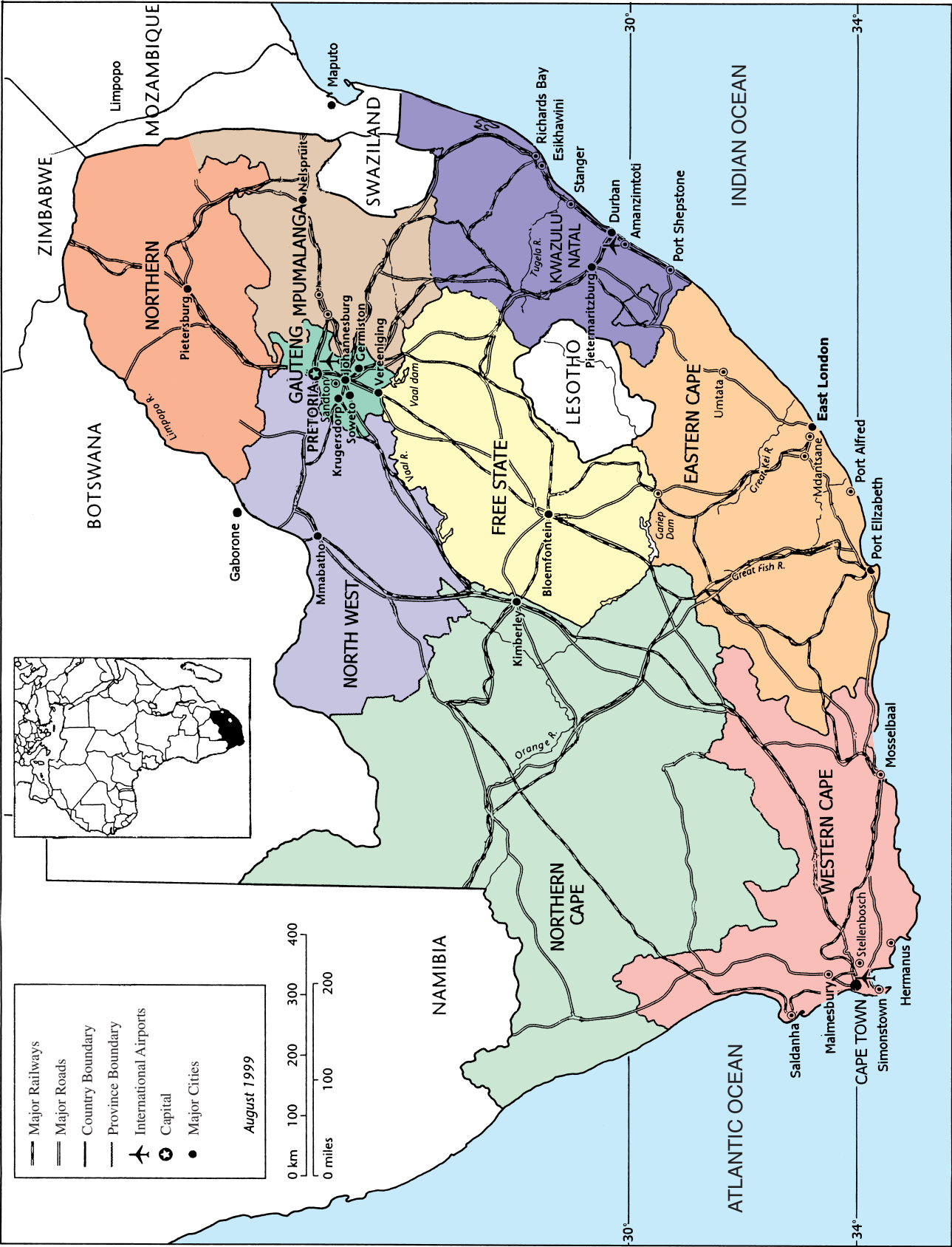
< List of Provinces >

Province
Northern
Eastern Cape
KwaZulu Natal
Mpumalanga
North West
Gauteng
West Cape
Northern Cape
Free State

Basic Concept of the Report



【 Map of South Africa 】



Reference : The Economist Intelligence Unit Limited (2000) *Country Profile* : South Africa 1999-2000.

