

additions made by free-holders at their own cost could be constructed with any materials, subject to the consent of the village planning authority which should be in place by that time.

(h) ENTERPRISE PLOTS: Plots will be made available for use as workshops and for trade, manufacturing, agricultural or service undertakings, with or without house-buildings rights as is appropriate. Applicants may be granted start-up loans by the CHT for special tools, equipment and building materials, secured by mortgage with or without an initial down payment, and with terms of repayment settled on a case-by-case basis. Encouragement will be given to any enterprise which provides an outlet for local produce, or occupation and/or employment for local residents, including the devolution of appropriate functions of the Site Team. The following types of enterprise are examples only of what might be possible:

- Brick making, and/or concrete block making.
  - Joinery working, including door and window manufacture.
  - Plumbing, including prefabricating domestic kits, and installations.
  - Electrical installations, including solar panel fabrication.
  - Cultivation of thatching grass, and specialist thatching contracting.
  - Fabrication of furniture and kitchen units.
  - Transportation of goods and/or passengers to nearest town or rail-head.
  - Maintenance and repair of vehicle, tools and machinery.
  - Land services, including machine ploughing, trench digging, and levelling.
  - Collection, sorting and recycling and/or composting of refuse.
  - Handicraft production - mats, beadwork, wood-craft, modelling etc.
  - Tree cultivation for construction and/or fuel.
  - Production of bath-room units, of sewage systems and solar panels.
- A national "Ideas Competition" might extend the range of enterprises, and the CHT could sponsor a Marketing Advisory service to help first-time entrepreneurs.

(i) BATHROOM & CLOSET: A standard bathroom unit for national use should be developed by the CHT planners, since traditional construction seems unsuitable for long-term bath-room usage. Units to comprise shower, wash-basin/laundry trough, and closet, in the form either of a prefabricated pod or a kit-of-parts. Units should be suitable for on-site fabrication by the Site Team, or by local undertakers with Site Team supervision, with priority given to solutions favouring local employment opportunities and material supplies. Water-closets are wasteful of water, and in many places may be impossible for reasons of water shortage. The CHT should sponsor the development of an alternative system of sewage disposal, such as a domestic dry closet which converts sewage to compost as is being tried elsewhere. Any



increased costs must be weighed against savings in water, in sewer and sewage treatment works construction, and against the value of compost recovered.

Similarly, cost-benefit consideration needs to be given to the on-site fabrication of simple solar panels for water heating, maintaining composting temperatures and for interior lighting. Both systems provide valuable scope for local fabrication and/or assembly, and thus for local employment and enterprise.

(j) THE RULES: Township experience shows that compelling people to abide by their local obligations, whether those obligations are called rent, hire-purchase or service charges, is a source of enormous social friction. Conventionally, the obligations are enforceable only if the authorities have the will and the power to evict those who do not meet their obligations. To transfer that to the new village would defeat the whole purpose for which the village was created. Clearly, some alternative way is needed to enforce the rules regarding transfer or sale of plots, and to control building and over-development, or the CHT will go broke, and the village gradually degenerate into a rural slum.

The only alternative to coercing the rule-breakers is to subject all residents to the vigilance of their neighbours, and to the maximum community pressure to conform. That requires a community which is fully aware of its own stake in community standards, and of its personal interest in the maintenance of those standards. It is not necessary to enforce dues payments by threats of eviction. But it is essential that everyone in the community has such a personal stake, and is aware that there is no one outside themselves who can enforce them.

This proposal provides the "personal stake" basis for such a community. But within it, there will always be a need for the most energetic, community minded residents to give the lead in developing a community spirit, and in creating a social atmosphere of co-operation which will ensure the rules are upheld.

Such a community does not evolve by chance. It will require that our political and community organisations ensure that their most capable and experienced cadres are assigned to work in the village, to become the inspiration and the organisers of community co-operation. This challenge outweighs by far the technical and technological problems of building a network of villages as part of a new, democratic South Africa.

(k) INDUSTRY: No mention is made in this proposal of location or re-location of large-scale industry. Conventional rural redevelopment plans place heavy emphasis on such industry as the anchor of the rural economy, and plans the local development to suit the needs of industry. This proposal has a different central premise - that an acceptable village economy requires first and foremost a self-supporting, viable community. The community is the centre - it is not a satellite of industry.



But industry - if there is to be any - will be an adjunct of a viable community.

There is no intention in this proposal to preclude the location of industry adjacent to any village, provided its infrastructural needs can be met within the village concept. If industry is to be encouraged to move to the rural areas, it should be because that meets the needs of the village people. Planning concepts of decentralisation which require people and communities to meet the needs of industry can not be acceptable. People come first, and their requirements for a decent way of life must determine whether industry is to be located in or near the village.

(1). COMMUNITY LEADERS: The success of the village could well be determined by the manner and spirit in which the site team approaches its work, and the co-operative relations it manages to establish with the plot-holders. The Site Team will be on site ahead of any administrative apparatus, and will have to act as the leadership for the early community. There is therefore a powerful argument for recruiting the Site Team from amongst those who have a proven record of successful community work and of leadership - especially from tried disciplined activists in the political movements and civics.

