

STRATEGY

STRATEGY MANAGEMENT SERVICES (PTY) LIMITED

and London School of Management and Economics

001LG/STRATEGY/EDS

15 January 1992

Dr Zach de Beer
Chairman
Co-Ordinating Committee
CODESA

FAX: 397-2211

Dear Dr De Beer

CONTRIBUTIONS TO CODESA

Congratulations on your role in the momentous establishment of CODESA and its significant progress thus far.

It has come to our attention that representations and contributions to CODESA by interested parties are currently being considered. As we are committed to the aims of CODESA and believe that we have a substantive contribution to make, we respectfully request your due consideration, of our prospective role.

Our contribution could be in the form of Strategically Oriented Research, Consulting, Facilitation and/or Participation in working groups in terms of political options and constitutional issues.

I have previously had discussions with Professor Marinus Wiothorn on Constitutional Options and the negotiation process, as early as 1985. We believe that a Strategic Framework and Process would be most appropriate in adding value to the work of CODESA.

STRATEGY MANAGEMENT SERVICES

Strategy Management Services is an independent consulting and research organisation engaged in a wide range of development areas including:

Political, Socio-Economic, Business and Management Development.

Managing Director Eric D. Stillerman
B.Acc., CA (SA), MA (Psychol, Cum Laude)
REGISTRATION NO: 91/06300/07

TELEPHONE : (011) 483 1700
483 2060/1
FACSIMILE : (011) 728 2475

4th Floor Cedar Grove, Grove City
196 Louis Botha Avenue
HOUGHTON ESTATE 2198
P O Box 89695, LYNDBURST, 2106

- PAGE 2 -

Strategy was established in 1983. It has since worked with several Top 100 clients, promotes small business with the SBDC and has produced several publications in the development area. An article is currently being finalised on Strategies for Political and Socio-Economic Development in South Africa, which will be forwarded to you in due course.

LONDON SCHOOL OF MANAGEMENT AND ECONOMICS (LSM&E)

LSM&E is an independent educational institution, providing higher education and training in the areas of management and economics, including the specific areas of politics and government. LSM&E prepares students for the BSc(Economics) Degree under the University of London External Programme. LSM&E has attracted students from several organisations seeking to develop skills in public administration and management within the emerging scenario in South Africa.

RESOURCES

ERIC D STILLERMAN

BSocSc, BAHons, B Acc, CA(SA), MA(Cum Laude)

Managing Director, Strategy Management Services; Co-Principal, London School of Management and Economics.

Eric Stillerman has been involved in the areas of Political and Economic Development since the early 1970's including research for the Honours and Masters Degrees and a proposed Phd Degree. Recent publications include the STRATEGY IN ACTION MANUAL and a press article in 1991 on Economic Strategy. Career record includes development research with the CSIR, CA(SA) Articles with Ernst & Young and the founding of Strategy Management Services, working with several leading organisations such as Gencor, Sasol, De Beers Research, the Urban Foundation and SAFTO.

DR COLIN LAWRENCE

Phd (Economics, Chicago)

Associate of Strategy Management Services, Deputy Managing Director, Union Bank of Switzerland in London. Formerly Associate Professor Columbia Business School, New York.

DR GAD ARIOVICII

BA(ECON), BSc(Statistics), MBA, D.Com(Econ)

Co-Principal, London School of Management and Economics. Deputy Director, Financial Services Board, Economist and Business Consultant.

MR MICHAEL COHEN

B.Com, BCom(Hons)(Econ), MSc(Econ)

Co-Principal, London School of Management and Economics. Economist, Business Consultant and former lecturer, University of the Witwatersrand.

- PAGE 3 -

DR JOHAN CLOETE

PHD, Senior Lecturer, University of Natal. Formerly Group Economics Consultant, First National Bank.

DR EDWIN BASSON

D.Com(RAU)

Chief Economist, SBDC. Formerly lecturer University of Pretoria.

MS. RIANA PRINSLOO

BA (Hons) M.A.

