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**BLACK ECONOMIC EMPOWERMENT  
IN SOUTH AFRICA: An Annotated  
Bibliography**

**Final Report**

**U.S. Agency for International Development**

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## INTRODUCTION

This annotated bibliography of about 100 studies related to black economic empowerment is presented with the intention of providing a useful tool for the many associations, agencies, companies, educational institutions and NGOs working in this field.

The demise of apartheid and change of government which took place in 1994 made it possible for the United States Agency for International Development to change its strategy of assistance and made possible new program initiatives. In early 1995, the USAID South Africa private enterprise office, through the AID/Washington Africa Bureau, requested J.E. Austin Associates to implement the exercise known as the Manual for Action in the Private Sector (MAPS) in South Africa to assist the mission in designing the tactical implementation of a strategy which had been developed earlier.

This bibliography is the first output of the MAPS implementation and will be followed by a benchmarking exercise, a sectoral analysis, and a set of recommendations for USAID/Africa. An extensive bibliographical search is an essential component to gathering the baseline data and analytical materials which are critical inputs for informing strategy and for enabling the mission to measure progress over time.

The original scope of work called for the MAPS team to collect a bibliography of approximately 30-35 relevant studies done on the subject of black economic empowerment and business development. The mission and the MAPS team decided to go beyond the original target and conduct a much more exhaustive effort to collect relevant material on this subject. The MAPS team hired two local research associates to continue the search for and collection of materials. The reason for this was to create a basic library which could serve USAID in its efforts to promote black economic empowerment.

This bibliography consists of two parts. The first part presents the works by central theme so as to be "user friendly." These themes include: entrepreneurship, black economic empowerment and advancement, small and medium enterprise (SME) development, informal sector, formal sector, policy proposals, affirmative action, training and education, capacity building and community involvement, job creation, gender, sectoral studies, the politics of development, statistical data, and southern Africa.

The second part of the bibliography presents a summary of the titles without annotation according to the type of material including 24 books, 36 journal articles, 47 reports and papers, four theses, nine magazines and newsletters, and ten governmental papers or statistical materials.

The bibliography has made a valuable contribution to the USAID benchmarking and strategy exercise. In the spirit of cooperation, it is also hoped that this bibliography can be of use to others who are working together to rectify the legacy of apartheid and to spur progress towards the rapid economic progress in South Africa, especially for those who have previously been disadvantaged.

**ABBREVIATIONS**

<b>C A S E:</b>	<b>Community Agencies for Social Enquiry</b>
<b>DBSA:</b>	<b>Development Bank of Southern Africa</b>
<b>CSS:</b>	<b>Central Statistical Services</b>
<b>FABCOS:</b>	<b>Federation for African Business and Consumer Services</b>
<b>HSRC:</b>	<b>Human Science Research Council</b>
<b>IDEAS:</b>	<b>Initiatives for the Development of Enterprising Actions and Strategies</b>
<b>ILO:</b>	<b>International Labour Organisation</b>
<b>NAFCOC:</b>	<b>National African Federated Chamber of Commerce</b>
<b>NEI:</b>	<b>National Economic Initiative</b>
<b>NGO(s):</b>	<b>Non-Governmental Organisations</b>
<b>RDP:</b>	<b>Rconstruction and Development</b>
<b>RSA:</b>	<b>Republic of South Africa</b>
<b>SA</b>	<b>South Africa</b>
<b>SANCO:</b>	<b>South African National Civic Organisation</b>
<b>SAP(s)</b>	<b>Structural Adjustment Programme(s)</b>
<b>SME(s)</b>	<b>Small, Medium Enterprise(s)</b>
<b>SMME(s)</b>	<b>Small, Medium and Micro Enterprise(s)</b>
<b>SAIRR</b>	<b>South African Institute of Race Relations</b>
<b>USAID:</b>	<b>United States Agency for International Development</b>

**KEY TO THE THEMES**

<b>ENTREP:</b>	<b>Entrepreneurship</b>
<b>BEE:</b>	<b>Black Economic Empowerment</b>
<b>SMME:</b>	<b>Small, Medium and Micro Enterprise Development in South Africa</b>
<b>IS:</b>	<b>Informal Sector Development in South Africa</b>
<b>PP:</b>	<b>Policy Proposals</b>
<b>AA:</b>	<b>Affirmative Action</b>
<b>TAE:</b>	<b>Training and Education</b>
<b>CB:</b>	<b>Capacity Building, Community Involvement, Grassroots Development</b>
<b>JC:</b>	<b>Job Creation</b>
<b>GS:</b>	<b>Gender Studies</b>
<b>SS:</b>	<b>Sectorial Studies</b>
<b>POD:</b>	<b>Politics of Development</b>
<b>SDAG:</b>	<b>Statistical Data and Government Papers</b>
<b>SSA:</b>	<b>Southern Africa</b>

## METHODOLOGY

The sources contained in this annotated bibliography came from a number of institutions that the researchers visited. These included:-

The University of the Witwatersrand;  
 The University of South Africa;  
 Wits Business School;  
 The Centre for Developing Business;  
 The Small Business Development Corporation (SBDC);  
 Eskom Library;  
 Friedrich Ebert Stiftung;  
 Konrad Adenauer Stiftung;  
 Community Agency for Social Enquiry (C A S E);  
 Centre for Policy Studies;  
 Ford Foundation;  
 National Economic Initiative;

The material is presented in two different ways. One copy is presented in the form of an annotated bibliography and appears under themes which include: Entrepreneurship; Black Economic empowerment/ Advancement; SME Development in SA; Informal Sector Development in South Africa; The Formal Sector in South Africa; Policy Proposals; Affirmative Action in South Africa; Training and Education in relation to the "economy" in South Africa; Capacity Building/ Community Involvement/ Grassroots Development; Job Creation; Gender; Sectorial studies; The Politics of Development in South Africa; Statistical material and Government Publications and Southern Africa. The other copy is presented as a bibliography under the sources from which the information appears; (ie books, journal articles, magazines, NGO documents, papers, conference papers, theses ect) and appears in alphabetical order according to family name where possible.

### WORKS RELATED TO THE CENTRAL THEME OF:- BLACK ECONOMIC EMPOWERMENT

The legacy of apartheid has left in its wake pervasive economic and social inequalities. The post-apartheid era calls for fundamental restructuring if we are to move into a just and equal society where economic, political and social stability can be enjoyed by all South Africans. Within the context of the above, the purpose of this bibliography is to put together in one place the most important and most useful works related to the topic of "black economic empowerment." All of the following documents, listed above relate in some way or another to the growth of black economic activity in South Africa. To make the task of reading this bibliography easier, the sources have been arranged under themes.

Theme 1) ENTREPRENEURSHIP:

**Hetherington, I. (ed) (1994). The Forgotten Heroes. South Africa: The Free Market Foundation. (126pp)**

This book touches on the struggle waged by ordinary black South Africans to participate fully and effectively in the economic developments of their communities generally and as entrepreneurs specifically. It looks at subcontracting, education, the lack of finance and the reducing of red tape (deregulation) in SA. It is a very easy-to-read book.

**O'Neill, R.C. (1993). "Entrepreneurship and Economic Freedom in New South Africa: What Should We Expect?" in South African Journal of Entrepreneurship and Small Business. November. (10pp)**

In this paper the need for entrepreneurial development in SA is explored. Current initiatives by small business development agencies, the private sector and government to foster both free enterprise and entrepreneurship are considered. The problems still to be addressed, the challenges facing the establishment of a free enterprise system for everyone and the encouragement of entrepreneurship, are then discussed. The discussion is based on an analysis of policy statements and personal interviews with the major political parties and stakeholders in SA. Finally a scenario of the most probable outcome is presented.

**Snyman, I. (1991). "Entrepreneurship: A few facts and figures" in South African Journal of Entrepreneurship and Small Business. December. (49pp)**

The central argument is that entrepreneurship is the source and origin of economic growth, development and job creation. However, various studies indicate a less than satisfactory low incidence of this phenomena. This article is based on a countrywide questionnaire survey undertaken by the Opinion Survey Centre of the HSRC among a sample of 2 000 (households), compiled in a ratio of 2:1:1:1 for blacks, coloureds, Indians and whites (in other words 800:400:400:400 respectively) Tables are included, giving a population breakdown of business ownership; with race (indians, whites, blacks and coloureds) functioning as an independent variable, with sex, age, marital status, education level, income, occupation and language functioning as dependent variables. It highlights the findings of this study in relation to other studies and literature on the above. It also deals with the importance of the availability and accessibility of development services and also the need to take cognisance of gender, cultural ect differences in order to make these services more relevant and effective to the entrepreneur.

**Vosloo, W.B. (ed) (1994). Entrepreneurship and Economic Growth; Pretoria: HSRC Publishers. (426 pp)**

The aim of the book is to highlight the dynamic role of the human element, the entrepreneur, in generating economic activity. There are 3 parts to this book: 1) the context, 2) entrepreneurship roles and 3) policies and strategies. Part one describes the economic context in which the entrepreneur acts, by way of indicating the various economic systems that exist. Part 2 deals with the small firm as a vehicle for entrepreneurship and the role of government and corporations, for example. Part 3 contains a chapter which deals with the promotion of entrepreneurship amongst black South Africans.

**Vosloo, W.B. (1992). Fundamentals of a strategy for entrepreneurship and SME development. Conference: Small Business Development Corporation. (12pp)**

This article is divided into four basic sections: 1) the gap in general theory on entrepreneurship and economic growth; 2) the rediscovery of the significance of the entrepreneur and the SME sector in recent years; 3) the case for a SME development strategy; and 4) the contents of a SME development strategy. It is postulated here that the entrepreneur is the prime mover in economic development. Hence, SA needs to think of its entrepreneurial stock as precious human capital that requires nurturing and which needs to be mobilised. The following arguments are put forward: a) if the role of entrepreneurship is misunderstood, then future generations will pay a heavy price in terms of lost opportunities; b) it is of critical importance that a SME development strategy become a key component in the development strategies of all developing countries; and c) entrepreneurship activity is the essential source of economic growth and social development.

Theme 2) **BLACK ECONOMIC EMPOWERMENT/ADVANCEMENT:**

**Black Enterprise. (1994). SA Directory of Black Managers. South Africa. (98pp)**

This chronicles SA's growing corps of black business executives. Each of the profiles tells of life histories. However, there were some difficulties encountered in the compilation of this book. Many employers did not want the names of their senior black personnel in the book as they feared that they would be poached by rival companies. Many of the black managers themselves were reluctant to be in the book for fear of victimisation as many still live in townships. It was also impossible to keep a track of black managers as many are perpetually on the move.

**Browning, P. (1989). Black Economic Empowerment - Shaping South African Business for the 21st century. South Africa: Fostein. (183pp)**

In this book a definition of the term "black economic empowerment" is put forward. It is divided into three parts: In Part 1: economic empowerment is discussed; in Part 2 public policy is examined as well as the themes of privatisation and economic deregulation; in Part 3, the formal, informal and semi-formal sectors are discussed along with the trade associations; in Part 4, with the help of a case study, the black taxi industry is discussed. The last section is on Strategies for Empowerment. It is postulated by Browning that the 1990's will see the emergence of the third great business movement - that of the black people of SA.

**Cargill, J. (1992). Behind Black Empowerment: Principles and practice still elude agreement in Finance Week. April. (7pp)**

In this article the question; " what does black economic empowerment really mean" is asked. It is argued that BEE (Black Economic Empowerment) encapsulates both the redressing of past wrongs and an offer of future growth. BEE throws onto the agenda a varied and complex range of issues and questions, including:

- the ethics on which SA's economic policies and programmes are to be premised;
- the question of control of economic resources;
- the relationship between individual and collective empowerment, which raises such issues as black promotion to managerial hierarchies and worker participation;
- the redistribution of current wealth against the reordering of opportunity and future income;
- the case for either affirmative action as a necessary step towards providing equal access to opportunity, or for a more interventionist approach that alters black economic representation
- a discussion on the formal versus the informal economy as well as small versus big business. A brief article which raises many important issues and questions.