ENDS.



#### VILLAGES FOR WHOM?

1. Conventional, urban-based building schemes are designed to house people who are already there, and therefore known. A village scheme which must draw new people to previously unpopulated areas needs to start with an assessment of who its residents will be - where they will be drawn from? My proposal above concerns in the first place the unemployed family people in the squatters camps, and secondly rural families contemplating moving to town in search of a better life. It does not concern those already employed in the cities who cannot move away without surrendering their jobs. Unemployed single adults without families are unlikely to try their luck in villages where employment opportunities appear smaller than in the cities. The villages are therefore predominantly family-oriented. A very large proportion of the target group are either one-parent families, or families headed by women whose men are working elsewhere.

2. City based schemes depend in the main on industry to provide the jobs for the population. But in village schemes it would seem that the founding population would be better served by alternative forms of employment - self-employment, "enterprise", domestic/agricultural and part-time work, which would permit (largely female) heads of households to earn a livelihood in conditions which do not imply day-time parental neglect of children. This is why my proposal puts such enterprise and agricultural/domestic occupational opportunities in the forefront, and avoids the conventional approach in which work in mass-production industry provides the essential occupation for householders in a mass housing scheme. (It should be noted in passing that stable village society predated mass-production industrial employment.)

3. "Enterprise" sites are referred to in the proposal not to exclude industrial use, but to include it wherever conditions for such use are suitable. But the starting concept is for small-scale, locally owned and managed industry, which not only gives local employment but also allows people to take back some part of the South African economy from monopoly control. Local enterprise can be favoured over outside interests through grants/loans and/or favourable rate loans to local residents for purposes of building, equipping and starting up.

#### THE PLACE OF INDUSTRY:

4. This emphasis on "enterprise" does not imply that industrial development at the village level is either unnecessary or undesirable. It is intended to put industry into its proper place in village planning - not leading, but following the provision of non-industrial occupations for the heads of families at least. Village site-plans should have suitable areas set aside for industrial development; but this is a totally different matter from planning a village as a site for the location or



relocation of specific industries, in which the selection of the site itself, its housing, land allocation and administration are tailored to suit the needs of industry.

4. Central planning which starts from the relocation of industry, takes long-term decision making about the village and its social provisions out of the hands of the residents, and passes it to "experts" who are remote from and unaccountable to the village community. If the village is to be a microcosm of the new South Africa, people and their needs and opinions must come first. Planning and decision-making must, so far as is possible, be kept firmly at the community level where the residents can feel themselves to be in control of and responsible for themselves and their environment. The success or failure of the village as a community project depends upon empowering the community itself in a way never before experienced in South Africa. Central, remote planning, however well intentioned, is the antithesis of empowering people. It tends to empower Anglo-American, Coca-Cola and Datsun, who are powerful enough to dictate the terms.

6. The decisions as to what industries are to be permitted locally, and under what conditions, must be taken by the local community through elected representative structures. Experts could be made available through a national agency to advise and consult, to explain the technical and financial implications of any possible decisions, and if necessary to negotiate with private industry on behalf of the community. But not to decide.

#### HOUSING SINGLE PEOPLE:

7. Industrial development will inevitably encourage the drift of single adults, mainly male, to the village and undermine the family-based village community. Without prior planning of accommodation for this group the village could well repeat the familiar and negative South African resort to compound and hostel housing. Before the problem arises, new ways of meeting the demand for single-adult accommodation need to be considered and developed, so that the community can be given advice in reaching their own decisions, including expert advice on the financial and servicing implications. Proposals, excluding proposals for compound or hostel accommodation, could be encouraged from political organisations, planners and financial-industrial interests. Alternatives might include, for example, suitable flat and/or hotel accommodation built by the community or by industrial developers as a condition of a site licence; or even decentralised schemes for encouraging domestic board-and-lodging "enterprise" by established families, etc. Community decisions on how to house single people should precede any binding decisions on industrial development.



#### FINANCIAL CONSIDERATIONS.

8. The financial basis of the village proposal makes the matter of repayment of the original capital investment problematic. Repayment by the individual house-holder begins only when the starter house is to be extended, sold or transferred. Since these dates are unknown, financial planning at the national level will pose special problems. The scheme should not be ruled out for that reason. Repayment of capital invested in any mass housing scheme, whether conventional mortgage-based or not, must ultimately depend on the general state of the national economy. If the economy shrinks and jobs become fewer, even the most precise repayment programme will lag behind calculations as default increases. Conversely, in the case of the village proposal, overall economic growth and stability should provide incentives to extend and develop the starter homes, and thus speed up the time for repayment of loans. The proposal for 'free-of-cost' village housing is therefore not necessarily more unpredictable than any conventional scheme. Both are dependent on the health of the overall economy.

9. In defence of the proposed financial structure of the village scheme:
- a: Ultimately all loans will be repaid as with any conventional scheme, whether those loans are interest free, or at fixed rate simple interest which accrues until the loan is repaid on conversion from "deferred freehold".
  - b: That "enterprise" loans should be income-producing, and can therefore be required to be repaid by instalments as for conventional mortgages, starting from the date of trading. This part of the total loan capital can thus be predicted as accurately as any other.
  - c: that restricting the loan to starter houses only, built with traditional methods and self-labour, and restricting initial provision of macro power, transport and service installations, capital costs per unit should be well below those needed for conventional schemes.