Lecturer at RAU and London School of Management and Economics.

MR COLIN VALE

BA(Hons)(Wits), MA(Stellenbosch)

Senior lecturer, University of the Witwatersrand and London School of Management and Economics.

MRS MARY CREWE

BA(Hons)

Visiting lecturer, University of the Witwatersrand and London School of Management and Economics

MR ARI KATZ

BCOM, BCompt.,(Hons), CA(SA), CPA(Isr), CISA(USA)

Visiting professor University of the Witwatersrand. Formerly Partner Ernst & Young, Principal, Boston Education Group.

MS. LEANNE BARSEL


BA(Psych), PDM (Wits)

Consultant, Strategy Management Services and London School of Management and Economics.

Hoping that we may be of service to CODESA in its vital mission.

Kindly respond us at your earliest convenience.

Yours sincerely



ERIC D STILLERMAN
Managing Director

FACSIMILE TRANSMISSION

COVER PAGE

TO : Mr. Maharaj
SS VANDER MEER

OUR FAX NO : 728-2475

OF : CODESA

OUR REF : S. Stillerman

FAX NO : 3972211

DATE : 2-3-92

NUMBER OF PAGES TO FOLLOW THIS PAGE 7

" SUBMISSIONS TO CODESA "

MESSAGE:- KINDLY ACKNOWLEDGE AND RESPOND

IF THIS MESSAGE YOU RECEIVE IS INCOMPLETE
PLEASE ADVISE IMMEDIATELY

STRATEGY

STRATEGY MANAGEMENT SERVICES (PTY) LIMITED

095LGI/EDS/STRATEGY

2 March 1992

Messrs. S S van der Merwe and Mac Maharaj
CODESA SECRETARIAT

Dear Sir

SUBMISSIONS TO CODESA

I enclose a copy of my letter of 15 January 1992 to Dr Zach de Beer regarding contributions to CODESA and copies of two relevant articles as promised.

We would appreciate your response and an indication as to whether detailed contributions will be accepted after 2 March 1992.

Our contributions would centre around:

Working Group 2: General Constitutional Principles and the Constitution-Making Process.

Among the issues which we would like to address are:

1. The Process: Facilitation of an impartial Strategic Planning Process, Framework of Analysis and Source of Creative Solutions to reconcile what often seem irreconcilable issues.
2. Reconciling the Role of Minorities within a Democratic Framework.
3. Establishing a Balance of Power between the different participants in the political and economic arena to confer the New Constitution Legitimacy and Viability.
4. The composition and role of the Security Forces including the threat of partisan influences in the forces.
5. The impact of the Referendum on CODESA - under various outcomes.

Managing Director Eric D. Stillerman
B.Acc., CA (SA), MA (Psychol, Cum Laude)
REGISTRATION NO: 91/06300/07

TELEPHONE : (011) 483 1700
483 2060/1
FACSIMILE : (011) 728 2475

4th Floor Cedar Grove, Grove City
196 Louis Botha Avenue
HOUGHTON ESTATE 2198
P O Box 89695, LYNDHURST, 2106

- PAGE 2 -

6. The role of fundamental Socio-Economic Principles within the constitution, so as to reconcile the requirements of wealth creation and distribution in a climate conducive to stability and investment.
7. Reconciliation of Regional and Central Government requirements.
8. Facilitation of Rapid Socio-Economic Development by early negotiations on a Development Framework (refer attached articles).

My personal views favour an unconstrained democratic system conducive to a pragmatic coalition and a clear framework for socio-economic development.

However, the accent in CODESA on "sufficient consensus" implies that the constitution will reflect the underlying balance of power in the political and economic arena, towards a viable and legitimate coalition government.

A precedent for a Balance of Power Constitution exists in the United Nations Charter which is regarded as the epitome of democratic principles, in:

- a. The General Assembly - based on "one country one vote".
- b. The Security Council - based on the defined veto power of the super powers.
- c. The Declaration of Human Rights.

Our detailed contribution would focus on the effective reconciliation of the above issues to achieve broad legitimacy, viability and development in the new South Africa.