**Empowering Black Managers - the Southern African Experience. (1994). Volume 1; number 1. MCB Southern African Publications. (32pp)**

This is the first issue of "Empowering Black Managers: the Southern African Experience". It contains 5 articles, the first of which is an edited version of an article which was written for another of MCB's journals (the article is entitled "A management synopsis of empowerment"). This article provides a general introduction to the nature of and the prospects for empowerment and highlights the individual and contextual dimensions - each of which is a "sine qua non". The second article - "The quantum leap to quality black management through action learning" describes how management development can be facilitated through an approach referred to as "Action Learning". This has been found to be particularly effective in training managers who may not have participated in all stages of traditional education. The third article "Black economic empowerment: the vital need to underpin a democratic post-apartheid SA" reviews the overriding need for affirmative action in all sectors of the South African economy and proceeds to report on success already achieved within National Sorghum Breweries. The subject of the fourth article is black management development and empowerment. The article is entitled "Nissan - a planned approach to black management development and empowerment". The last article is a reflective one and it stresses that without black managerial power, economic growth will be frustrated. It is entitled "Economic growth and black management empowerment: the mandatory equation for SA".

**Louw, L. (1993) Press Release; Summary of keynote address by L. Louw, Executive Director, Free Market Foundation of Southern Africa, to the Wetacoc Regional Congress of Nafcoc. South Africa: Klerksdorp. (4pp)**

Interestingly, Louw, goes against the popular, conventional arguments that favour affirmative action and "anti-trust" policies in achieving black economic empowerment. He believes, especially in the case of affirmative action, that a 'crisis' of expectations could arise if the strategy fails to deliver. Alternatives are proposed that essentially entail: the redistribution of wealth from the state to the people through the redistribution of land; the privatisation of government assets, and the contracting out of government activities. Only these measures, he believes, will achieve black economic empowerment on the scale that will be needed.

**Mabeta, K.M. (1991). Black Economic Empowerment: a Conceptual Analysis. Thesis. Johannesburg: University of the Witwatersrand. (120pp)**

In this, the concept of "Black Economic Empowerment" is analysed in the context of black business development agencies. Their views on it are compared with other key development practitioners. Technologies used by black business development agencies are investigated, as well as the importance of levels of motivation in business and entrepreneurial development, to name but a few. At times the argument and analysis is complex and slightly confusing but, nevertheless, most relevant and useful.

**Mbatha, M. (1994) "Sharing Wealth" in Indicator SA. Volume 11; number 3. (4pp)**

This article argues that black South Africans have gained political power but have a long way to go before they are economically "free". Furthermore, black economic empowerment through company takeovers, business creation, affirmative action, privatisation, investment, skills acquisition, control of monopolies and other activities, are needed to reverse SA's appalling legacy of economic disadvantage. The article presents the following arguments: that in the interim, black business people should support one another; black businessmen should lobby the present government to exercise stricter control over monopolies; and affirmative action in favour of blacks is not an unfair act. Finally, it is argued that there are many ways to empower blacks: some include establishing business enterprises, affirmative action, privatisation, joint ventures, franchising, stokvels, worker co-operatives, the SBDC, foreign funding, skills acquisition and the control of monopolies.

**Roodt, A. (1992). "Black advancement: Personal and Corporate Responsibility" in Human Resource Management. Volume 8; number 7. August (5pp)**

The main argument is that the individual black person is as responsible for his or her own advancement as is the organisation - the latter being responsible for creating an enabling environment in which advancement can take place.

**Ryan, C. (1994). "Economic time-bomb" in The Black Leader. June (2pp)**

This article is presented around the argument that, although black political empowerment may have arrived, unless it is matched by economic empowerment, disaster awaits the new democracy. It gives some interesting information on unlisted black owned companies and the then impending Metropolitan Life deal, as well as mentioning other deals securing black share ownership eg Methold, Prime Bank ect. Out of the 680 odd companies listed on the Johannesburg Stock Exchange, none were owned by black people. The rest of the article discusses the issue of redistribution and taxation in relation to economic growth and more jobs.

**Schlemmer, L. and van Antwerpen, J. (1990). "SA's underestimated crisis: black advancement and empowerment" in South Africa International. Volume 20; number 3. January. The South African Foundation. (11 pp)**

This article argues that among the various avenues for the development of black participation in the decision-making sectors of SA, black management development in private industry should take pride of place. However, a conclusion can be reached that no existing form of black socio-economic development is likely to keep pace with political change in such a way as to allow a healthy and substantial coincidence of black and white social interests in keeping with a new constitution. The proposed 'causes' of this, are grouped in the article under the following categories: 1) lack of access to resources; 2) external constraints; 3) cultural-linguistic factors; 4)

social psychological factors and 6) organisational factors. Many of these factors are said to be valid to a degree or have been 'proved' in one or another investigation. However, it is argued that there are some basic problems with much of the search for 'causes' of failure in black advancement.

**Sethi, S.P. (1989). Economic rights for the disenfranchised citizens of South Africa. A new approach to Black economic empowerment. A paper presented at the 25th Annual Conference of the National African Federated Chamber of Commerce and Industry. South Africa: Sun City. August. (13pp) (subsequently appears in a journal article in the early 1990s - location unknown)**

The main focus of this article is to explore the various ways in which black people of South Africa might accelerate the process of economic growth and gain their rightful and just share of economic opportunities and rewards as free and independent people of South Africa. The areas that are discussed are that of ownership and control of productive assets, representation on corporate boards and an expansion of the black managerial and technical pool. Although this article is a little outdated (political power for black people had still not been achieved), it allows the reader an insight into the issues, questions and views, that existed in the late 1980s, on the question of black economic empowerment. It could be useful to use this as a comparative tool to that which is currently happening.

**Sidiropoulos, E. (1993). "Black Economic Empowerment" in the South African Institute of Race Relations, Number 2. September. (50pp)**

The following issues form key points of this article: black economic empowerment comprises both natural self-empowerment and organised initiatives to promote black empowerment; in the formal sector blacks are poorly represented particularly in top management, blacks dominate the informal sector, and unconventional business procedures, sometimes based on traditional African practices, are prominent (for example, more than one million stokvels exist in SA). The black taxi industry has become the paradigm for black economic empowerment. The liquor trade, also offers opportunities for black business. A study, done in kwa-Zulu, found that 60% of those involved in the informal sector were women, but were confined to the lowest income-generating activities. In summation, this report examines perspectives of black economic empowerment (the ones mentioned above plus, for example, it is important that black economic empowerment emphasises the concept of self-help, as opposed to the culture of entitlement which encourages token appointments or financial contributions which are not geared at long-term results but short-term political gain). Furthermore, the report looks at the various programmes and activities undertaken by private enterprise and black organisations (like Fabcos and Herdbuoys, to name just a few).

**Smollan, R. (ed) (1986). Black Advancement in the South African Economy. South Africa: Macmillan. (251pp)**

This book deals mainly with obstacles to black advancement in South Africa, the role of education and training, organisational programmes of black advancement and case studies of black advancement. The aim of the book is to shed light on one of the most critical issues facing South African organisations - the selection and development of human resources that will achieve corporate objectives in a fair and just manner. Thus, this is an analysis of economic advancement. The focus group of this book is ethnic Africans (black people), as they generally occupy the lowest levels of organisational hierarchies.

**Vosloo, W.B. (1993). Black Economic Empowerment. Conference Paper. October. (12pp)**

This paper argues that a vital element of the economic strategy of SA should be the empowerment of black people, not just by creating various affirmative action programmes that will help a limited few of the unemployed in the black society, but rather by making finance and support services available to them, so that they can develop into productive members of the South African economy. To do this, it is argued, more resources, especially finance and skills, will be necessary than are presently available in the South African economy.

Theme 3a) SME DEVELOPMENT IN SA:

**Directory of Small Business Development Organizations. Sixth Edition. Johannesburg: Centre for Developing Business, Wits Business School, University of the Witwatersrand. May.**

Provides the most comprehensive directory available in South Africa on small business support and development organizations and a matrix to the types of services offered by each including training courses, seminars, consulting, financial support, loans, venture capital, marketing support, provision of premises, publications, lobbying and legal advice.

**Hetherington, I.J. (1985-1991) The Development of Small Businesses in South Africa. Five parts published independently. Part 1 (202pp); part 2 (73pp); part 3 (63pp); part 4 (79pp); part 5 (69pp)**

The aim of these sources of information is to share with small business people, business experience, know-how and contacts. Although these books are specifically aimed at small manufacturers and small farmers, assistance is aimed and made available to everyone involved in small business. Most of Hetherington's clients have been black, small business men. Parts 1-4 contain speeches Hetherington made and articles he wrote on the development of small business in SA (ie deregulation, marketing problems and opportunities assessment, land tenure reform and small scale manufacturing and job creation, subcontracting, the informal sector size and its location, problems facing the black small businessman, solutions to unemployment, job creation, a climate for development, the role of the local entrepreneur). Part 5 deals with the same topics but the central concern in this book is on unemployment.

**Schacter, M. (1992). "Microentrepreneurship in South Africa: The Impact of Regulation and Support Services". The World Bank: Country Economics Department. September. (23 pp)**

Presents an analysis of the regulatory and other constraints to small business in South Africa. Major obstacles highlighted, included lack of finances, poor market conditions, inadequate premises, "cost of doing business," and crime and violence. This study was controversial in that it did not find "regulation" to be a major obstacle. However, many South African small business observers conclude that this is a major (or perhaps the major) problem and that it was not picked up by the World Bank in their survey because by definition these people are outside of the regulatory environment.

**Mantle, C.E. and Ryan, C. (1994). Interacting Big and Small - why South African corporations should get involved in Small Business development and how. Rivonia: BMI Industrial Consulting. (202pp)**

This book details firstly, why and secondly, how South African corporations should get involved in small business development (these being the two main themes of the book). There are 12 chapters dealing with, to name a few, successful "big-small" interactions, unbundling, how small businesses can be set up using unemployment figures. A few corporations could help in developing small businesses. This book is the most exhaustive study of corporate small business programmes in SA. It demolishes the myth that small business suppliers are uniformly inefficient, lacking in quality or late with deliveries - or that there are simply no black-owned manufacturers able to supply the needs of large corporations. This book also explains how to go about launching a successful small business unit and how to go about "unbundling" parts of the core business, creating small business opportunities and jobs in the process. The central message in this book is clear: buying from small business makes good commercial sense.

**Marynczak, A. (1993). Black Small and Medium-Sized Enterprises in South Africa: Development and Support Instruments. Mission Report Summary. Paris: Paris Institute of Political Studies. April. (21pp)**

The purpose of the mission was to evaluate the development of small and medium-sized African businesses in SA. The aim was to discover these African SME's. Finding them was difficult because they probably represent less than 1% of all SME's in SA. Black businesses were interviewed (retailing, black taxis, barber shops, manufacturing, farming). Interesting findings: these businesses do exist and are dynamic as they are the driving force behind the economic development of under-privileged areas; they create jobs and train the young. This article also looks at the restrictions that exist on SME's and how they could be lifted (for example social instability and legal and administrative restrictions impeding SME growth)

**Mantle, C., Harrod, J. and Nel, B. (1992). A Profile of Small Business In South Africa and Ways of Stimulating the Sector. Rivonia: BMI. March. (73pp)**

This document looks at: "The importance of the small business sector", "A profile of the small businessman", "Training of small business", "Regulation of small business", "Financing of small business", "Development Bank", "Small Business Development Corporation", "NGO's", "Financial Institutions", "Informal financing", "The role of big business". The aim of the project was to provide information that will assist policy makers and the private sector to better understand how to stimulate, support and help develop the small business sector in SA. Includes tables and graphs (for example a breakdown of sectorial activities in the black informal sector, the number of businesses owned, as well as small business sector 1992: business activity and industry sector, to name but a few).

**Hirschowitz, R. and Orkin, M. with Rogerson, C. and Smith, D. (1994). Micro-Enterprise Development in South Africa. Community Agency for Social Enquiry (C A S E). April. (344pp)**

This research covered different types of businesses namely: 1) Trade; 2) Food preparation; 3) Manufacturing; 4) Repair services; 5) Other services; 6) Food production. The four papers presented in this report give an indication of the importance of having an integrated, co-ordinated approach to the development of micro-enterprises. It is argued that the macro-economic environment cannot ignore the needs of the micro-entrepreneur. The national level must enhance the potential of this sector to create both wealth and employment, and formulate strategies through which this potential can be encouraged. In addition, in human resource development policies, as well as in the educational, training, technological and trade and industry policies and strategies that are being developed for SA as a whole, attention needs to be given to the micro-enterprise sector and how to encourage its development. The special needs of women micro-entrepreneurs and those in rural areas will have to be taken into account too. Finally it is argued here that donor agencies can make a significant contribution to national policy by lobbying for consideration to be given to the needs of micro-entrepreneurs in all future macro-policies.