#### INDUSTRIALISED VILLAGE HOUSING?

9. The alternative to the village proposition seems to lie in mass construction of basic starter homes by professional builders, to be sold to householders on favourable mortgage terms. There is nothing against such a proposal for a housing scheme in its own right. But to attempt a single scheme which combines this style of mass housing with the village concept seems to be a recipe for disaster. It will be disruptive of the whole social cohesion and co-operative character on which the village concept above depends. It would call into question the basic starting point of the proposal, viz: that the villages are in the first place designed for the poorest and the unemployed. A regular mortgage is only an option for those presently in employment (or possibly, at some later date of village development, for those who have guaranteed jobs in the new location.) Mortgages require that borrowers remain where they are employed in order to maintain their repayments. Such borrowers are not



then free to exchange unacceptable conditions in the city for a new life in the village; they would have to carry on the present unacceptable pattern in which the family's main breadwinner lives singly in the city and remits his or her earnings to the rural family. There can be no justification for a scheme which replicates this socially negative style of life if any reasonable alternative can be devised. Mortgaged housing schemes should be encouraged, but only in places where people have already existing employment.

#### MORTGAGES AND THE COMMUNITY.

10. Mortgages whether state, private or institutional, have to be administered, installments collected, and defaulters dealt with. Customarily, the mortgagors or their agents themselves carry out these functions in their own way. But to cede to such outside bodies the powers to administer mortgaged areas of a village - including, for example, vetting the type of "acceptable" resident, and repossessing and/or evicting defaulters, would fatally undermine the social character and unity of the community. The village council, as the collective representative of a community of freeholders ( "deferred" or actual) cannot itself take on such functions without fundamentally changing it from the voice of the village community to an agency of outside "landlords". The whole concept of democratic community control of its own affairs would be disrupted by the inevitable contradictions between the interests of mortgagors and mortgagees, and between mortgagee residents and "freeholders".

11. The greater the scale of mortgaged house-building, the greater the threat to the democratic and co-operative ethos of the village. This prospect of social contradictions between different "class interests" might possibly arise at a later stage of village development, when a number of householders covert themselves from "deferred freehold" debtors to fully paid-up proprietors. As this happens, the character of the Village Council and its membership will probably also change over time, reflecting new "class" realities. But that cannot be an argument for not protecting for as long as possible and by every means possible the democratic, co-operative basis of the new villages. Such changes confirm that the basis of village democracy is not some abstract, idealistic blue-print for a new society, but is the start-up process for new living, developing and changing communities in South African conditions.

12. Finally: there is no apparent way to administer conventional mortgages without the final power to evict persistent defaulters and a willingness to do so. Eviction in village circumstances merely means creating new homeless families - the complete negation of the "housing the homeless" purpose of the whole undertaking.

August. 1992.



Old House Farm,  
Dorstone. HR3 6BL.  
England.  
4. 7. 92

Walter Sisulu,  
ANC. Shell House,  
Johannesburg.

Dear Comrade Walter,

When I saw you last in Johannesburg, you mentioned to me that you had been giving some thought to the Housing policy of the ANC, and to whether I might be able to assist in that. As I think I told you at the time, I am in no way a specialist in the field, but that it interests me a great deal. And in fact during my stay in South Africa I found myself constantly drawn into discussions with specialists on it - usually I might add rather out of sympathy with their general ideas and approaches. I have been thinking about all this ever since I returned, and trying - with the greatest difficulty to put my ideas of an alternative approach to theirs down on paper. It seemed to me that they had virtually accepted that the "private sector" approach to solving housing shortages had become almost an article of faith, which no one needs rethink or challenge. All one has to do is to tinker at the edges with the precise details of repayment, interest rates etc. and all would be well - which is what disturbed me.

So, the results of a slow and rather lengthy period of thinking the thing through, and setting it down on paper in a way that makes sense, are attached hereto. I think it might be worth while for you and your housing department colleagues to consider - if they haven't already done some thinking along these lines without my becoming aware of it. Anyway, here it is for what it is worth.

Sorry I did not get to see you when you were in London recently. Being stuck out here in the English Backveld, I only got to know you were in the UK when you had already moved on to Leeds. But I did see you on TV, sitting in a chair waiting for Channel 4 to get their sound link working - which they never did. Was this some SA sabotage? Or just bad luck? Anyway, good to see you looking so well, even though we never got to hear what you think about the present state of things.

Regards to Albertina and all my old comrades,

Rusty.



73 TWYFORD AVENUE  
LONDON N2 9NP  
081 01-883 3838

19. 7. 92.

Dear Rusty,

My apologies for not responding  
in writing to your Housing Paper ~~or~~  
earlier. I got caught up with some  
ANC and AAM work regarding the  
Boipatong murders.

Here is a rather rambling comment  
on the paper - with two enclosures on the  
views of ANC supporters in SA on the  
urban crisis. Kindly return after  
perusal.