Yours faithfully



ERIC D STILLERMAN

MEMORANDUM TO CODESA WORKING GROUP NO. 1**FIRST ASSIGNMENT: CREATION OF A CLIMATE FOR FREE POLITICAL PARTICIPATION**

South Africa has more than 1000 public libraries, public library depots, community libraries and resource centres that are open to all citizens. Together they constitute a unique resource that can be mobilized in support of constitutional reform and long term national development.

Public libraries have an important role to play in promoting mutual understanding and tolerance between various groups in our country. They are required to be politically neutral. They can provide a balanced range of informational materials that enable citizens to inform themselves and arrive at reasoned decisions. They contain educational materials that enable citizens to improve their standards of literacy and acquire knowledge and skills that can be applied in the development of their communities.

There are also other types of libraries, such as school, college, university and specialized research libraries, which are not open

to the general public, but which constitute an invaluable resource for national development.

Two libraries are recognized as national libraries in terms of the National Libraries Act, 1985. They are the South African Library, Cape Town, and the State Library, Pretoria. These two libraries hold comprehensive collections of materials relating to South and southern Africa as well as materials in other fields of knowledge. They are open to all and are used by researchers, scholars and citizens throughout South Africa and abroad. The national libraries provide support services in respect of the national bookstock, bibliographic (book finding) tools, resource sharing and the preservation of our national literary and scholarly heritage to all libraries in South Africa. By means of these national support services the national libraries enable other libraries to fulfil the tasks outlined above.

We recommend that, in striving to create a climate for free political participation, CODESA should harness the existing public library infrastructure. We can provide CODESA with statistical and directory information for this purpose and we are available for consultation on this matter.

P J Lor, Director, The State Library, P O Box 397, Pretoria, 0001
P E Westra, Director, South African Library, P O Box 496, Cape Town, 8000.

MEMORANDUM TO CODESA WORKING GROUP NO. 2

FIRST ASSIGNMENT: GENERAL CONSTITUTIONAL PRINCIPLES

South Africa has more than 1000 public libraries, public library depots, community libraries and resource centres, that are open to all citizens. Together they constitute a unique resource that can be mobilized in support of constitutional reform and long term national development.

Public libraries have an important role to play in promoting mutual understanding and tolerance between various groups in our country. They are required to be politically neutral. They can provide a balanced range of informational materials that enable citizens to inform themselves and arrive at reasoned decisions. They contain educational materials that enable citizens to improve their standards of literacy and acquire knowledge and skills that can be applied in the development of their communities.

There are also other types of libraries, such as school, college, university and specialized research libraries, which are not open to the general public, but which constitute an invaluable resource for national development.

Two libraries are recognized as national libraries in terms of the National Libraries Act, 1985. They are the South African Library, Cape Town, and the State Library, Pretoria. These two libraries hold valuable collections of materials relating to South and southern Africa as well as materials in other fields of knowledge. They are open to all and are used by researchers, scholars and citizens throughout South Africa and abroad. The national libraries provide support services in respect of the national bookstock, bibliographic (book finding) tools, resource sharing and the preservation of our national literary and scholarly heritage to all libraries in South Africa. By means of these national support services the national libraries enable other libraries to fulfil the tasks outlined above.

We recommend that, in formulating general constitutional principles, CODESA takes into account the valuable role that libraries can play in the development of a democratic, multiracial and prosperous South Africa. The following general principles should be embodied in the new Constitution or should not be contradicted by any of its provisions:

1. Every South African has a right of access to information needed for informed participation in the political process, for purposes of formal, nonformal and informal education, and for social, cultural and economic development.
2. Every South African has a right of access to publications and other information materials produced by the State or by state-funded agencies for the purposes listed in recommendation 1 above.