**Clark, I., Godsell, G. and Louw, E. (1991). Small Business Promotion in SA: The Development and Evaluation of Policies and Programmes. Johannesburg: Centre for Developing Business; Graduate School of Business. (26pp)**

The analyses of existing options and the choosing between options is central to this study as is analysing existing interventions and developing new ones. In this paper the first section is devoted to an analysis of assumptions underlying small business interventions. This is followed by a micro framework, dealing with programme design, which is specific to small business. The final section deals with a macro framework, which is a vital procedure in order to take into account hidden costs and unintended consequences in the final evaluation of an intervention. A major part of this study is analytical, theoretical and descriptive as the emphasis is on the development of models in order to develop and evaluate policies and programmes centring around that of small business promotion. The authors encourage and call for further conceptual research to be done in order to determine whether any theoretical dimensions and interactions may have been omitted from the models, as well as further empirical and applied research to determine the usefulness of these models. For those interested in the question of whether theory fits reality, empirical research undertaken within the framework of the models presented, could prove to be very interesting and useful.

**Hesketh, M. (1994). Making Markets work Better: Small and Medium Businesses. University of Natal: Economic Research Unit. December. (10pp)**

The questions that this paper addresses include: 1) How does the SMME sector make an economy work better? 2) How can markets work better for small and medium businesses? 3) Can government play a role in creating the structures in which emerging enterprise will flourish?

The article points to where SMME's are found in SA, which includes almost all sectors, agriculture, mining, manufacturing, to name but a few as well as in catering, home-based industries, consulting and broking. The article details constraints facing SMME's - for example, the lack of access to markets, finance, government policy and regulation; as well as crime and violence, labour laws and the administration of VAT (Value Added Tax).

**Huckle, R. and Visser, K. (1993). "Sourcing from small business - do supplier directories help?" in South African Journal of Entrepreneurship and Small Business. November. (7pp)**

In SA the compilation and publication of supplier directories, to assist large firms in their efforts to increase purchases from small firms have, become "fashionable". This is especially true of directories of small firms owned and managed by economically disadvantaged persons and minorities. In this article the authors highlight the deficiency and inadequacy of these directories and argue for an approach which goes beyond the compilation of directories to assist small-scale enterprises with potential. These new approaches should be incorporated into the purchasing objectives and strategies of large corporations. The authors believe that as large businesses make the transformation from acceptance to a more enthusiastic implementation of small firm purchasing programmes, noticeable benefits will be realised.

**Havenga, J.J.D., Coetzee, E. and Visagie, J.C. (1991). "Small and medium-sized enterprises and their social responsibility in a new South Africa" in South African Journal of Entrepreneurship and Small Business. December. (9pp).**

This article argues that the role of SME's in regard to economic development, job creation and their social responsibility has become a major priority. A partnership will have to develop between SME's and large businesses, public sector employees and markets. To SME's in SA, social responsibility is a relatively unknown concept. In order to comply with and expand social responsibility, it should receive constant attention by SME's. In view of the changes occurring in SA, a research project was undertaken with the primary objective to determine the attitude of the small business sector towards social responsibility. A secondary objective was to offer some guidelines for social responsibility. Included are figures on social responsibility involvement analysed in terms of community involvement, profit making, job creation ect as well as percentage of gross income spent on social responsibility and areas of social responsibility (i.e welfare services, training employees, community health care) to name but a few.

**Vosloo, W.B. (1993). Strategies for Economic Growth. SBDC: Courier. Volume 10; number 1. February. (45pp)**

This document includes chapters on the need for economic growth, the climate for enterprise, stimulating business entrepreneurship, promoting SME development and government spending, investing in human development, avoiding a destructive tax system, maintaining administrative

responsibility, bridging the gap in macroeconomic theory. The main contention of the document is that the entrepreneur is the catalyst with the potential to spark and sustain economic growth. An expanding, entrepreneurial economy based on job-creating economic growth is the most important family policy, urban policy, labour policy, minority policy, affirmative action policy and foreign policy, a country can have. Figures, presented in this document, include those around tax payers and tax assessed and changes in employment levels in the Formal Sector for 1981-1991. Tables include; public expenditure as a percentage of GDP and functional classification of South African government expenditure. Diagrams include, for example, public demands as a root cause of public programmes. In this document a SME development strategy is included, as well as a section on what government can do; defining SME's; the meaning of entrepreneurship; characteristics of the informal small enterprise and a quantification of the role of the SME sector in SA.

**Sunnyside Group. (1991). Access to Finance for Small Enterprises: Discussion Document. August. (12pp)**

In this document, the proposals put forward endeavour to create awareness about the problems faced by small enterprise in obtaining access to finance. Suggestions are presented regarding the means of providing and facilitating finance for the small enterprise sector. The declared aim is not to present an exhaustive legal document but to stimulate debate amongst stakeholders, namely: formal lenders, informal lenders, borrowers, consumer bodies, government, development agencies, community organisations, political movements, business associations. Also put forward in this document, is a definition of a Small Enterprise.

**Nattrass, N. (1990). "The small black enterprise sector - a brief note of caution" in chapter 14 of The political economy of South Africa. Nattrass, N. and Ardington, E. (eds). Oxford University Press. (313pp)**

This book is theoretical with a detailed section (chapter 14) on the role of policy and the state in relation to the SME's in SA; The chapter outlines the shift in state policy regarding the small black enterprise sector in SA (where pertinent the reflections of key ideas in development economics theory and in the policy prescriptions of international development agencies is indicated. The chapter also points to some existing research on the informal sector in SA.

**Eichler, N. (1994). Technology Support for SMME's: Suggestions for an Appropriate Institutional Framework in "Issues in Development". South Africa: Friedrich Ebert Stiftung. Number 6. September. (30pp)**

This paper raises the need for a comprehensive innovation system. Some elements of an innovation policy are outlined. The Steinbeis Foundation from Germany is described as a role model for a technology provider for South African companies, particularly SME's. Although there is clear evidence of market failure with regard to the technological advancement in industry, the risk of government failure is equally possible. For this reason, it is argued, a market

driven approach for innovation support is suggested in which governments play a guiding and financing role. It is suggested that provincial governments can play the key role in promoting innovation at provincial level (taken from the abstract).

**Kaplan, D.E. (1994). Technology Support and SME's: A note on the international experience and the implications for the design of policy in South Africa. In "Issues in Development". Number 5. January. South Africa: Friedrich Ebert Stiftung. (17pp)**

This paper has two parts: the first part, looks at the experiences of a number of countries, industrialised and newly-industrialising, in supporting the technological advance of SME's. The second part, draws together the fragmentary evidence on the role of SME's in technological innovation in South Africa and the extent of support that such firms receive in undertaking innovation from existent institutions. The conclusion drawn, is that a major institutional lacuna currently exists in the provision of technological support for SME's in South Africa and that the international experience does provide some guidelines for institutional reform (taken from the abstract).

**Rolfe, S.M. (1990). The Stimulation of small scale enterprises in SA through the process of subcontracting. Honours Dissertation. Cape Town. (48pp)**

This dissertation focuses on the role that large scale organisation can play in stimulating the small scale business sector in SA. At the macro level, the results suggest that the trend of subcontracting has advantages in creating access to the mainstream economy and stimulating growth and development. The objective is to provide an understanding of the recent trend towards subcontracting and propose some tentative measures to solve the constraints facing subcontractors. This paper suggests that there are benefits to both large scale organisations and small scale enterprises in entering into subcontracting agreements. The case studies presented show practical examples in SA to support the theoretical arguments. (taken from the abstract)

**Ryan, C. (1994). "Creating Small Businesses" in People Dynamics. Volume 12; Number 3. February. (4pp)**

There is a growing trend towards the 'unbundling' of non-critical parts of a company so as to create small, usually black-owned business satellites (ie services formerly carried out in-house, which can be contracted to small businesses). This is a very interesting article discussing the strengths and weaknesses of the Anglo American Corporation's Small Business Initiative (SBI) in advancing the above. This has become the model through which other companies's initiatives are measured. This article discusses the attempts made by other companies to do the same and provides figures to illustrate the successes of these attempts.

**Small Business Development Corporation Courier; Small and Medium Enterprise Development and Job Creating Growth, 1994. Volume 10; Number 2. May. (70pp)**

This courier contains chapters on: 1) The international SME scenario; 2) The strategic importance of SME's in SA; 3) Strategies to promote SME development; 4) Fostering an enabling environment for SME entrepreneurship; 5) Financing programmes for SME creation and growth; 6) Facilitating affordable rental facilities or individually owned premises; 7) Improving support services to upgrade the skill and technology level of SME's; 8) Providing appropriately structured, staffed and financed support systems and 9) The SBDC's role in job creation and skills training through SME development programmes. Figures in the courier include those on 1) the Development gap in SA; 2) Economically active population; 3) SA's self-employment; 4) SBDC loans advanced and SBDC SME training, to name but a few. Diagrams included are 1) Key Support areas of business support and 2) Flow model of SME development in SA. The central message in Courier, is that if SA wishes to have a vigorous and expanding economy, a vigorous and expanding small business sector is needed.

**Madlavu, M. (1994). Land Distribution and Empowerment resource for Small, Micro and Medium Enterprises. Conference Paper. September.**

The purpose of this paper is twofold. Firstly, it presents a popular, liberal version of economic empowerment which has engulfed SA. Secondly, it identifies the role of land distribution in the black economic empowerment process. In this respect, several aspects of economic empowerment in the context of land distribution are discussed at length. Finally, some policy recommendations are in the concluding section (policy recommendations around SMME's and government actions).

**Ruiters, A. (1994). Small and Medium Enterprises in South Africa - A Statistical and Policy Review. Draft. February. (66pp)**

This study attempts to provide a base, albeit limited, from which to consider new and appropriate policies for SME's in SA. The study is divided into 4 chapters. Chapter 1, highlights the definitional maze, that exists in South Africa, around the concept of SMEs. Chapter 2, explores the representation of SME's in the formal and informal sector. Chapter 3 investigates which social groupings both employees and employers in SME's are drawn from. Chapter 4 examines existing public policies towards SME's and includes investigations into the following areas: labour relations, workplace regulations, financial sector regulations, fiscal environment, product market regulation, public procurement policies, education and training policies and government SME support policies. Tables include: Informal Sector Activity; Persons Involved in the Informal Sector for Own Account by Population Group Number; and Persons Involved in the Informal Sector by Occupation, to name but a few. Figures given, include those on the Informal Sector: Net Monthly Income by Occupation; SME Contribution to GDP (Formal sector); Informal Sector: Contribution to the GDP by Occupation, to name but a few.

**Vosloo, W.B. (1994). Laying The Foundation for Economic Growth and independence.  
Developing SMEs. Midrand: Black Empowerment Conference Paper. March. (7pp)**

The main premise is that black economic empowerment is a vital link towards future economic stability in South Africa and is accepted by the business community. It asks the question of how this is to be done. Three popular options are briefly explored; 1) nationalisation and redistribution of wealth; 2) affirmative action in the formal sector and 3) SME development. The problems with these are flagged. The last option, ie. SME development, is explored a little further with the main constraints cited as financial and market constraints, insufficient business premises and tenure arrangements and regulations. A discussion follows on what can be done to overcome these. Very brief and on the question of SMEs, does not say anything new.

**Riley, T. (1993) South Africa. Characteristics of and Constraints Facing Black Businesses in South Africa: Survey Results. Informal Discussion Papers on Aspects of the Economy of South Africa. The World Bank Southern Africa Department. (65pp)**

The study relied on research from the GEMINI project (USAID funded). The study consists of 6 chapters dealing with introduction, historical context of black business in South Africa, chapter on black microenterprise (characteristics, constraints and policy implications), a look at more established businesses (retail, taxis, construction, garments), policy lessons from international experience, and concluding remarks. The appendix includes a survey of microenterprises along with notes from the conference.

**Smith, A. (1994). Technology Policy for SMMEs. Friedrich Ebert Stiftung. (12pp)**

The report has its genesis in a workshop on technology policy by SMMEs that was held on the 17th of March 1994. The workshop formed part of the Taskgro initiative on SMMEs which investigated policies to develop SMMEs. It highlighted the need to investigate technology policy as a key area for SMME development. The report deals with the following: science, technology and innovation; an international perspective on technology policy and small business development; issues designing a technology policy for small business -guidelines to developing policy and a policy framework, a way forward and interventions and further research areas.