I think we should find  
some time to discuss the issues of your  
paper with a view to its publication  
in TRANSFORMATION (published by  
the University of Natal's economic and  
sociological departments).

Regards  
Louise Hilda  
Vella



## THE HOUSING PROBLEM: A COMMENT

### A. SOME WIDER CONSIDERATIONS

1. I agree, in the light of your analysis, that any approach calling for specific national urban-based housing programmes (such as that of the Urban Foundation) is fundamentally flawed, and that we should seek to define anything constituting a national plan of economic and social reconstruction in terms of wider locational spread of housing and with this the work-place, supported by a corresponding infrastructure of cheap public transport and of course the services to meet social needs. As you correctly say, the con-urbanised concentrations of the working population in and around the main cities - the so-called "urban sprawl" - over large parts of the world and now fully evident in the WPV triangle in the Transvaal, have sunk into overcrowded centres of appalling poverty and of decay - home of the functional underclass of capitalist societies almost everywhere (functional in the sense of sustaining the reserves of cheap labour and hence of wage structures which preserve a growing inequality in the distribution of income and wealth).

2. Hence there can be no basis for a democratic S.Africa taking short-cuts, and seeking to solve the housing crisis simply by building homes where they appear to be most in need, namely the squatter camps straddling the major cities - a course of action which you rightly see as encouraging the rural population to migrate into the towns and thus recreate on an almost continuous scale the dereliction of the social fabric of urban life; such a course is nothing less than a no win approach to the housing problem.

3. On this we agree - indeed I came round to this view after reading your paper and looking again at some of my own written material and that of the ANC comrades concerned with the housing problem. However, there is one caveat which I am bound to make. The creation of housing settlements (you call them villages - a good name) must be within some plan which locates within the environs employment-providing economic activities of a kind which differs substantially from that which has evolved in the homelands. To the best of my information the economic activities in the homelands are two in kind - one, the crooked, fraudulent maverick operations of people like Sol Kersner (casinos et al) and two, the business run by relatives of the homeland rulers - mainly petrol stations, liquor stores, small retail shops, and funded by the home land governments. One of our comrades, John Sender at Wits, made an extensive study of small industry and business in Lebowa; his report alerted us to the negative, indeed damaging, results of so-called small-scale black business initiatives (including the so-called informal economy). It is in this sense that I believe that your ideas of largely rural-based villages must be accompanied by proposals for employment creation and hence a strong mandatory plan for the dispersal of

*Agreed. But  
small cottage  
industry not  
to be omitted*



manufacturing and other serious productive activity in a way which supports the stability and community life of such villages.

Do not disagree.

But note - undesirable 'single male' complex. And many of household heads are

**B. FUNDING ARRANGEMENTS**

1. I have some difficulty with the notion that the prospective home owner need make no financial commitment apart from his labour in acquiring a plot and the materials required to build a house. A financial commitment only arises according to your proposal when a property transfer takes place. My concern is that the possibilities of finding the resources for such a scheme, in the light of the many-sided urgent claims on resources available to the democratic state and its regional and local authorities, will prove so problematic that resort to private sector finances will become unavoidable, indeed could prove to be centrally important. Given our commitment to a "mixed economy" (though some of our comrades appear to be coming round to dumping even this policy approach in favour of a neutral and neutered state) some role for the private sector in any housing scheme will be necessary. And this I daresay will require a more closer and tighter financial approach to any housing scheme of the kind you suggest.

women - need part time work!

Private sector could be attracted esp. to "enterprise sites" which are early stages of a community

2. About a year ago I attended a meeting of ANC comrades in Jhb. some of whom were working in PLANACT and where some really important thinking is going on about regional and local policies including housing. What emerged was the following: to ensure certain standards, a one room house will be built professionally together with a toilet, water supplies and electricity at a cost of around R10,000 each. The room will be built with a view to further building being undertaken by the house owner (tenant) according to plans and specifications made freely available to the owner. However, the owner would be required to enter into a mortgage funding arrangement involving a deposit of a nominal amount. The local government will undertake to provide a range of social facilities and as mentioned above the provision of employment will be promoted through parallel policy of industrial relocation and supporting transport development. All was seen as a cohesive and coherent programme of both income redistribution, employment generation and a more rational dispersal of economic activity. I must admit that all this sounds good on paper: without a highly authoritarian government with massive powers of intervention and investment, including the direction of labour and capital, much of this approach will be difficult to implement. However, something along these lines needs to be pursued, even partially. And the reason for this comes from my belief that unless a major effort is made in socio-economic policy to construct an economic growth path based on the twin planks of a substantial redistribution of income in favour of the poor and deprived (through living wage policies and social wage programmes involving housing, education and the main elements of social welfare) and next, an industrial policy which touches not only on relocation but on employment generation and production such as to meet aggregate supply requirements (sufficient to absorb the rising consumption levels resulting from income redistribution, foreign trade and capital investment) the

N.B. R10,000 ea.

this means employed people only!

Agreed. But not an all-out war, but a way to village develop.



creation of a "democratic " economy will not be possible.