3. Every South African has a right of gratis access to information materials, products and services that are produced or made available by agencies fully funded from tax revenues.
4. Every South African has a right of access at reasonable cost to at least the basic contents of information materials, products and services that are produced or made available by agencies partially funded from tax revenues.
5. All publicly funded agencies for the collection and dissemination of information (including public libraries) should be open to all regardless of ethnic origins, language, beliefs, age or gender.
6. All publicly funded agencies for the collection and dissemination of information (including public libraries) should be politically neutral.
7. Democratically selected representatives of the relevant constituencies and communities should participate in formulating policies for all publicly funded agencies for the collection and dissemination of information (including public libraries). These representatives should participate in the management of such agencies, with due regard for the knowledge and skills of the professional personnel employed to manage and operate them.
8. Provision should be made at all levels of government (for example, central, regional and municipal levels) for the funding, maintenance and development of the types of libraries and information services that are appropriate to each level. The funding of certain types of libraries requires a partnership relation between authorities at more than one level of government. For example, public or community libraries should be funded by authorities at the municipal and regional levels. Certain libraries that render services at the national level should be funded and controlled by the central government. This applies in particular to the national libraries recognized in terms of the National Libraries Act, 1985. Furthermore, central government funding will be required for the elimination of inequalities in the provision of library services at the regional and municipal levels.
9. The governance of libraries maintained by authorities at the various levels of government should provide for appropriate forms of expert and community participation. In particular, the national libraries recognized in terms of the National Libraries Act, 1985, should continue to be governed by their autonomous boards under the general control of the ministry of education.

P J Lor, Director, The State Library, P O Box 397, Pretoria, 0001
P E Westra, Director, South African Library, P O Box 496, Cape
Town, 8000.

MEMORANDUM TO CODESA WORKING GROUP NO. 2**SECOND ASSIGNMENT: CONSTITUTION-MAKING PROCESS**

The South African Library, Cape Town, and the State Library, Pretoria, hold valuable collections of materials relating to South and Southern Africa. These libraries have comprehensive collections of official publications of South Africa and other countries in Southern Africa, the United States of America, and the United Nations and its agencies. There are also holdings of official publications of the United Kingdom, Commonwealth countries, and other countries. These are important sources of statistical, administrative and constitutional information.

Offer of assistance

The two national libraries wish to place their collections and services at the disposal of CODESA. We would welcome an opportunity for a discussion with CODESA staff and delegates on their information needs and what we can do to satisfy them.

P J Lor, Director, The State Library, P O Box 397, Pretoria, 0001
P E Westra, Director, South African Library, P O Box 496, Cape Town, 8000.

MEMORANDUM TO CODESA WORKING GROUP NO. 4

ASSIGNMENT: FUTURE OF TBVC STATES

In South Africa two libraries are recognized as national libraries in terms of the National Libraries Act, 1985. They are the South African Library, Cape Town, and the State Library, Pretoria. These two libraries hold valuable collections of materials relating to South and southern Africa as well as materials in other fields of knowledge. They are open to all and are used by researchers, scholars and citizens throughout South Africa and abroad. The national libraries provide support services in respect of the national bookstock, bibliographic (book finding) tools, resource sharing and the preservation of our national literary and scholarly heritage to all libraries in South Africa. In this way the national libraries enable them to fulfil their educational and informational tasks.

In terms of the Legal Deposit of Publications Act, 1982, the two national libraries, together with three other libraries, the Library of Parliament, the Bloemfontein Public Library, and the Natal Society Library, each receive a copy of each book, periodical, newspaper or other publication published in the Republic of South Africa. The materials collected in terms of legal deposit are used to constitute a comprehensive collection reflecting the literary and scholarly heritage of South Africa, for the compilation of the South African national bibliography, an authoritative record of South Africa's book production, for purposes of resource sharing, and for the delivery of information services.

When the TBVC states became independent, the existing South African legal deposit legislation ceased to apply to these states. These states also established their own national libraries. The governments of Bophuthatswana, Venda and Ciskei entered into agreements with the RSA concerning the performance of certain national library functions and the delivery of legal deposit materials to the State Library. These agreements have proved difficult to implement. As a result, materials published in the TBVC states are not adequately represented in the collections of South Africa's national libraries. This leaves gaps in the national libraries' collections which impede current information and document delivery functions and will impede future research on South Africa.