Theme 3b) INFORMAL SECTOR DEVELOPMENT IN SA:

**Kane-Berman, J. et al. (1990). "Beating Apartheid and Building the Future". South African Institute of Race Relations, Johannesburg. (85pp)**

A chapter is devoted to each of the following: informal shops (spazas); black taxis; street vendors (hawkers); informal taverns (shebeens) as well as other topics. The overview is rather superficial and lacking in data but serves as the briefest of introductions to the novice wanting to know a little about the rise of black enterprise in South Africa.

**Venter, M. (ed). (1994). Prospects for Progress: Critical Choices for Southern Africa. Johannesburg: Maskew, Miller & Longman. (374pp)**

In addition to containing useful studies on issues of regional development in Southern Africa (regional electricity grid, democratization, ports and trade routes, AIDs, women in development etc.). Chapters 14 and 15 present data and analysis of the informal and small business sector (placing the former at about 12% of GDP but presenting four studies where this ranges from 6.5% to 41%) and discusses self-employed development in the region. Chapter 15 discusses informal and small business development more specifically.

**Dewar, D. and Watson, V. (1990). Urban Markets - Developing Informal Retailing. Routledge. (154pp)**

This book draws upon collective experience to produce guidelines for the location, design and management of markets. It is intended as a practical guide to decision-makers and to urban planners and designers, both within the public sector and in private practice. The empirical evidence of international countries (for example Colombo and Hong Kong) as well as South African experience (Crossroads in Cape Town), is used to illustrate the points made in the book. The authors do not attempt to promote the formalisation or 'neatening' of informal economic activity. Furthermore, they are not attempting to provide a blueprint for the planning of markets. The book instead establishes a set of principles to guide decision-making on market establishment and to sensitize decision-makers to some of the issues involved in a market policy.

**Rudman, T. (1993). Analysis and Recommendations of Informal Sector Job Creation Requirements. Self-Employment Institute. December. (25pp)**

The most consistent recommendation of this report is that the informal sector has problems and priorities which are different to those of the formal sector. Thus the policy and priorities of an informal sector training boards should be set only by specialists operating practically and not academically, on a fulltime basis, in the informal sector. The report further argues that only people and organisations whose main job is development of the informal sector and not outsiders (like bankers, large retailers) should be represented on the board so as to ensure that there is no conflict of interests and priorities. A further problem is the small percentage of the total funds

made available and allocated for schemes specifically targeted at the informal sector. The report recommends that the Informal Sector Industry Development and Training Organisation (ISIDATO) obtain an amendment to the Manpower Bill/Act that will enable this large and most important section of the economy to receive the same training assistance that is available to formal business. This article by Rudman is one way of looking at how the informal sector and various aspects of it could be taken into consideration by the state, especially with regard to training in the informal sector and how government could play a role.

**Rudman, T. (1990). "South Africa's Hidden Wealth" in South Africa International. Volume 21; number 2. July. (6pp)**

The main argument of this article is that the informal sector represents a vast untapped reservoir of wealth. This could be freed, if there is a move towards an unrestricted integration and co-operation of the first (broadly speaking the formal sector) and third world economies (broadly the informal sector). Examples are given of the gains that could be had from the realisation of the above and proposals are put forward as to how this can be achieved. Some interesting statistical information is given, for example, informal traders handle 33% of the disposable income of all black people employed in the formal sector and; out of the estimated R10 billion a year spent on food, the demand from the black urban community constitutes almost 40% of the total demand for food products in South Africa. Similar figures apply to beverages, textiles, clothing ect. For those who also want to understand more about the concept of stokvels, this article gives an excellent albeit brief overview of what stokvels are, how they function and the important role they can play in securing finance and credit for informal operators and SMEs.

**Simon, D. and Birch, S.L. (1992). "Formalizing the Informal Sector in a changing South Africa: Small-scale Manufacturing on the Witwatersrand". World Development. Volume 20; number 7. (17pp)**

This paper examines a recent South African policy initiative aimed at assisting small, mainly informal, black traders and manufacturers by providing facilities, assistance and a comparatively deregulated work environment in desegregated industrial parks outside the black urban townships. It is postulated in this article that the impact on these businesses has been generally positive so far. It includes an historical overview of the structure of the economy centring around apartheid and the super-exploitation of black labour power and the effect/implications this has had for the informal sector. It includes tables denoting: the perception of the advantages/ disadvantages of industrial parks; business changes since locating to the parks ect.

**Snyman, I. (1991). "Entrepreneurship: A few facts and figures." in South African Journal of Entrepreneurship and Small Business, December. (49pp)**

This survey was undertaken by the Human Science Research Council (HSRC). It was conducted according to categorised population groups (ie blacks, whites, coloureds and Indians) around the topic as appears in the title. It divides economic activities into groups ie prepare and sell food,

make and sell handiwork/clothing ect. It also discusses the favourable conditions needed for the income generation capacity of home-based enterprises, eg deregulation, accessible credit, advice on training in business management or in marketing ect.

**Preston-Whyte, E. and Rogerson, C. (eds) (1991). South Africa's Informal Economy. Cape Town: Oxford University Press. 410pp.**

This book aims to present a collection of new material on the informal economy of South Africa. The papers reflect the strengths of research traditions which developed through the 1970's and 1980's, as well as the new research directions emergent in the 1990's. The thrust of the analysis is towards the future informal economy. Thus, the problems of deregulation, inward industrialisation, and of the efficacy of current state attempts to formalise South Africa's informal economy, forms the main discussional focus of this book. There are 4 sections in the book: section 1, draws upon micro-level investigative techniques, oral histories and literary sources, to explore the world of participants in the informal economy (past and present). Section 2 looks at questions of policy and planning across both rural and urban settings. Section 3, explores the themes of informalisation, survival and maximisation strategies, in a variety of geographical situations. Section 4, gives attention to matters of policy controversy. Within these sections, some chapters deal, in a critical fashion, with issues at the cutting edge of debates about a post-apartheid economy. Other chapters include: gender, the informal sector, development, shebeens, the taxi industry, the herbal medicine trade, international lessons, credit associations, rural income-generating strategies, to name but a few.

**Hirschowitz, R. "Training for the development of the informal sector". Issues in Development, South Africa: Friedrich Ebert Stiftung. Number 3. July. (36pp)**

In this paper the need for and principles of training for the development of the informal sector are reviewed. The review is based on existing literature and interviews with a few relevant people. The needs and principles are then related to the type of training that exists in South Africa at present. Recommendations are then made for the establishment of a body to oversee and take responsibility for the training and development of the informal sector in a co-ordinated way (taken from the abstract).

**Rogerson, C. (1992) "Tracking the Urban Informal Economy" in Moss, G. and Obery, I. (eds) From "Red Friday" to Codesa. Ravan Press. (5pp)**

The central argument put forward is that the informal economy will assume a pivotal role in South Africa's urban future in terms of job creation, income enhancement and the provision of basic human needs, including shelter and essential services. Some good facts and figures are included in this short journal article; to name just a few, during the period 1974-1989 the DBSA estimates that the informal economy created only 1,2 million jobs at a time when the workforce was expanding by some 4,7 million people. The article also includes a section on the shifting policy and policy debates and the complexity of South Africa's informal economy. The point

highlighted in this article is that the South African informal economy is not homogeneous (as the informal economy needs to be unpacked and its differing faces recognised) and that this complexity needs to be taken into consideration in the policy debates. Finally six broad sets of policy-related proposals are put forward, relating to, amongst others, women, welfare measures and assistance programmes.

**Lukhele, A.K. (1990). "Stokvels in South Africa. Informal Savings Schemes by Blacks for the Black Community." Johannesburg:Amagi. (64pp)**

The central premise is that networking and cooperation is central to economic and social empowerment. The stokvel system is one such form. The argument is set in the context that the South African economy is dominated by powerful conglomerates which are white run and owned. The stokvel system is seen as a means by which black people can participate in the 'real' economy of South Africa and overcome the reality of race domination and class exploitation evident in the financial system of the country. The book provides an interesting insight into the way stokvels operate and the culture behind such economic cooperation.

Theme 4) POLICY PROPOSALS:

**TASKGRO. (1993) Policy Proposals for Small, Medium and Micro Enterprise Development. Discussion Paper: Friedrich Ebert Stiftung. November.**

The basic assumptions guiding the interpretations of the findings are as follows: firstly, government policies do not form a coherent and holistic support system for SMME's. When such support is implemented, it is fragmented. Thus, there is a need for restructuring, streamlining and rationalisation. Secondly, the legacy of apartheid must inform the new policies of a democratic and developmental state. The group supported the following guiding principles: that SMME's shall: operate in an open economy that promotes innovation and is accessible to all; diversify their activities and create opportunities in all sectors and structures of the economy; and contribute to the creation of viable employment opportunities, amongst others. The reasons for supporting the development of SMME's are, for example: the increase in unemployment and decrease in the economy's absorptive capacity of formal employment; imply that more and more South Africans will have to turn to self-employment as a means to generate incomes. The policies outlined in the report are directed at enterprises and have the following characteristics: (two are mentioned here) a) enterprises with less than 200 workers form part of the target group and b) the policy targets relatively labour intensive enterprises. Studies on SME development in SA give market access for SMME's products as a major constraint to their development. Another constraint identified by studies is the lack of availability of credit for SMME's. A third constraint on SME development is business skills and skills with respect to production. The role of government (as far as the need for government to have guidelines as to the sequence and priorities of implementing the policy proposals contained in the report) is also outlined in this report. In summation, the basic assumption of the report is that while the development of SMME's is not a panacea to the regeneration of the South African economy, it does constitute an important policy area.

**Professional Economic Panel. (1992). Growing Together: Institutions and initiatives for economic democracy and growth. February. (116pp).**

Here, the PEP concentrated on the institutional reforms and sound economic governance required to create and sustain a climate conducive to economic growth. The PEP looked at the importance of policies concerned with bringing about structural adjustments of the economy. The PEP also looked at the key role of macroeconomic policy measures. Economic growth itself was found to be a necessary but not a sufficient condition for genuine development. The PEP developed and reached agreement on a "situation analysis" for South Africa. Within the analysis, 8 broad areas were analysed separately. In each set of proposals, briefer but more specific situation analysis are included. The proposals represent specific, implementable, economically viable policies, strategies, programmes or projects, each of which would contribute to overall economic growth and thus to development. Proposal 20, in terms of the subject of this bibliography, would be most useful. It is entitled "Promoting entrepreneurship and economic empowerment for the disadvantaged". The proposal advocates a very high-level "political champion" for small

business. The stimulatory effect of better knowledge of the small-to-medium emerging enterprise is dealt with in Proposal 21. Proposal 22, makes the case, in principle, for the removal of vast structures of control of economic activity inherited from the past.

**Louw, L. (1993). Laws, Policies and Practices recommended for reform. Commissioned by the Professional Economic Panel. (60pp)**

This list has 2 parts. Part 1, is concerned with the constraints for which government is responsible. It contains the targets essential for reform. Part 2, refers to the private sector and NGO's. It raises the possibilities for related institutional reforms, many of which have arisen as a result of excessive controls. The analysis is confined to the removal, relaxation or reform of obstacles facing SMME's, from their formation through to them becoming healthy, larger enterprises (ie legislation and so on). In this context, it is argued that the removal of oppressive legislative controls is a form of empowerment or affirmative action. This analysis contains items upon which consensus among the majority of PEP members might be expected. The problem, according to this analysis, is that SMME's are shackled which need to be removed, not loosened. Where appropriate, each entry (of the law, policy or practice) includes 1) a brief analysis, 2) a recommendation and c) the practical implications. It is made obvious in the analysis, where the law or practice has to be changed. The list summarises the main benefits of removing legislative controls, rather than the status quo (ie where the law, policy or practice, is deemed to be beneficial)

**Godsell, G. and Clark, I. (1990). "Small Business Policy: Stepping down from the side of the Angels." Centre for Policy Studies Publications. Policy Issues and Actors. Volume 2; Number 3. November. (9pp)**

It is argued in this paper that it is worth analysing the expectations which are currently held with regard to small business, the costs and consequences of these expectations, and the role policy could play in providing shape and direction for expectations and for interventions. Stepping down from the side of the angels would involve limiting expectations, admitting bad as well as good consequences, and accepting the inevitability of ideological choice, limitation and contamination. It is advisable, the article further argues, to lift as many restrictions as possible. Examining expectations, therefore, would be vital to the process of small business development. The expectations to be examined include: economic expectations (unemployment, increased GDP, empowerment/co-optation, philanthropy, black entrepreneurs, wealth redistribution, socialisation and policy).