3. All this has to be pursued within the "mixed economy" approach and this implies reasonable space being given to private capital in all branches of the economy and next, hopefully, a set of clear-cut agreements or understandings are reached between the democratic state, private capital and the trade unions in the implementation of a mutually agreed programme of social and economic reconstruction within a specified time period. In this sense the reconstruction cannot be a responsibility of the government alone (as you suggest) but that of the three constituents making up this social compact. In a country where private property relations predominates, to suggest that we can approach the housing problem on the basis that of "housing being treated as a social asset" may prove rather difficult to sustain. Let me give an example: it is possible to conceive a major steel-making factory, located in an area which satisfies the industrial dispersion policy of the government, being required to construct homes for its workers on some basis of private ownership funded by the factory through a comprehensive 100 percent mortgage provision. Such a course (which by the way is suggested in COSATU's code for foreign investors and which is already practiced in Singapore and other of the east Asian economies, as well in Mexico) will be in contradiction to your "rent-free tenure" approach. I believe that if we are to adhere to the "mixed economy" approach to policy we need a more varied structure of initiatives in matters of housing as indeed in other areas of the social infrastructure, such that, within a regulated system, obligations on the part of the private sector to contribute will be sought. The democratic state by itself will be subject to major financial and other resource constraints, especially in its more formative years - if the housing problem, involving as proposed a network of villages, is to be funded by the state and its agencies (there will be major funding needs for land clearance, reticulation, roads, supply of materials, and of course funding the local community authorities for the providing social and educational facilities etc.) this funding should be equally borne by private capital.

- this is the  
planning stage  
problem. No  
- a physical  
problem on the  
ground.

- equal, but  
with a  
contradiction  
in addition

- THIS IS  
THE KEY

4. Your para. 10 (pg4) recognises some of the issues raised here - namely that any village network programme will "stand or fall on its ability to provide real homes, real occupations, and real opportunities....). What is thus required is perhaps a package - a somewhat more comprehensive approach which links the housing policy with industrial policy, with policies for the renewal and advance of small-scale farming, related funding needs, the obligations of private industry and so on. Of course, I am not suggesting that you should undertake such a comprehensive approach. But it will be useful if some recognition of the mixed economy approach forms the basis of your village network proposals.

5. In my interventions on the funding question, I proposed that the leading institutions managing the savings of the people - the insurance companies in particular - should devote a part of their assets to social investments. This could be done either by an agreement with the democratic government or by legislation which prescribes the kind of assets which such institution should hold

in the case  
of villages, esp.  
"enterprise"



(this is the case in Britain and most Western countries). The key problem here is the rate of return which such institutions expect if their funds are invested in housing for the poor. I proposed that the institutions should invest 5-10 percent of their funds in a special bond issued by, say a "National Housing Corporation"; the bond will be guaranteed by the state but which will provide a rate return below market rates to compensate for the state guarantee. This has since been canvassed by the ANC - with what level of success I am not informed. What this implies is a kind of funding arrangement which the postwar Labour government arranged: a housing development programme undertaken by the local elected authorities and funded by subventions from the state whose funds would be provided by the special issue of gilt-edged securities in the capital market and thus to the insurance companies, the banks, pension funds and building societies. There are of course limits to the amount of funding that can be raised this way since there would exist even more critical and compelling calls for investment needs from the savings institutions to finance urgent employment-generating projects. For this reason I suggested that the funding of house construction should follow two basic considerations -(a) contrary to the ideas of Ann Bernstein and her colleagues at the Urban Foundation - a basic structure should be created in a well-organised housing complex (village or whatever) at a cost of no more than R10,000 a piece with a parallel 100 percent mortgage facility to each tenant or owner having the right to extend his home , again according to set standards with supporting funds for the purchase of materials at prices set by the public authorities, and (b) that the mortgage repayments should constitute a flow to replenish the funds of the National Housing Corporation to be used for further village developments. What I did not propose is what you now suggest and which I find particularly original and in need pursuing i.e. rural based villages which serve to bring about a more rational and productive distribution of the population and relieve the dangerous pressures of squatter urban sprawls.

*employed people only*  
 ↳

Vella Pillay  
 London  
 July 19 1992



20. 8. 92

Dear Alan,

Thanks for your letter - sorry we missed you on your recent jaunt to the old country, but happy to hear that you've managed to sell the house, which I take it means that your move to SA has now become permanent. Best of luck with it. We're still struggling to offload our place onto an unwilling market, and have to the stage where a sale seems possible, so we're keeping all fingers crossed. The potential buyer - after all the agents have done their professional nothings - is the son of an old friend of ours who came out here almost accidentally on a search for second-hand books at Hay on Wye, and fell for the place. Should know in a couple of weeks if this is real or not. Meanwhile my struggle against the invading army of weeds, dandelions etc, and the encroachments of the English jungle has to go on to make our place look half-way civilised. Am heartily sick of the lawn-mower, and hoping to move on to something less mindless.

