

SOLIDARITY

[1] 15.3
P.O. BOX 48687
QUALBERT
4078

SUBMISSION TO

SUB-COMMITTEE 3 OF WORKING GROUP 4

THE ADMINISTRATIVE, FINANCIAL AND PRACTICAL

EFFECTS OF REINCORPORATION

OF THE TBVC STATES

25 MARCH 1992

I N T R O D U C T I O N

As the "homelands" policy has been rejected by its supposed beneficiaries since its inception it needs to be given top priority in the negotiation process. It has epitomised all that apartheid rendered untenable. Solidarity welcomes the reincorporation of the TBVC States into the Republic of South Africa.

Whilst the homelands policy was foisted on its citizenry, it is our view that the desirability or otherwise of reincorporation should be tested by way of a referendum.

a) RETENTION OF BUSINESS CONFIDENCE

To date, confidence in the "homelands" has been hampered by the inferior status accorded it both nationally and internationally. Reincorporation will hold the potential for greater legitimacy and access to the back up resources of the R.S.A. Rejoining the R.S.A. is bound to ensure enhanced infrastructural development. This will definitely boost capacity of these regions to attract Foreign investment. The progressive industrial relations system presently obtaining in the Republic will become applicable to these regions. This will undoubtedly have a salutary effect on labour unrest and stayaways. The reduced tension between labour and capital will assist the wealth creation process.

Care should be taken to ensure that existing business and industries are not destabilised and disrupted by far reaching policies and legislation. However if these are perceived to be necessary for the overall development of these areas, then such policies and legislation should be phased in.

b. LAND TRANSFERS

In the view of the acceptance of the declaration of intent by most of the TBVC countries it would seem that the reincorporation of these states is just a matter of time. Therefore, all land transfers which negates the principle of a unitary state must be halted immediately. Persisting with land transfers will serve to compound the disentangling process, convey erroneous signals to the citizens of these states and undermine confidence in the negotiation process.

c. DISPOSAL/TRANSFER OF ASSETS

All existing assets/liabilities of the TBVC states should accrue to the new overarching governing body. If necessary, measures should be instituted to prevent the wanton privatisation of State owned enterprises. This is not to say that we are opposed to privatisation per se. We believe that where necessary the privatisation of these enterprises should be undertaken by the new government.

d. EXISTING INFRASTRUCTURE

Given the scarcity of resources and the dearth of facilities it is imperative that the existing infrastructure be soundly managed and utilised to the maximum. Supplementing these infrastructure which may have the potential of boosting economic growth and improving living standards should be given priority.

e. REVIEW OF DEVELOPMENT PROJECT PRIORITIES

Whilst acknowledging the additional burden that the reincorporation of these states will hold for the South African treasury, we must guard against halting current projects and programmes. However, a reassessment and prioritisation of projects may be necessary.

f. GOOD ADMINISTRATION DURING TRANSITION

During the transition period the status quo should remain insofar as the administration of the TBVC states are concerned. However, if by negotiation agreement is reached for the interim government to assume a role in the affairs of these states then that should be welcomed.

g. TAXATION

The tax structure of the TBVC states should be brought into line with that of the R.S.A. A uniform tax system will ensure a level playing field and the even distribution of investment. This however does not imply that we are opposed to tax concessions being offered to underdeveloped regions to offset geographical disadvantages.

h. FUTURE OF CIVIL SERVICE IN THE TBVC'S

It is necessary to draw a distinction between civil servants and politicians. Civil servants ought not to be held responsible for the policies of a government, that is the sole responsibility of politicians.

Therefore the job security of the civil servant should be protected at all times. However, staff that may be considered redundant and superfluous may have to be put on early retirement or transferred.

i. SERVICING AND REPAYMENT OF TBVC DEBTS

All existing financial commitments should be honoured by the new state.