**Liedholm, C. (19??). Dynamics of Small Scale Industry in Africa and the Role of Policy. HIID under Gemini project: funded by USAID**

Presents data from various sub-Saharan countries (but not RSA) on importance of small firms. Could be useful for comparative purposes.

Theme 5) **AFFIRMATIVE ACTION:**

**Adams, C. (ed) (1993). Affirmative action in a Democratic South Africa. Juta and Co. Ltd. (163pp)**

This book contains a number of interesting chapters on affirmative action. Chapters: 2 (theory and practice), 4 (does AA make good business sense?), 5 (AA as a development tool), 6 (gender), 8 (AA and black advancement in business); This book is an attempt by a few specialists to focus on inequalities that for decades have ravaged SA and corporate business life. The book is intended for the employer, managers and supervisors that oversee a mixed workforce (ie black/white, male/female, manager/supervisor/ worker). It is argued that unless the mind-set and culture of any particular business is changed and attuned to the critical requirements of the 1990's, SA will not produce the skills and commitment required to increase the size of the economic pie. Thought-provoking and challenging ideas are aired in this book.

**Charlton, C. and van Niekerk, N. (1994). Affirming Action- Beyond 1994. Juta and Co. (219pp)**

Relevant chapters in this book include: Chapter 4, issues surrounding affirmative action (like quotas, screening ect) as well as chapters 7, 8 and 9 - these chapters deal with the issue of empowerment and community development. Other chapters also to be looked at include chapter 3 (an overview of lessons from east and west) and chapter 12 (the career progression programme). This is a recommended book to get, as it is contemporary and well written.

**Innes, D., Kentridge, M. and Perold, H. (eds) (1993). Reversing Discrimination - Affirmative action in the Workplace. The Innes Labour Brief. Oxford University Press. (235pp)**

There are 3 main sections in this book: Section 1 : "Making the case"; Section 2 "Implementing Affirmative Action" and Section 3 "Gender in the Workplace"; "Reversing Discrimination" is the second in a series of books prepared and edited by the "Innes Labour Brief". It analyses in detail what is important in South African business and what issue needs to be dealt with in the next few years: eg affirmative action in the workplace. The book is a collection of articles by recognized authorities in the field. In putting the book together, there was an attempt to deal with most of the problems associated with affirmative action as applied to the workplace. It is at the workplace that new relationships need to be forged. The starting point is that SA needs affirmative action now if it is to overcome the legacy of the past and progress into the future. In the first section arguments for and against affirmative action are explored; in the second part, contributors explore many of the problems associated with implementation, discussing some case studies and looking at models that may be applied in the workplace. Gender is an area of affirmative action which is often overlooked in SA. International experience shows that gender is high on the affirmative action agenda - if that is anything to go by then SA will find that gender requires attention as much as racial issues do. In conclusion, many of the most complicated questions

surrounding the principle and practice of affirmative action in the workplace are dealt with. A recommended book.

**Collins, D. (1994). "Affirmative Action: tokenism or transformation?" in South African Labour Bulletin. Volume 18; number 4. September. (8pp)**

The debate surrounding affirmative action has been pushed forward with the recent political changes in SA. Unions and employers, and the state itself, are starting to take affirmative action more seriously and these different perspectives are discussed in this article (that is the business perspective, the trade union perspective. Other areas discussed are: a human resources policy, affirmative action in practice; workplace democratisation; the role of the state. The article also argues that labour has tended to dismiss management initiatives on affirmative action as tokenism and window dressing. Conflict could be taken out of affirmative action by both trade unions and management together exploring the different ways of resolving a broad range of issues. For those interested in the role of trade unions, this is an interesting article, as the trade union movement in South Africa has been fairly strong in the last few years. Their role in the future South Africa should not be underestimated.

**Madonsela, T. and Nxesi, T. (1994). "Affirmative Action for women in the Public Sector" in South African Labour Bulletin. Volume 18; Number 2. May. (6pp)**

This article raises debates around the questions of: what is affirmative action; why affirmative action and equality for women; what are the possible strategies for affirmative action for women and what are the challenges facing the trade union movement? Guidelines for the public sector are also outlined (for example, to set clear objectives on priority areas, establish an Affirmative Action Commission with broad powers to implement and monitor the programme and to keep a database of personnel and posts through the public sector, to name but a few). The main point made, is that many do not realise the sensitivity of the issue of gender inequalities, which are just as sensitive as the issue of race inequalities in SA.

**Manning, C. (1993). Affirmative Action in Malaysia between 1970 and 1990: how successful was it, and what are the lessons for South Africa? in "Issues in development". Number 1. Section F. Friedrich Ebert Stiftung. April. (28pp)**

This is an evaluation of the successes of the Malaysian New Economic Policy (NEP) in improving the socio-economic position of the indigenous Malays, with particular reference to their income, education and employment indicators. In the introduction challenges for SA are outlined (for example racial inequalities, rising unemployment, skewed socio-economic structure, affirmative action and redistribution, to name just a few). It then goes on to outline the Malaysian experience. It is argued in this article that the post-Apartheid SA will be faced with similar challenges to that which the Malaysian government faced in 1969. The issues that are similar include those related to the growth path adopted under a democratic government; the second issue relates to the need for resources to be spent on the promotion of Black capital. The

article concludes that it is imperative for small black business to be supported in SA as it is from these ranks that black entrepreneurs will emerge. The section specifically comparing South Africa and Malaysia, is very brief.

**Ramudzuli, A. and Menne, L. (1994). "Changing Flavour: Affirmative Action versus Affirmative Change" in People Dynamics. Volume 12; Number 9. August. (7pp)**

(we would recommend subscribing to this magazine as it keeps one abreast with the situation currently in any field or activity involving blacks of SA; the subscription form is included in the photostat of the article).

This article argues that simplistic approaches to affirmative action will not tackle the underlying problems which have given rise to the current anomalies. What needs to be looked at, is a process of affirmative change in which the environment of leadership, empowerment and learning, are addressed. Affirmative action just forms one prong of a four-pronged strategy which is put forward: affirmative leadership, affirmative empowerment, affirmative learning and affirmative action.

**Craayenstein, M. R. (1994). Affirmative Action: Perceived Reasons for Failure. Thesis. Johannesburg: University of the Witwatersrand. (156pp)**

This research report investigated perceptions of the reasons for the failure of affirmative action and whether there are perceptual differences, of these reasons, between different groups of employees. Five factors emerged from the research as perceived principal contributors to the failure of affirmative action. They are in order of importance: career planning and development, top management commitment, the work environment, prejudice and unclear performance standards. (taken from the introduction)

**Louw, R. (1994). "Affirmative action becomes critical issue as East Cape government minister seeks mandatory hiring practices" in Southern Africa Report. September. (2pp)**

This is a very brief article that has been selected to give an insight into the day to day questions and controversies that have surrounded and continue to surround affirmative action, on an ongoing basis, in South Africa. More questions are raised than answered.

**Faundez, J. (1994). "Promoting Affirmative Action" in Indicator SA. Volume 11; Number 4. Spring. (5pp)**

The central argument is that, although affirmative action in South Africa appears to be compelling, it would only be effective if used with caution and combined with coherent policies in key social sectors (what exactly these are, is a bit unclear). This article discusses international experiences, the issue of affirmative action versus equal opportunity and the fact that some affirmative action measures are more controversial than others, going into the latter in a fair

amount of detail. A good article that flags important questions and issues around the subject of affirmative action.

**Malimela and Associates. (1992). Affirmative Action and Black Advancement in the new Democratic, non-sexist, non-racist SA. Conference. April. (50pp)**

The most important conference papers deal with the following: 1) Affirmative Action and Black Advancement: a black manager's perspective; 2) What is Affirmative Action and Proactive Affirmative Action; 3) The role of the International Community on Affirmative Action, Equal Opportunity and Black Advancement Programmes in SA; 4) Challenges to face Black Managers in a largely white corporate environment in a non-racial SA; 5) Manpower Development for the new SA. Most of the conference papers delivered are by black people actively involved in the black advancement/empowerment process.

**Hugo, P. (ed) (1992). Redistribution and Affirmative Action. Working on SA's Political Economy. Southern Book Publishers. (203pp)**

This book covers a wide spectrum of issues in both the public and private sector, including employment, black empowerment, equal opportunity enhancement, structural constraints on change, contending policy positions and relevant South African experience. The most pertinent chapters include chapter 3 (education, human resources development and redistribution - which refers to the changing nature of South African political life which has led to a great deal of attention recently being paid to the need to increase educational and developmental opportunities, and to the concept of redistribution), chapter 5 (the civil service, transition and affirmative action - the question "is it more important to have blacks in the civil service than in any other sphere of social or political life?" is asked, as is the issue of what is meant by affirmative action), chapter 6 (SA's underestimated crisis: black advancement and empowerment - poses the question of "how will SA's longer run growth requirements and the capital resources essential for such growth, survive popular political choice?"). A highly recommended book to read and consult.

**Watson, C. (1994). "Sustaining Affirmative Action" in Peoples Dynamics: Fact Sheet 236. August. (4pp)**

This article discusses a national affirmative action strategy (proposed by the Black Management Forum) which is to be achieved by the year 2000. National targets for black people include: -30% of all nonexecutive directors; -20% of executive directors; -30% of senior directors; -40% of middle management; -50% of junior management; -70% of supervisors and -80% of all trainees. It examines three areas relating to the implementation of this national affirmative strategy: How to introduce a reward system for affirmative action; -monitoring and assessment of progress; -practical guidelines to ensure that the affirmative action process is sustainable. This article is recommended.

**Mpufane, J. (1992). "Affirmative Action: distributing opportunities for advancement" in Human Resource Management, Volume 8; Number 9. October. (4pp)**

In this article, it is argued that affirmative action is not only "nice to do," because blacks need to be given equal opportunities in education, training, job opportunities and resources, but is in fact imperative if the country is to survive and prosper. Black people's access to land, capital, labour mobility and good education and training is the basis for SA's future prosperity. Looking at statistics, black people represent only 7,4 % of the total accounting profession, 0,01% of the engineering profession, 8,1% of medical doctors, 2,9% of architects, 17,5% of all scientists and 6% of the law profession. The only 2 professions where blacks exceed other population groups are education (63%) and nursing (60%). Statistics show that by the year 2000, SA's population will be standing at about 48 million people of which blacks will be in the region of 40 million. Poor education results also stand in the way of economic prosperity. The solution to SA's situation lies in the provision of relevant training in all facets of business and life skills so as to create self-sufficient societies in the long term.

**Oakley-Smith, T. (1992). "Black Advancement is only one side of the coin" in Human Resource Management, Volume 8; Number 9. October. (4pp).**

It is argued here that there is an urgent need for the advancement of black people in business organisations. The legacy of apartheid will take a long time to be erased and what is required is the advancement of blacks on a large scale. It is further argued that the reason for a lack of success in many individuals identified for advancement does not lie in the individuals themselves but rather in the environment in which they find themselves. Finally black advancement cannot succeed in a vacuum. Efforts need to be supported and reinforced by community initiatives and by preparing a suitable organisation culture.

Theme 6) TRAINING AND EDUCATION:

**SAIRR Report. (1992). Educating for Growth Number 4. March 1992. (33pp)**

This is a report on the Conference on Education for Growth held by the South African Institute of Race Relations. This conference was held with the following context in mind - seven structural weaknesses in the South African economy were identified (by the Department of Finance): 1) falling per capita incomes, 2) high and rising unemployment and poverty, 3) skewed distribution of income, 4) unequal opportunities, 5) inflation, 6) shortage of skilled manpower (and the widening gap between education and employment plus the fact that in 1988 no fewer than 80 000 matriculants were unemployed) and 7) low productivity of labour and capital. The conference was directly relevant to all these problems. The conference was looking towards the challenges facing the post-apartheid era. The focus of the conference was on the relationship between education and economic growth. Talks were held around the themes of education and training and priorities of the 1990's, manpower development, creating an equal and open education system. The keynote address was around the question of whether there is a relationship between educational reform/restructuring and a country's economic growth. The role of the state, racial equality, vocational, technical and commercial education, trainability, adult basic education, a learning culture, to name just a few, were the issues that stood out as points of general agreement. The most critical issue of dispute, which surfaced in the discussions, was around education growth and equity.