As regards the housing thing: I am enclosing a few pages of further thoughts on the matter which are a response to your and other peoples' comments. I find it somewhat difficult to set out the visions (idealistic?) which still seem to separate my outlook from those. E.G. On industry, I start with a VIEW (Tower case - finger slipped) that the village should aim, in the first place to generate self-sustaining LOCAL enterprises, industries or whatever - as for example local agricultural and workshop occupations which serve the local community; and only thereafter look to manufacturing industries serving a distant and nebulous market. This needs some really imaginative thinking. I do not accept the current orthodoxy of "the market" and "economies of scale" determining that anything other than state-of-the-art mass production can survive in this world. Nor do I suggest that the answer lies where the Arts Council seems to suggest in "serried rows of craft products" in your dismissive phrase. It does seem to me that we all accept too easily the concepts - more properly the shibboleths about the economy and its limitations which the capitalist mode of production and its associated thinking have blanketed the world. And this relates also to your doubts about "transport costs" for the sustainable village. But transport costs are just one of the things that makes the location of mass production industries in rural locations undesirable; and conversely helps to make small-scale local industry competitive, economies of scale notwithstanding.

On the matter of "other papers" dealing with ways of mobilising finance on a macro basis; I have found Vella Pillay constantly stimulating and forthright on this subject, although his socialist-oriented propositions seem to fall with a truly deadly silence amongst the general "economics expert" opinions around the ANC. Still, worth looking at. I don't unfortunately have copies of his papers, but the ANC should. ~~Especially~~ Especially, ask their Economics people for a copy of his paper to an ANC workshop with Insurance Companies, held in Lusaka, August 1990. If you draw a blank, I gather he is coming out to do a stint at Wits in the very near future, and you could buttonhole him and pick his brains in situ.

Love and best wishes to both of you,



VP. See interalia:

i) Notes for ANC Dept of Economic Policy:  
Economic Programs of the ANC. Year  
one - began - May 6. '91

ii) Catches by VP. to the BRI "Invest" in  
SA Jan: Feb 92

Especially:

ANC Workshops. with Insurance  
Companies. Lusaka. Aug 2-d. 1990



pedestal basin.

Bedroom 2: 4.6 x 3.8m. Carpeted, beamed and partly sloping ceiling, Velux roof-lights and low-level window.

Bathroom: 3.2 x ave. 2.2m. Carpeted, beamed sloping ceiling, Velux roof-light, walls stone or pine panelling. White bath with pine side panel, bidet and low-level wc., and vanity basin in hardwood work-top with storage cupboards below. Heated towel rail, and extractor fan. Further storage space under eaves.

Passage: Carpeted, Velux roof-light, and storage space to full-length of North wall, comprising shelving, hanging rail, and hot-water cylinder with stand-by electric immersion heater.

#### GENERALLY.

Services: All rooms centrally heated with thermostatic valve radiators. Generous 13amp electric socket outlets in all rooms from mains. Septic tank sewerage. Private water supply from nearby spring, with plumbed-in filtration for drinking water supply to kitchen only. Telephone points in Study, Kitchen-dining room and Bedroom 2.

NOTE: ALL SIZES APPROXIMATE ONLY.

L. Bernstein.  
Old House Farm, Dor-  
stone. Hhouse



INTERMEDIATE TECHNOLOGY GROUP (ITG). London based. Operates mainly in the World. used to have head Office in King St, Garden

NATTA. Alternative Technology Group. Led by Dr. David Elliot. from the Technology Faculty, Open University Milton Keynes.

Strathclyde University. Glasgow. Dr, JOHN TWIDELL, Energy Studies Group.

British Petroleum. Britannia House Moorgate London. Renewable or Alternative Technical Studies Unit.

Dr Nigel Mortimer, Sheffield University. (Adviser to Friends of the Earth on Renewable Technologies.

Lightmoor Estate (near Telford), c/o David Hall, Director, Town and County Planning Association, Carlton House Terrace, London SW1

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"Energy Policy in the Greenhouse"



ON "TERRORISM" AND POLITICAL POLICY.

1. There have been a number of press reports recently which suggest that the ANC is revising its policy on the scope of violence in political work and moving to include attacks on so-called 'soft Targets' and random attacks on white civilians. The circumstances which lent some air of credibility to these reports include:

The President General's reported observation after military attacks on ANC houses in Lesotho, that if such houses are regarded by South Africa as military targets, they should not expect South African homes - especially those where arms are kept - to be treated differently.

The bombing of a pass office in which black civilians were killed and injured - an attack attributed at the time by the government to ANC activists, but since totally disowned by ANC headquarters.

The killing of a long-time informer and former member of the ANC and Communist Party, Bartholomew Hlapane, together with his wife. What is the attitude of the ANC to "terrorism"?

2. When we decided to embark on violent forms of political action,, starting with sabotage and preparing for guerilla activities, we did so only after we had become convinced that all peaceful means to changing South Africa had been exhausted. Our decision was not prompted by ~~any~~ <sup>either</sup> considerations of revenge for the violence of the state, or ~~any~~ <sup>driven by</sup> desperateness over the long time it was taking to bring about any real improvement in conditions. There was only one consideration - that peaceful advance to liberation had exhausted its prospects, and that the alternatives were: to add violent activity to our arsenal, or to give up the struggle.