We recommend that if the TBVC states are re-incorporated into South Africa

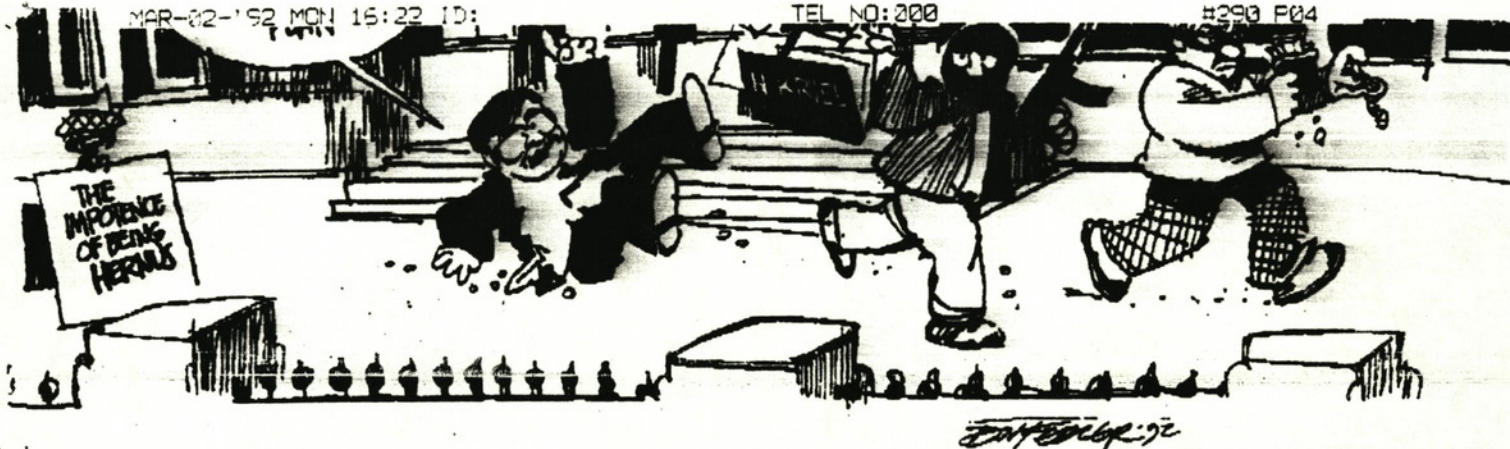
1. Measures be taken, when the existing intergovernmental agreements lapse, to ensure that legal deposit and certain related functions of the national libraries of these states are transferred without disruption to South Africa's national libraries.

2. Measures be taken to ensure that gaps in the collections of South Africa's national libraries in respect of legal deposit materials emanating from these states during their period of independence, are filled.

3. "National library" functions presently carried out by the national libraries of the TBVC states, that can more efficiently be performed centrally, be transferred to South Africa's two national libraries.

4. The TBVC national libraries be incorporated into appropriate regional structures for the provision of public, community and school libraries. In certain cases where considerable library progress has been made, as in Bophuthatswana, the national library service could become the nucleus of a library service serving a region of South Africa.

P J Lor, Director, The State Library, P O Box 397, Pretoria, 0001
P E Westra, Director, South African Library, P O Box 496 Cape Town, 8000.



THE STAR (LEADER)
23/1/92

Eric Stillerman argues for the establishment of an economic convention

Harness all sides to 'Ecodesa'

THE emerging political consensus in Codesa has now put the emphasis on the need for a similar forum, of equal standing, to address socio-economic development in South Africa.

The success of Codesa depends on the maintenance of the balance of economic, military, international and people power between the participating and non-participating parties, in the new dispensation.

The concepts of sufficient consensus and a balance of power promise to create the requisite legitimacy for the new government and the enforceability of the new constitution.