**Coetzee, D. (1991). "Illiteracy in South Africa: some preventive policies and strategies from a developmental perspective" in Development Southern Africa. Volume 8; Number 2. May. (16pp)**

The basic premise is that literacy is essential to the economic (and political) empowerment process, which is of particular importance in efforts to alleviate the extent of poverty that prevails among the largest proportion of the disadvantaged communities in South Africa. It provides an historical background as to why there is a high incidence of illiteracy in South Africa especially amongst the black population group. It goes on to highlight the role that government, NGOs and the private sector can play and proposes certain preventative strategies relating to the formal school system and to the non-formal and informal educational activities. It stresses that literacy programmes should be linked to other developmental programmes ie business and entrepreneurial development support programmes and community development support programmes.

**Govender, K.K. (1991). "Small business Education and Training in Transkei" in Development Southern Africa. Volume 8; Number 3. August. (16pp)**

The objectives of this survey, which was conducted among two groups of respondents (urban small business persons and providers of small business education and Training) were to: determine the availability and adequacy of small business education and training; identify the

main gaps and deficiencies in such training and to formulate proposals and recommendations to remedy the deficiencies and gaps. An analysis of the data revealed that although training is being conducted, a great deal needs to be done in order to meet the training needs of the small business community.

**Govender, K.K. (1994). "Problems and training needs of small business in Transkei" in Development Southern Africa, Volume 11; Number 1. February. (4pp)**

This note reports the findings of a survey of the problems and training needs of 121 small business owner-managers in Transkei. The average response rate was 83%, with 63% of the towns achieving a response rate of over 70%. Retailers made up the largest part of the sample (45%). It was ascertained that the owner-managers experienced management problems and that existing training was not meeting their needs.

**Mahadea, D. (1994). "Achievement motivation and small business success in Transkei" in Development Southern Africa, Volume 11; Number 1. February. (5pp)**

This article examines the effect of the attribute, need achievement (n-Ach), ie motivation, on entrepreneurial success as measured by asset, sales and labour growth. Primary research forms the basis of the findings. Entrepreneurship training programmes are suggested, which include basic business skills, eg how to raise finance, identify problems and exploit market gaps ect, as well as other proposals as to how n-Arch can be increased.

**National Economic Initiative (Transvaal). (1994). Enterprise Driven Development: Development Models for Job Creation and Business Development in SA. Draft for Discussion. February/March. (75pp)**

This Business Development Committee had the following objectives, through interactions with a variety of communities and organisations, to design and evaluate a) enterprise driven economic development models, b) methodologies and tools which will enhance wealth creation and increase local employment. The project needed to ascertain the following: the development of economic driven models, methodologies and tools appropriate to 3 types of communities; national and international experiences in business development and job creation appropriate to different types of communities; appropriate forms of intermediary and extension service support for SMME's with particular attention to 5 key factors (personnel, structural arrangements, the quality of information, funding and technology transfer); and other existing and potential resources that could facilitate and support enterprise development and job creation projects within SA and to identify and design possible future projects related to enterprise driven economic development and support to SMME's. The NEI report, in summation, represents a tremendous resource within the processes required for economic development in SA. As the sections unfold, it becomes clear that there has been a dramatic increase in enterprising activity by members of disadvantaged communities across SA over the last 4 years. Development initiatives are being undertaken in many different communities with variation in their success

**and effectiveness. This project endeavours to provide a brief assessment of the current situation and to provide effective models of job creation and business development.**

**Theme 7) CAPACITY BUILDING/ COMMUNITY INVOLVEMENT/ COMMUNITY IN GRASSROOTS DEVELOPMENT:**

**Honey, M., Thomas, J. and Davidson, J. (1992). "The community support approach (CSA); An ABC for rural development" in Development Southern Africa. Volume 9; Number 2. May. (14pp)**

The central premise is, if poverty is to be addressed, it is vital that the poor not only have political power, but are able to participate in the decisions that affect their lives. Such transformation depends on mobilisation and organisation, which are basic components of a community support approach (CSA). On pages 226-228 is a useful table which summarises the characteristics of a CSA, its advantages and pitfalls.

**Heymans, C. (1994). "Setting agendas where the issues are: the developmental limits and possibilities of local-level urban planning and management processes" in Development Southern Africa. Volume 11; Number 1. February. (9pp)**

The main argument is that community participation and local development is seen as being necessary to empower people to actively shape their material and social conditions. This article takes the moral and functional arguments for community participation as a point of departure, but seeks clarity on some of the conceptual and practical questions which this position raises. It inquires into the limits and possibilities of ensuring that people at the grass-roots level indeed shape development decisions and explores some options for promoting community-centred development planning and implementation in South Africa in the interim and the longer term. (Taken from the article) A very broad, general article.

**Godsell, G., Thula, A., Thathane, G., Marais, H. and van Dyke, H. (1992). Papers from a workshop held on Small Business.**

This set of discussion papers deals with the important concept of networking in small business development. The various forms of networking are considered as well as providing international and local examples of this phenomena. Networks are presented as a 'bottom up' approach to co-operation and central to the operations of entrepreneurs in that they function as support mechanisms and often are based on reciprocal obligations. For those who acknowledge that what appears to be essentially the domain of economics is in fact underpinned by social relations and interactions these input papers are useful and interesting.

**Horwitz, F. (1994). Institution-building Issues in SA in Public Administration and Development. Volume 14. (13pp)**

This article discusses structural and labour-market factors associated with institution-building in SA. It pays particular attention to the role of management development in institution building in SA, in the public sector. Two case studies, that address the question of organisational

restructuring following moves towards commercialisation of some public sector organisations, are discussed. It concludes that raising managerial competence in strategic management, negotiations, resource development and use, operations and administrative skills, is vital for effective institution building. It is proposed in this article that institutional effectiveness and quality of life in SA will depend on the extent to which the challenge of human resource development is met.

**SANCO. (1995). Strategies and Policies for Local Economic Development in the New South Africa. Funded by the Friederich Ebert Stiftung, March. (72pp)**

Local economic development (LED) has become a common practice in numerous parts of the world and in some parts of South Africa. This document is based on the assumption that post-apartheid South Africa with its emphasis on democracy is the ideal time to encourage LED. The concept of LED refers to actions taken by the community, business and Local Authority to improve the economic and social conditions of all people centred around the notion of local economic development partnerships. SANCO contextualises LED within the objectives of the RDP. This document is divided under the following issues: the framework for LED, key features of LED, local authority restructuring to assist SMMEs, local economic development partnerships, procurement policies for local authorities, the role of these authorities in information dissemination, proposals for a funding strategy and town planning recommendations.

**Nel, E. (1994). The role of Local Authorities in the promotion of SMME's and Job Creation. Friedrich Ebert Stiftung. Rhodes University. (35pp)**

This paper consists of the following sections: 1) a discussion of what local economic development is and what role it has to play within local authority areas; 2) a discussion of options for local authority restructuring to enable it to assist in SMME development and job creation through local economic development policies; 3) funding sources for job creation and SMME development projects; 4) recommendations for possible adaptations to town planning practices and planning approaches that could assist in the overall developmental process. It concludes that Local Economic Development (LED) has a significant part to play in job creation, SMME support and the improvement of the quality of life in urban areas. The process needs to rely on key local stakeholders, who enjoy respect in their community. International experience provides insight into what can be achieved, how the process can be launched, the successes and failings of LED, possible municipal support structures and applied policy.

**Manning, C. (1993). The Role of Local Service Institutions in Promoting Industrial Development in Small, Medium and Micro-Enterprises: a review of the recent literature. Johannesburg: Friedrich Ebert Stiftung. (14pp)**

The key assumption of this paper is that finance allocation is not the key to promoting small firms, rather there are a wide range of technical supports which development agencies can offer

to SMMEs to enhance their performance. The paper deals with the following issues: what service should be provided, responsiveness of centres to the needs of small firms; the organisation of local service centres; what explains the successes of the existing service centres and finally South Africa and local service centres. This paper is well written and informative.

**Khumalo, G. (1994). The Role of Local Authorities in the Promotion of SMME's and Job Creation. Friedrich Ebert Stiftung. (24pp)**

This study looks at how various policies, which impact on SMME's, should be changed by local authorities in order to create an enabling environment for SMME's to operate in. The position taken in this paper is that when one analyses the role of local authorities in promoting SMME's and prescribes policy recommendations and strategies to be pursued, caution has to be taken. It is not possible to put forward a single strategy which can be adopted by every local authority throughout the country. Local economic development strategies might differ between large and small cities; they may also vary between urban and rural local authorities. It is argued in this paper that some key principles on how LED should take place are applicable to all local authorities regardless of their location and size. In terms of strategies adopted, in order to implement LED, it is argued that each authority should define its own strategy based on the local objective conditions which pertain.

**Smit, H. (1992). Empowerment, Service Organisations and Community Development. Thesis. University of the Witwatersrand (126pp)**

This research considers the interventions of non-governmental organisations (NGOs) in urban poor communities. Many NGOs have, as one of their objectives, the empowerment of the poor community in which they work. However, this empowerment does not always occur. This study tries to determine why not, and therefore, identifies the constraints to empowerment that exist during NGO interventions. The constraints were identified through, firstly, a review of the theory, and secondly, a case study of one particular poor community in Cape Town, and the NGO interventions in this community. The constraints identified fell into three broad categories: the political and socio-economic environment and hence the power distance in a society, the methodologies employed by the NGOs; and the capacity of the community to be empowered. Although some of the constraints would be very difficult to overcome, tentative recommendations are made for NGO interventions that lead to empowerment. (taken from the abstract)

**Shubane, K. (1991). "Business and the Community". Centre for Policy Studies. Double Take, Number 8. April. (2pp)**

This article argues that the role of business as a distinct actor in a changing SA will come under scrutiny in the period ahead. The problem is that business has not been perceived by people in the black community as an entity apart from the state. A short but interesting article that discusses the themes of the redistribution of wealth in SA as well as affirmative action in SA and the role of business and how black people are affected.

Theme 8) JOB CREATION:

**Coetzee, S. (1992). "Evaluating short and long-term solutions to employment creation in South Africa". The Africa Institute of South Africa. July. (17pp)**

This paper emphasises that unemployment has had a pervasive effect on the state of poverty in SA and it has had severe implications for political stability. However, unemployment is a complex issue and conventional economic remedies have not succeeded in resolving the issues, even in other developing countries. In SA it has become clear that unemployment has increased even during upswings of the business cycle and thus assumed structural economic characteristics. Unemployment cannot be addressed without attending to the socio-economic backlogs amongst large sections of South African society. Backlogs in the spheres of education, training, health and housing have all had an impact on the productivity of people, their access to opportunities and their upward mobility in the labour market. The policy response in SA did not recognise the structural, economic nature of the unemployment problem before the 1980's. The development context has been acknowledged only to a limited extent. Thus, what is needed is a broad developmental policy framework which includes: 1) political reconciliation and participatory forms of development; 2) sound economic management and creating the conditions for economic growth; 3) a sustainable and more equitable and employment creating growth path; 4) the promotion of human development inter alia, through prudent budgetary reforms; 5) appropriate urban, rural and regional development policies; 6) special employment creation programmes and 7) poverty relief programmes.

**Garnier, P. and Majeres, J. (1992) "Fighting poverty by promoting employment and socio-economic rights at the grassroots level" in International Labour Organisation. (7pp)**

The purpose of this article is to show that it is possible, through programmes that inspire job creation and poverty alleviation (carried out with the ILO assistance in the construction and infrastructure sector), to influence the functioning of decentralised government institutions and to create a framework for negotiation between public administrations on the one hand and the private sector and popular grassroots organisations on the other. The goal of these programmes is to develop the productive capacity of the most marginalised social groups and to instill in them an awareness of their individual and collective rights. The programmes also attempt to strengthen production structures and capacities at local level. (The article is based on international experience, not SA, but nevertheless, it is a good general piece of information to have).

**Pollak, F.M., Ernest and Young. (1993). "A Labour-intensive development strategy for South Africa". South Africa International. Volume 23; Number 4. April. (6pp)**

The main emphasis of this article is the link between SMEs and job creation. The article is broken down into the following sections: what the main development benefits of developing the SME sector are; proposals for the promotion of SME development, the obstacles facing SME

development in South Africa, the multiplier potential of SME development; and the financing of SME development. The article is somewhat general and broad but it does raise some pertinent questions and provides certain interesting facts and figures. For example, the combined SME/informal sectors accounts for 46% of current GDP; 75% of all new jobs are generated by the SME/informal sector; figures of sectorial labour intensities and consumption pattern differentials; and the dangers posed by the over emphasis on the service sector as opposed to manufacturing and production sectors, to name but a few.