3. From the beginning, the forms of our violent political activities were as much subject to careful consideration and precise limitations as all other forms of political action. There have been strict guidelines drawn after full consideration. Those guidelines have been maintained to ensure that violence is never indulged in for its own sake, but only to advance the cause of liberation <sup>and</sup> where ~~then~~ <sup>decision on</sup> violence is the best way to achieve the aim; and always the ~~right to~~ <sup>decision on</sup> ~~decide~~ whether the deed contemplated will advance the cause has been a matter for collective consideration and decision making - never for any individual to decide alone.



4. It is well known that at the start of these new activities - that is in December 1961 when Umkonto's first sabotage attacks took place, there were very severe limitations placed on all our units: first, that in all the attacks, first consideration must be given to ensuring that ~~anyone's~~ lives were not put at risk; second, that the targets selected for attack should not be random, but symbols or actual installations of the state power structure. Those guidelines derived from the moral and ethical position of the ANC and its responsibility for the well-being of the South African people. They were totally appropriate and useful to a campaign of sabotage.

5. But the limitations appropriate to a campaign of sabotage cannot be maintained when actions broaden out beyond the field of sabotage. The limitations about putting lives at risk ~~clearly~~ cannot be rigidly adhered to when the campaign has broadened to include, for example, an armed attack on a police station; and still less can such a limitation be adhered to when the actions have broadened still further to, for example, an armed guerilla commando seeking out enemy forces to destroy them. Here the taking of life becomes an aim in itself; and in the course of the guerilla campaign, survival may well depend on an attack on a civilian farm or a food store, which can in no way be described as centres or symbols of state power. But this does not mean that there are no restraints or limitations on armed actions. We never operate as though 'anything goes!' The standards which were set at the beginning of our violent actions remain: No individual acts! No actions for reasons of revenge, ~~de~~ deperation or adventure!

6. There is a facile assumption in the mass media in this country that "violence" is always unacceptable, except when used by the state. On this facile assumption, all state violence tends to be regarded as "legitimate", and all opposition violence to be "terrorism". We have never accepted these assumptions, which are both equally wrong. Especially where we are dealing with a violent, repressive and minority regime like the South African, it might well be turned on its head: all state violence there is unacceptable, and opposition violence justifiable. For us then "terrorism" has a specific meaning. It is violence used for ~~political purposes outside the limitations that our political beliefs~~



for political reasons, but outside the limitations that we have imposed on ourselves in terms of our political cause and its moral and ethical basis.

7. For us, if we are to define "terrorism", <sup>our definition must</sup> ~~be~~ ~~the~~ ~~same~~ ~~as~~ ~~the~~ ~~one~~ ~~used~~ ~~by~~ ~~the~~ ~~authorities~~ include the following:

- The use of political force by individualistic decision, not sanctioned by ~~the~~ collective decision ~~and~~ approval of the movement as a whole, or its accepted leadership;
- The use of force not in order to advance the cause of human liberation, but for purposes of revenge or personal and private gain;
- The use of force solely to induce fear, in the belief that fear itself can be a motive force in bringing about social change.

On this definition, we are against "terrorism." We have always been against it. We oppose it everywhere, no matter how "sincere" or "well-intentioned" its users may be. We are against it not just because we believe that is generally unproductive or even counter productive, but because it violates the high ethical and moral purposes of human liberation which have brought <sup>us</sup> our organisation into being.

But we are for the rights of oppressed people everywhere to answer violence and oppression by the armed forces of state with their own disciplined violence, carried out as an arm of their all-round social, political and ideological struggle.



PE TWO.

In the lasat 'Umsebenzi' we talked of exploitation. We said that " The workers are always robbed of that part of their labour which creates surplus value". Always? Perhaps you thought that if we and our trade unions fought for and won better wages, that would end the robbery and exploitation.

But would it? Let us look closely at what happens when one works for wages. The boss, so it would seem, only buys your working time - perhaps eight or nine hours a day. But then for every minute of the day you are working, you are putting a little parcel of your actual labour by brain or by muscle into his products or his crops, and thus adding to their value. So what he seems to buy is time; but what he gets is real labour, which is invisible because it is buried in the finished product. If, for example, you decide to work faster and to make more products each containing their little parcel of your labour, will he pay more? Not likely if he has hired you by time. Nor, if he provides a new tool or machine to turn out more ~~xxxxx~~products each day containing more parcels of your labour are you likely to be paid more.

But why not? After all, your labour adds value to his products. But, so the bosses, answer, they are not buying your parcels of labour; they are buying your time! The truth is that whatever they claim to be paying for, what they are getting is in fact labour.

How is the price for that labour fixed? Perhaps by argument and agreement between you and the boss; perhaps by negotiation of a trade union with all the bosses in the industry. But however it is fixed, what is it really worth? What is its real value? Ask that question about any other thing bought and sold in our society, and the answer will start from the formula: the cost of producing it. Let us try the same answer for the sale of labour. What does your work cost to produce

What does it cost to produce your work? Well: so much for food, and clothing and housing and transport, because without these we could be unable to work; and then add so much for education and trainings, because without them we would lack the skill to do the work; and add also so much for raising a family and bringing them up to working age, because without this the whole class of workers would die out in one generation. All this - the cost of producing labour - is its real value.