While Codesa negotiates the balance of power in the new constitution, a forum equal to it is needed to address the vital issues and needs for socio-economic development. Such a forum may be appropriately called Ecodesa — Economic Convention for Development in South Africa.

The concept is being discussed by interested parties, including the Consultative Business Movement (CBM), Fedhassa, Sacob, the Afrikaanse Handelsinstituut, the Chamber of Mines, Seifsa, Cosatu and Nactu (National Council of Trade Unions).

This week, more than 60 representatives from business and labour met under the chairmanship of Barlow's John Hall, and agreed on the need for an economic forum. The issue now centres on the composition, scope, mandate and substantive agenda of an economic policy-making body, going beyond informal consultation.

Economic policy is currently in a stalemate, caught between the

competing priorities of government, business and the black movements. Government, which normally has a sole mandate, is unable to devise or implement short or long-term economic policy with any degree of confidence or consistency.

The need for an economic policy-making forum has so far been advanced by the ANC, Cosatu and Nactu as well as Sacob and the CBM.

The urgency is highlighted by the prevailing economic recession and uncertainty towards the future. Ecodesa should thus not be delayed until the completion of political negotiations, but be convened as an early priority, running concurrently with Codesa.

While the ANC and its allies are excluded from economic policy-making, the threat of destabilisation and nationalisation bedevils local confidence and foreign investment. The formation of Ecodesa will allow a concrete policy framework to be developed now, based on a negotiated pragmatic consensus, stimulating confidence and investment.

Any efforts by the key participants individually are unlikely to succeed as ownership by all stakeholders is the overriding call and ethos today. Informal contacts between the parties also fall short of a legitimate common forum, with decision-making responsibility.

Government's Department of Economic Co-ordination has not yet succeeded in achieving co-ordination within government, let alone with other stakeholders. The recent appointment of Derek Keys to this ministry promises that at least Government, business and the Public Service may be more

effectively co-ordinated.

Development agencies, such as the Independent Development Trust and the Development Bank, lack the broad base of support and policy framework necessary for the effective application of their source of funds.

Business has convened various forums, for instance Sacob, Saccolla and the Consultative Business Movement.

The Mass Democratic Movement has established the National Development Forum (NDF) to clarify and consolidate its own position, in preparation for a broader-based forum. The ANC has indicated that it favours a definite role in economic policy decision concurrently with Codesa.

It is rapidly emerging that the major players share a common goal and agenda for economic policy co-operation. The time is now ripe to harness these separate endeavours in a genuine forum, embodied in the concept of Ecodesa.

While Ecodesa might be set up under the auspices of Codesa, its mandate would be more immediate and proactive, with long-term policy implications. Codesa has not included economic issues in its primary mandate and agenda.

Ecodesa's initial objectives would focus on the co-ordination of a broadly based socio-economic development. Ecodesa would provide a constructive balance between Government and the key participants in the economy maintaining a sense of mutual confidence and long-term commitment to development.

The age of rigid political economic ideology has given way worldwide to a more pragmatic approach towards effective eco-

nomics development.

The major parties are also converging towards a pragmatic framework for a mixed economy. The lack of a common framework underlies the prevailing sense of paralysis and uncertainty, with dire socio-economic consequences.

The fruitless debate continues over Government intervention versus free enterprise. Government and private enterprise should not be in conflict but in consensus. The Pacific Rim countries are the most successful examples of government/private sector consensus and co-operation for development.

The political industrial alliance is also well established in such bastions of free enterprise as the West. Similarly, other economic participants, such as trade unions are an integral part of economic policy co-operation in many advanced economies.

South Africa needs a policy for both rapid growth and the equitable distribution of economic resources. A large degree of consensus exists as to these goals.

However, no clear progress is evident towards either real growth or distribution. In the absence of a proactive strategy framework, growth is currently negative, with progressively less to distribute.

Lip service to either goal is no substitute for a concrete action plan to achieve both amidst the climate of social unrest, uncertainty and the spectre of nationalisation.

Eric Stillerman is director of London School of Management and Economics and of Strategic Management Services. □