**IDEAS. (1994). Enterprise Driven Development. Development Models for Job Creation and Business Development in South Africa. Draft of a discussion paper prepared by Initiatives for the Development of Enterprising Action and Strategies for the National Economic Initiative (NEI) Transvaal, South Africa. (Discussion paper) (75pp)**

Driven by the imperatives of employment creation, this study for the National Economic Initiative, presents models for job creation and examines appropriate interventions which can result in large scale, enterprise-driven, job growth that simultaneously generate advancement. The study has a section on training but also recommends a series of projects, actions to be taken, and other initiatives.

Theme 9) GENDER:

**All the following articles appear in the journal Agenda: a journal about women and gender. (1993). Number 18. Durban. (pp5-104)**

**a) Barrett, J. "Women and the Economy"; (p8)**

This article looks at women in the economy. A few facts and figures are of interest here. Women comprise one third of SA's workforce. Fifty two percent of economically active women are employed, compared to 84 percent of men. In the "bantustans" only 20 percent of women are employed, compared to 52 percent of men. Rural women's economic status is being undermined by changes in land ownership. It is also argued that women are poorly represented in trade unions and in structures determining economic policy and practice. The central argument is that any talk of empowerment through redistribution must also include the redistribution of gender based power.

**b) Maconachie, M. "Patterns of Women's Employment in the 1991 Census". (pp 41-47)**

This article updates the 1985 census information of women's employment with the adjusted 1991 census figures. It focuses on occupational segregation in order to explore a) differences in women and men, and (b) differences among women. It includes a useful table summarising "occupational categories by gender and classification of the workforce according to 'population group'". The main conclusion are: the South African labour market remains skewed in that occupational segregation between men and women clearly exists; racially, white women tend to be in higher status jobs than their 'non-white' counterparts and that basically very little has changed from 1985.

**c) Tshatsinde, M. "Rural women in Development : issues and policies" (pp 63-70)**

This paper discusses the economic and social role of women generally and rural women specifically, in economic development. Issues effecting women's productivity are discussed, with strategies and policies being suggested to facilitate the effective participation of women in the labour market. It is estimated that women constituted 40% of the labour force in South Africa in 1990.

**d) Turok, M. "Why women must enter the debate on the economy". (pp 91-96)**

The central premise is that women in South Africa need to face the fact that the key to their liberation does not lie only in the vote and constitutional rights but in their achieving economic recognition and a voice in how the economy is structured and run. It deals with the IMF and World Bank SAPs effect women drawing on the experiences of other countries in Africa. Alternative economic policies are proposed that will benefit women especially, and the poor and disadvantaged generally. (brief)

**e) Slachmuislder, L. "Affirmative Action. Different faces, little power". (pp 79-83)**

The main argument is that many companies do not realise (intentionally or unintentionally) that the question of affirmative action is not only a race issue but also an issue of gender. Furthermore, affirmative action should be viewed as a process and an approach, rather than a once-off exercise, with commitment from the 'top' and consultation with the 'bottom' in order to be effective. Although brief, it provides room for thought.

**f) Ndziba-Whitehead, T. "Women's Entrepreneurship in SA." (pp97-100)**

This article deals with what women entrepreneurs in SA are characterised by and proposals to aid in the development of women entrepreneurship- removing gender inequalities, developing rural infrastructure, deregulation, the banking system, education and training. The emphasis of this article is that policy formulation is a long-term process and that the role of women and their contributions must be taken seriously otherwise a very vibrant sector of the society with great potential could be excluded from the economic activity.

**Gender in Organisations. (1992). "Agishanang "Building Together" Newsletter of the Community-Based Development programme. Volume 11; Number 4. October/November. (11pp)**

A number of articles are interesting in this newsletter: S. Walters talks about "The gendering process and NGO's" and examines how community organisations can empower women within their structures; F. Meintjies comments on affirmative action, gender and race in organisations; D. Budlender presents 5 tests by which organisations can test their gender equity (this is presented as a method for changing gender biases within organisations). The Women's Development Bank, South Africa, (WDB) believes in the capacity of women to develop strong and sustainable institutions in their own development. Contributors from the WDB give the context in which the WDB operates and what it hopes to achieve.

**Budlender, D. (1991). Women and the Economy. C A S E. (50pp)**

This report was originally written in the late 1990's to form the basis of the annual report of the Secretary-General of the UN on Women under Apartheid. It provides a summary and compilation of work done by other researchers in a wide range of areas (population, migration, family structure, working people, women's work, earning outside the formal sector (that is self-employment), education and wages and conditions of work in the formal economy) impacting on the subject of women and the economy. The booklet contains graphics on the same areas but the sources are not the most recent (some are from 1980, the latest being 1988).

**Budlender, D. (1992). Human Resource Development and Gender Affirmative Action. C A S E. (32pp)**

It is argued in this paper that ignoring gender affirmative action cannot be dismissed so easily as "Only a practical consideration". Gender discrimination bears many similarities to race discrimination but, while some of the results of discrimination are the same, the underlying causes are not. Inequalities will continue unless more fundamental personal, social and political questions are addressed (taken from the introduction).

**Erwee, R. (1994). "Scaling the Economic Ladder". (Chapter 3) in South African Women Today. Lessing, M. (ed). Cape Town: Maskew Miller Longman (Pty) Ltd. (17pp)**

The main aim of this chapter is to describe the current occupational status of women, to focus on women's progress up the economic ladder, and to suggest strategies for career advancement. It includes comparative figures, usually from 1985, to present on for example, women's participation rates in the economy by race and age; managerial position percentages of women by race and female pay as a percentage of male pay by race. Attempts are made to analyse why certain trends occur, giving insight into the wider social context that women find themselves in. This chapter is very useful for those who recognise that economic empowerment is not just an issue of race but gender too. (This notwithstanding, it should be noted that black women have the double burden of been disadvantaged both in terms of race and gender) Many useful facts and figures make this a worthwhile read.

**Harrison, K. (1993) "Invisible working women". Constraints facing women entering and within small business: A case-study in Griffiths Mxenge, Khayeltsha. Working paper commissioned by TASKGRO, April. (33pp)**

This paper's central conceptual framework is that of power. According to this document gender-sensitive policy informing the informal economy has to take into account power dynamics between the formal and informal economies; between married and single people; men and women; adults and children; paid and unpaid labour (i.e. productive and reproductive labour); and, owners and workers. It is within these relationships that the article explores many of the constraints facing women within small business. However, the author acknowledges that the paper is limited in that the focus is on the constraints faced by black women in peri-urban communities generally and those in Khayelitcha specifically. This paper however, is useful for those interested in gender issues as it does contain a certain amount of theoretical material of a general nature.

Theme 10) SECTORIAL STUDIES:

A) TOURISM:

**Odendal, A. and Schoeman, G. "Tourism and rural development in Maputaland: a case study of the Kosi Bay area" in Development Southern Africa. Volume 7; Number 2. May. (7pp)**

The authors argue that tourism could enhance the development of rural areas on an ecological and economical viable basis, and improve the quality of life of rural blacks. This is because tourism has the potential of benefiting local areas both as currency earners and by creating employment opportunities in the rural areas. Proposals are put forward as to how the needs of the tourist can be reconciled with those of the local people.

B) AGRICULTURE:

**Koch, B.H., van Zyl, J. and van der Wateren, J.J. "The role of extension in the development of the farmer as entrepreneur" in Development Southern Africa. Volume 8; Number 1. February. (6pp)**

This article looks at the different viewpoints expressed at the 1990 annual national conference of the South African Society for Agricultural Extension regarding the role of extension in the development of the farmer as entrepreneur. It is argued in this article that to achieve independence, farmers must be willing to expose themselves to entrepreneur development stimuli. The article emphasises that a comprehensive interdisciplinary education is recommended for agriculturalists.

**Tewinkel, A. Agrarian Reform and the Role of Land Ownership In Africa. Occasional Papers: Konrad Adenauer Stiftung. Occasional Papers. (9pp)**

This is a very comprehensive article that deals with issues surrounding agriculture, the farm sector and the land issue. Each of these are covered in depth with 1) a historical background, 2) current trends and arguments and 3) a few proposals given. On page 9-11, affirmative programmes for agricultural reform are proposed which includes the questions of entitlement and empowerment actions. This section summarises the main issues that form the basis of the agrarian question in South Africa.

**Van Rooyen, J., Vink, N. and Malatsi, M. Agricultural change, the farm sector and the land issue in SA. Occasional Papers: Konrad Adenauer Stiftung. November. (16pp)**

The purpose of this paper is to provide more information on the expected impact each determinant will have on the course that the farm sector in SA will take in the future ( the determinants include; natural, physical, technological). Secondly this report derives from these

determinants, a set of policy guidelines which will allow the sector to play its proper role in the social and economic development of SA. The policy guidelines are built on 3 observations: 1) the premise that in the economic sphere in SA, the underlying ethic should be equal access to opportunity (the right to an equal start); 2) a functioning democracy in SA assumes that conflicting needs and desires can be fairly sorted out through enfranchisement, political participation and a representative government and; 3) there exists a scope for positive sum outcomes between growth and the redistribution of economic opportunities, both in the broader economy and more specifically in the agricultural sector. All policy guidelines proposed are aimed at exploiting the potential for the positive sum outcomes in the farm sector. The paper concludes with specific reference to the agricultural land issue because this aspect represents a major dimension of required change in SA. A strategy for land reform is argued within the context of the proposed policy guidelines for agricultural and economic restructuring.

#### **C) THE CONSTRUCTION AND BUILDING SECTOR:**

**Khumalo, G. (1994). Fragile Foundations. Prospects for Black Building Contractors. Research Report number 37: Centre for Policy Studies. October. (21pp)**

It has been found that the black building industry is beset with problems which have severely constrained its growth. This paper seeks to identify some of the causes, and suggest remedies. This study aimed to establish whether there were any additional factors which constrained the growth of black builders. It is argued in this report that finance is a major constraint on the growth of black building enterprises (as financial institutions remain reluctant to support this sub-sector with loans). It is also argued that even technically competent black builders employ ineffective strategies for capturing markets. The findings here are not only relevant to black builders alone. The problems outlined here typify small businesses throughout the economy and suggestions and solutions here may serve as pointers to corrective action in other economic sectors as well.

#### **D) FASHION RETAILERS**

**Radder, L. (1994). "Procedures and practices in locating an independent fashion retailer" in South African Journal Entrepreneurship and Small Business. May. (7pp)**

This is a very specific article dealing with the small, independent fashion retailer. It is argued in this article that a location well suited to business may be sufficient to overcome certain deficiencies in the merchandise capabilities of the independent fashion retailer. Locating an outlet involves 3 major decisions - selecting a trading area, a shopping area and specific site. An empirical study done among a sample of independent fashion retailers reveals that purchasing power of potential customers, rent and the potential growth of the trading area are the most important variables influencing their choice of location.

**E) LIQUOR INDUSTRY**

**More, C. (1989). "Liquid Gold" in Tribute. April (55). (9pp)**

In 1989, the liquor industry, business and therefore profits emanating from (black) townships, were said to be between 8-14% of the national total. The entire industry was believed to be worth R5 - billion. However, black economic empowerment seemed to be lacking in the liquor industry, where black retailers picked up less than 14% of the profits in this R5-billion stake. This article discusses the unforeseen consequences of deregulation in the liquor industry, especially for black owned enterprises. This is presented in the context of the 1980s where the group areas act, the separate amenities act and the population registration act, still existed. These laws, it is argued, were essentially contradictory to the notion of 'free enterprise' as implied in the move towards deregulation. For those interested in the question of deregulation, which has and continues to be a central issue in the debate around economic growth and development (especially for SMEs), this article could be of interest.

**F) TAXI INDUSTRY**

**McCaul, C. (1990). "No Easy Ride: The Rise and Future of the Black Taxi Industry". South African Institute of Race Relations, Johannesburg. (117pp)**

This documents the history of the struggle by blacks for economic rights in the transport industry where African ownership of minibuses grew from 12,385 in 1979 to nearly 37,834 by 1987. Also presents an overview of the associations in this sector.

Theme 11) THE POLITICS OF DEVELOPMENT IN SA:

**Schrire, R. (ed) (1992). Wealth or Poverty? Critical choices for South Africa. Cape Town: Oxford University Press. (680pp)**

This book deals with some central economic issues facing SA today: how can fiscal policy be restructured? How should one respond to the concentration in the manufacturing sector? What are the major problems in the agricultural sector? Part 3 of the book is especially interesting. It is titled "Economic Sectors" and in it chapter 25 "Supporting job creation: small business and informal sector development" is of particular importance. In this chapter the evolution of support for the small business sector in SA is traced and issues related to small business and informal sector promotion as tools for job creation, are explored. Part 1 deals with "The domestic and global context"; Part 2 with "Mechanisms of Redistribution"; and Part 4 with "The politics and economics of redistribution".

