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A PLEA TO ABOLISH THE COLOURED PREFERENCE  
POLICY IN THE WESTERN CAPE

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The position of the Blacks in the Western Cape - and especially in the Peninsula - has become a focal point in the South African political and economic scene. In no other part of the country has the interests of the different population and socio-economic groups developed - or been "rearranged" - into a position of sharper confrontation than in the Western Cape.

The government's policy in connection with Coloured preference and the "legal" and "illegal" presence of Blacks in the Peninsula, has arrived at a crossroad.

The population of the Peninsula consists of a variety of socio-economic groups and sub-groups. The 500 000 Whites can be divided into English and Afrikaans-speakers as well as a higher and a lower middle-class. The 800 000 Coloureds can be partitioned into three groups of about equal size: a middle-class, an upper-class and a lower-lower class. Of the 260 000 Blacks 160 000 are "legal" and 100 000 "illegal". The Indian population of about 20 000 forms the remainder.

Given this "variety" the Peninsula is a classic example of a situation where the interests of different groups lead to a complex relationship of mutual conflict and complementarity. In this dynamic and diversified situation the policymakers have the task to apply and to adapt their policies in such a way that the interests of all the relevant groups are acknowledged and reconciled as far as possible, while taking the long-run interests of the country at large into account.

The Theron Commission took note of the promising upward mobility of the middle class and upper-lower class people in the Coloured Community. During the past 10 years the people in these two classes have made faster progress than we expected.

The Commission was, however, <sup>very</sup> concerned about the position of the lower 40 per cent. We identified their position as one of chronic poverty - an unhealthy situation that ~~can~~ perpetuate itself from generation to generation.

Given the precarious position of those caught in the vicious circle of community poverty, I - in my capacity as chairman of the study group on



"Labour and Economics" - took the initiative for the adoption of Recommendation 42. We not only asked for the maintenance of the Coloured preference policy in the Western Cape, but also for a stricter application of it.

The purpose of this recommendation was to create a situation in which the employers would be "forced" or "convinced" to employ the workshy <sup>section of the</sup> Coloured labourers. We regarded their employment as <sup>a</sup> necessary part of a more comprehensive policy to break the vicious circle of poverty. We were of the opinion that if too many Black workers were available in the Western Cape, they would, so to speak, "wedge in" between the lower-lower and upper-lower class of the Coloured community which could perpetuate and intensify the poverty situation.

Looking at the situation in the Peninsula 10 years later, I had to change my mind. Several reasons can be listed for it.

Firstly, our optimism that the employers in the Western Cape can be "forced" or "convinced" to employ the workshy <sup>section of the</sup> Coloured labourers did not materialize. It is easy for private enterprise to talk about their social responsibility towards the poor. Apparently it is much less easy to do something meaningful about it.

<sup>section</sup> Employers strongly prefer to employ the growing number of "legal" and "illegal" Blacks not only because they are better workers than the workshy Coloureds, but because they (and especially the "illegal" ones) can be employed rather cheaply.

Secondly, the experience of the last ten years shows that those in the state of chronic community poverty are much less employable in the formal sector than the Commission had hoped for. Our approach was to try to solve these people's poverty problems by way of job opportunities in the formal sector. But people in a subculture of poverty prefers to make an unstable living in the undefined and grey world of the informal sector.

It would have been better if the Commission had put greater emphasis on the importance of the informal sector. We should have made a stronger plea for the "deregulating" of the typical First World rules and regulations in order to create greater lebensraum for the poor and unemployed in both the Coloured and Black circles in the Peninsula (and in the rest of the country).

In mitigation of the Commission, I must emphasize that the relative



importance of the informal sector and its "welfare-creating" capacity for Third World and poverty people, were not yet fully appreciated ten years ago.

The Commission was of the opinion that the interest of the Blacks and the poorer Coloureds were directly in conflict with each other. I now realise that if the informal sector can be allowed to "grow", the interests of these two groups can turn out to be very complementary.

Thirdly, in focusing on the relative poverty in Coloured circles, the Commission, in all probability, underestimate the extent of absolute poverty and the tremendous population pressure in the Black States of the Eastern Cape. Perhaps the Commission was at that time still optimistic that the development strategy for the Black States would create the necessary job opportunities. Unfortunately it did not happen and a typical Third World "flight" from the rural areas to the urban areas are taking place which may even increase in the years ahead.

Justifiable concern has arisen about the way the independent Black States are spending the hundreds of million of Rand that are annually transferred to them via the budget. Apparently it has become necessary to attach rather strict "strings" to these funds to ensure that it will be spent in ways that will improve the living conditions of the inhabitants of the Black States.

Fourthly, our recommendation that the Coloured preference policy be applied more strictly, was not implemented. Perhaps the real reason may be that it was not implementable.

On the strength of evidence of the Department of Manpower the Economic Committee of the President Council made the following statement:

".....despite high unemployment among Coloureds, it is very difficult to find unemployed Coloureds .... Despite this, employers still have to approach the Department of Manpower for work permits in order to employ Black workers. These permits are readily granted, as appears from the fact that during 1981 exemptions were granted in respect of 46 753 instances out of a total of 49 273 applications (in other words, in 95% of the cases)". (President Council 1/1984 par. 5.21 and 5.22).



The administrative burden of the preference system encouraged employers to employ "illegal" Blacks. Many of the big employers are actually budgeting in advance for the possible payment of a fine for employing "illegal" Blacks. Their employment is not only "cheaper" but also without the bureaucratic red-tape!

Because of the unapplicability of the Coloured preference policy and serious problems with influx control, the Black population in the Peninsula has more than doubled in the last 10 years. Consequently the number of Coloureds and Blacks in the Peninsula that are either not continuously employed in the formal sector, or not employable in this sector and those that are not houseable (in a brick house) have increased considerably.

The ranks of these categories of people will without doubt increase further and again multiply in the years and decades ahead - even if influx control, which cannot be abolished immediately or unconditionally, is still applied.

The growing presence of these categories of people in the Peninsula and their attitude towards life, work and dwelling, necessitates a fundamental change in the government's urban and housing policies. In adopting its policies, the government must keep in mind that the typical Third World problems experienced in the Peninsula can not be "solved" - definitely not in First World terms. The only thing that can be done, is to "accommodate" these people in a more convenient and humane way.

In the meantime a strong middle class has developed in the Black townships of the Peninsula. These people have the means and the inclination towards home ownership. If 99 year hire purchase could be allowed in the Peninsula - and especially in Langa, Nyanga and Guguletu - it will have a tremendous stabilizing effect.

Finally, if we take the semi-Third World character of South Africa seriously into consideration, we cannot deny the fact <sup>that</sup> squatting settlements on the periphery of our main urban areas are going to remain a permanent and a growing feature of the South African scene. The only way to "accommodate" the squatters will be to "legalise" their way of life. This can be done by "deregulating" the economy, by accepting and promoting "self-building" and site-and-service schemes and by allowing planned squatting.

It is high time that we accept the fact that South Africa is a semi-Third World.



Country, and that the population composition of the Peninsula has strong and permanent Third World features. If we really want to acknowledge and to reconcile the conflicting interests of the different socio-economic groups and sub-groups in a way that will be beneficial to the community as a whole, and not to certain groups only, we cannot apply only the value system of the Whites.