Bosses, of course, do not calculate like this. They buy labour as cheaply as they can. But that labour has a real value, different from the price they are prepared to pay for it. We could work out that value either in money terms; or in terms of the labour time needed to produce all the food clothing and other things that make it possible for us to do the work. That would be a difficult sum to do; but every attempt to do it proves that it takes far far less time than even an eight hour day.

So even if we can push the price of our labour up to its real value - the bosses would be buying eight hours or more of work, and paying for it perhaps



wages which represent perhaps four or five hours of working time buried in spread across our food and rent and so on.

Which means simply that all wage workers - ALL - work surplus hours, in which they put parcels of their labour into the boss' products creating extra value for those products, but for which they receive no value themselves in the form of wages. It might seem they are paid for their full day; but in fact they are paid only for part. For the rest of the time, they are doing unpaid labour - surplus ~~value~~ labour; and the value of the work they do in that surplus time is surplus value. It goes straight into the pockets of the bosses - even when wages are as high as the real cost of producing the labour.

Of course, labour seldom sells at that full cost. Whenever there are more workers than jobs - and there nearly always are - deperate work-seekers will accept wages far below that full cost; and the evidence is that there are always thousands of workers underfed and sick, badly housed, with uneducated and untrained children growing up without skills. Even in the most advanced societies with free trade unions, wages scarcely ever reach that level of the full cost of labour.

But even if they did, still the boss would be getting some part of the day as 'surplus labour'- unpaid labour. And the value created by the workers in that part of their day would still go straight into his pocket. It would still be robbery and exploitation.

That is why there is no way to end robbery and exploitation of working people as long as wage labour for bosses remains. In the end we have to change the whole system - not just the wage rates.



PE THREE.

In the last "Umsebenzi", we came to the conclusion that to end exploitation and the theft of "surplus value" from the workers, it is necessary to change the whole system." And the system we were speaking of is the system that rules in our country today - the system where many have to sell their working skills for wages to a few who own the factories and farms and mines. That system creates "surplus value" which is pocketed by the bosses. Why then do we not hear more about surplus value? It is not mentioned in any of the company accounts one sees. One reads a lot about 'profits'. But nothing about surplus value. That is because surplus value - like all other values - is invisible; it is buried in the products made by wage labour. And it is impossible to grab it, hold it or measure it until those products have been sold and turned into ~~cash~~ money in the bosses' purse. Now it is possible to count up and see that the money coming out of production is more than all the costs that went into it.

Well, of course, you will say. That is the whole point of making produce for sale - to make more money at the end of the sale than existed during the time of production. And that money has a simple name in the accounts; profit! What has this to do with surplus value.

I could say that profit is only the visible cash form of invisible surplus value. But - you may argue - surplus value is only made at the point where goods are actually produced for sale. And a lot of profits are made at other places and in different ways - by landlords, for example; or bankers, or shopkeepers or ~~taxi~~ transport companies, none of whom produce anything. True. Can their profits then be also a form of surplus value?

To understand this, we must look at the case of a farmer or factory owner who decides to market his own products without any use of shopkeepers to sell, or transport companies to carry them to market, or banks to finance his purchases of labour and materials. Instead he employs all the hawkers and truck-drivers and so on he needs to do the whole thing himself. These workers are not actually producing goods; and therefore they are not adding any extra value - any new parcel of labour - to the goods. But still they have to be paid; so the boss has to give them wages out of his purse, thus reducing his own profit. Exactly the same

Exactly the same thing happens when a boss decides not to do it all himself, but to borrow money from the bank, hire transporters to carry his product to market, and give shopkeepers a discount - a 'wholesale price' - to sell the goods for him. All those too must make a profit, or they will not do it for him. So the boss must part with some of his profits, and pass a share on to the others. - the non-producing bosses.

So all of the bosses - the whole class of employers live off the surplus value which is created in the process of production. - value created by the unpaid part of the production workers' day.

To change such a system then is more than just a matter of getting better wages and working conditions. It is more than just a matter of changing



PE THREE.

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the rights of workers to bargain and negotiate. It means ending the rights of the bosses to buy labour and exploit it for their own profit; and at the same time ending the compulsion of workers to sell their labour power to those who are exploiting them.

But what is it that makes this unending process of robbery of one class by another possible? It is not that the workers are stupid and unable to see that they are being exploited; nor is that the bosses are so clever that they can mislead millions of working people. It is just one simple thing that makes this system of robbery possible. The bosses own the mines and factories and farms where production takes place. They own the tools and machines and reserves of money and means of transport which makes it possible for them to buy the labour of the working people who own none of these things.

The means of production in our society are all privately owned. Their owners we call 'capitalists.' And as long as those means of production remain private property, the system of exploitation of labour by bosses will remain. The system must be changed! It is a system we call capitalism - the control of our society by the capitalist class.

There is an alternative to it. But not while the means of production remain private property. That is, a system which would make the means of production -like the air we breathe - the common property of all people. Private means of production changed to means of production owned by the whole society. That is the system we call socialism. It is the only alternative to the system of capitalist exploitation.



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