**Sidiropoulos, E. (1994). "The Politics of Black Business". SAIRR, Number 3. June. (55pp)**

The following key points are highlighted here: in a study of 22 black business organisations, 21 say that they are politically nonaligned. All 21 say that politicians cannot represent the interests of black business people. Most black business organisations report that they experience shortages of funds and a lack of administrative skills which hamper their functions. About two-thirds of the organisations network with similar organisations or political parties. Some black business groups express fears of being marginalised if they team up with their white counterparts whilst others regard such teaming up as essential. In a nutshell, the objective of this report was to assess the degree to which black business associations are truly part of an independent civil society which allows for the articulation of competing and conflicting interests independently of political organisations. Lastly black business organisations include Fabcos, the KwaZulu Natal Masterbuilders' Association, the Western Cape Black Builders' Association and Sata (South African Taverners' Association).

**Kane-Berman, J. et al. (1994). "The New Liberals". SAIR. Johannesburg. (65 pp)**

This presents key points from the debate over the future of liberal (meaning free enterprise) political economy in South Africa.

**Simkins, C. (1986). "Reconstructing South African Liberalism". SAIRR. (120pp)**

The lectures contained in this report were conceived in the aftermath of the Second Carnegie Inquiry into Poverty and Development in Southern Africa, held in Cape Town, 1984. The emphasis of this conference was on empirical studies of poverty. Relatively little information was produced on fundamental approaches to poverty and political interpretations of it. The report deals with principles and institutions appropriate to the most possible rapid reduction in poverty. It is done by interpreting the submerged but important liberal South African tradition. The

argument inherent in the report is that SA's social structure now and in the future will render an increase in liberty and justice possible, and that this increase is longed for by a great number of South Africans.

**Frielinghaus, J. (1994). "Virtuous Trends in South African Society". SAIRR, Number 2. May. (19pp)**

This article looks at day-to-day actions, as well as longer-term trends and practices that may provide the foundation of a free and open and democratic society. The article also looks at economic trends (for jobs and rising living standards in relation to strengthening democracy). In the contents there are relevant sections on Affirmative Action (p6) and Education as a political tool (p12). This is not a detailed article. It contains points around various issues.

**Schlemmer, L. (1991). "South African society under stress: the hazards of inequality and development in a post-apartheid future" in Double Take, Number 10. Centre for Policy Studies. September. (18pp)**

This article discusses affirmative action and its prospects of reducing inequality and stress and gives a few random examples of the distortions which radical affirmative action programmes could produce in SA. A thoroughly researched and well written contemporary article comparing US affirmative action programmes and which did work and the lessons SA could learn from these. The article is concerned with the questions of whether tension and stress in the fabric of South African society would be ameliorated or deepened by the demise of apartheid and whether the 'new' SA that is emerging out of the transition will be more peaceful and harmonious or will inter-group conflict continue. These basic questions are also discussed in this article. The conclusion of the article is that in some major respects, socio-economic and political stress in SA is likely to become more intense.

**Institute for African Alternatives. (1993). Development and Reconstruction in SA: A Reader. Braamfontein. (227pp)**

Part 1, section 1 contains a few facts and figures on wealth, income, subsidies, population, employment, education, the informal sector; to name but a few. The findings reflect that whites earn 9 times as much as Africans, 40% of the population have no paid jobs, 5% of the population own 87% of all personal wealth and whites own 87% of the land. This is due to the legacy of apartheid in the economic field in which a minority of whites established a kind of "skyscraper economy". The state played a major role in sustaining this skyscraper. The essential features of the economy include distorted stagnant production and gross social inequalities (Table 1), to name but a few. Part 1, section 3 deals with the informal economy and section 4 with the informal sector and women. A recommended book.

**Kotze, H. (1993). "Attitudes in Transition Part II. Elites on Economy" in Indicator SA. Volume 10; Number 3. (6pp)**

This forms part of a longitudinal survey conducted between 1991-1993 on changing elite attitudes on a political settlement in South Africa. In this article, Professor Kotze interprets the shifts in attitudes on economic policy of leading supporters of the major parties, with particular emphasis on the trade-off between economic growth and equity. Changing positions on economic models, progressive taxation and affirmative action are also discussed. Tables are included that give a breakdown of attitudes between various political parties on various issues centring around the above mentioned issues. Interesting questions are raised, for example, "Should equalisation in South Africa take place through formal social and economic policies or through affirmative action programmes?" An interesting and thought provoking article for those interested in political party opinions in South Africa.

**World Bank. (1995). Poverty in South Africa (official title to be verified).**

This is a major study of poverty, income, employment and other data conducted for the World Bank by the University of Cape Town and others on the basis of the 1990 census and other data.

**World Bank. (1993). South Africa: Paths to Economic Growth, November.**

This presents a profile of the economy, a declining output to capital ratio, and prospects for growth along various scenarios, all of which assume social and political stability.

Theme 12) STATISTICAL MATERIAL/DATA AND GOVERNMENT:

**Ngidi, S.C. and Zulu, P.M. (1988). Aspects and Tempo of Deracialisation in the South African Ind. Pustry: A Study of Operating Companies in South Africa. Prepared for NAFCOC by the Maurice Webb Race Relations Unit. Natal: University of Natal, Durban. November. (104 pp)**

This study used national labour data from the Department of Manpower of the South African Government and in-depth surveys and reviews of company data in specific companies to assess the pace of integration in the South African economy and the promotion of various ethnic groups within companies. Provides some interesting baseline information and shows occupational distribution of men and women by race group through 10 occupational categories in 1975, 1981 and 1985.

**Kane-Berman, J. (1991). "South Africa's Silent Revolution". SAIRR. Johannesburg.**

Presents some data and description of the phenomenon of rapid change in South Africa including some business data. He notes that black ownership of cars is expected to increase from 9% to 21% by 2000 and that AVIS opened a car rental agency in Soweto. One out of every six bank cards is held by a black African.

**Cooper, C. and Hamilton, R. (et al). (1994). Race Relations Survey: 1993/94. SAIRR. Johannesburg. (860 pp)**

This yearly publication is similar to an encyclopedic yearbook on the evolution of the South African economy, polity and society. It is well referenced and documented. The section on "Business" presents an annual rundown of major events and presents various sides of the debate over such issues as affirmative action, constraints on black business, anti-trust, GATT, and other issues as they were discussed during 1994. Various economic indicators and data are also cited. The survey also includes sections on 12 other areas including population, health, agriculture, the environment, housing, the economy, employment, labour relations, constitutional change, political developments and education.

**"Project For Statistics on Living Standards and Development." (1994). South Africans Rich and poor: Baseline Households Statistics. SALDRU. University of Cape Town: School of Economics. August. (345pp)**

The principal purpose of the survey was to collect hard statistical information about the conditions under which South Africans live in order to provide policy makers with the data required for planning strategies. Chapter 6 "Employment and income earning activities, employment status and earnings from wage activities and self-employment. The statistical tables for chapter 6 include employment status, employment by race, gender and age, and self-employment by race, gender and province.

**Central Statistical Service. (1994). Bulletin of Statistics. Volume 28; Number 2. June.**

This contains some statistics on the figures of people employed in SA and those unemployed. Section number two seems to be most important - this section provides statistics for the economically active population, employment, salaries and wages, wage rate indices, unemployment and monthly labour turnover per 100 employees, to name but a few. This bulletin is available from the CSS in Pretoria;

**Central Statistical Service. (1994). Labour Statistics. A summary of the employment and wages section of this publication. December. (21pp)**

This statistical release contains information for the latest five quarters and is a summary according to major industrial divisions of the labour series maintained by the Central Statistical Service. The informal sector is not included - only information about the formally employed working population is included.

**Bowmaker-Falconer, A. and Searll, P. (compilers). (1994). "The Breakwater Monitor". BenchmarkX. Cape Town: The Graduate School of Business. September. (62pp)**

Part of this research component was an investigation into where black, coloured and asian managers are employed in organisations. The purpose was to put the 'soft jobs myth' to test. The development of an index to measure the effectiveness of affirmative action implementation is planned for 1995. The findings of this report indicate that there has been affirmative change during the past 2 years and the underlying challenge is to maintain and build on these achievements. (BenchmarkX is a Windows software programme that gives companies easy access to their Breakwater Monitor data).

**Informal Sector (Blacks/ Coloureds/Asians only). (1994). In Comprehensive directory of graphs, maps, charts - South Africa's Marketing Statistics; 25pp.**

The statistical information contained is generated from the 1990 census. (It must be noted that this census does not include the "independent" territories and homelands which have subsequently been integrated back into South Africa. Thus all figures and stats should be treated with caution) Using the categories of black, coloured and Indian, employment figures by, for example, occupation, monthly contribution of GDP by occupation and average net monthly income ect are included in graph form. Also included at the back are interesting facts and figures on shabeens, taverns, black taxis, spaza shops and financial institutions eg stokvels and investment syndicates ect.

**The White Paper on Reconstruction and Development. (1994). Section 3: "The Economic Policy Framework". Cape Town. November. (13pp)**

Section 3.10 deals with SME's in South Africa (p30) - for example the government will facilitate the entry of entrepreneurs into opportunities which arise from the RDP investments. The key areas of support to SME's will include, amongst others, access to advice, access to marketing and procurement, access to finance, access to infrastructure and premises, access to training, access to appropriate technology. Section 3.10.3 postulates that women, in particular, are involved in micro-enterprises which will receive increased government assistance. Section 3.10.4 states that in recognising the value of the informal sector in the generation of new employment and competitiveness, the state will endeavour to bring SME's into the regulatory framework for labour standards. Section 3.10.5 states that the government and especially public enterprises will facilitate the entry of entrepreneurs into opportunities which arise from the RDP investments. The government will also encourage entrepreneurs to seek technical training and joint ventures with the formal sector. Chapter 7, deals with consultation, participation and capacity-building in relation to the empowerment of women, youth, rural and disabled people.

**The Government Gazette. (1994) The National Economic Development and Labour Council Act.**

This act provides for the establishment of a national, economic, development and labour council; to repeal certain provisions of the Labour Relations Act, 1956 (this act provided for white formal labour protectionism in apartheid SA; this act was amended in 1988 and called the Labour Relations Amendment Act); and to make provision for matters connected therewith. This act deals with formal labour only in SA. Communities are allowed to participate in the annual general meetings of the Council (along with organised labour and others).

**African National Congress. (1993) Reconstruction and Development. (147pp)**

The RDP presents the Government program to meet basic needs, develop human resources, build the economy, and democratise the state and society. Preface by Nelson Mandela.

Theme 13) SOUTHERN AFRICA:

**Maasdorp, G. and Whiteside, A. (1993). Rethinking Economic Co-operation in Southern Africa: Trade and Investment. Konrad Adenauer Stiftung: Occasional Papers. February. (82pp)**

The objective of this paper is to promote policy dialogue on sustainable economic growth and development options, economic efficiency and regional economic integrations between nations in the Southern African region. Not specific to SA.

**Dessing, M. (1990). Support for Microenterprises. Lessons for Sub-Saharan Africa. World Bank Technical Paper Number 122. Africa Technical Department Series. Washington, D.C.: The World Bank. (54pp)**

The primary purpose of this study is to identify a number of key issues related to support for microenterprises, provide a conceptual framework for the design of support programs, and delineate research questions for field study. This paper draws on the accumulated experiences of other donor agencies and synthesises conclusions from several in-depth studies. The function of the article is mainly that of an introduction to the literature and as a quick reference for the design of projects; the interested reader will find many further references to specific programs and approaches that have been tried with various degrees of success. The paper raises more questions than it answers. This is explained by the fact that due to the wide variety of experience and projects a short paper can not cover everything and because projects must be tailored to local circumstances in order to make use of existing resources: there are no easy answers and no universally applicable model.

**Marsden, K. (1990). African Entrepreneurs. Pioneers of Development. IFC, Discussion paper no.9. Washington, D.C.: The World Bank. (66pp)**

A noted expert on private sector development in Africa presents key issues and findings, primarily that prospective African entrepreneurs are found to be efficient, they help alleviate poverty and that more are waiting in the wings. Foreign enterprises are found to help strengthen African enterprises. Twenty five case studies on African entrepreneurs are presented from a variety of sectors including agriculture, textiles, manufacturing, pharmaceuticals, construction, tourism and printing.