

## By PROFESSOR SAMPLE TERREBLANCHE

AN extract from a recent lecture to the Stellenbosch Autumn School by an economist and member of the Theron Commission.

THE multiple structure of the South African economy is an accepted concept — between the traditional sector on the one hand and the modern, or formal, sector on the other, there is a large grey world known as the informal sector.

Black and brown people in their journey from traditionalism and chronic poverty to the modern economy must, literally and figuratively, travel a great distance and this transition area is the grey world of the informal sector.

Thousands, perhaps even millions, make their livelihood, or supplement it, in the informal sector through a wide variety of legal or illegal activities which bear witness to a large measure of imagination and perseverance.

These activities include:

- Production of goods used by the producer and his family such as gardening, and the building and extension of the home.

- Production which provides a cash income but is largely illegal because it clashes with licensing, zoning and health regulations or clashes with the norms that apply to a bourgeois community.

- Seasonal employment.

- Goods and services which are illegal in terms of common law or condemned in terms of middleclass morality such as drug smuggling, prostitution and shebeens.

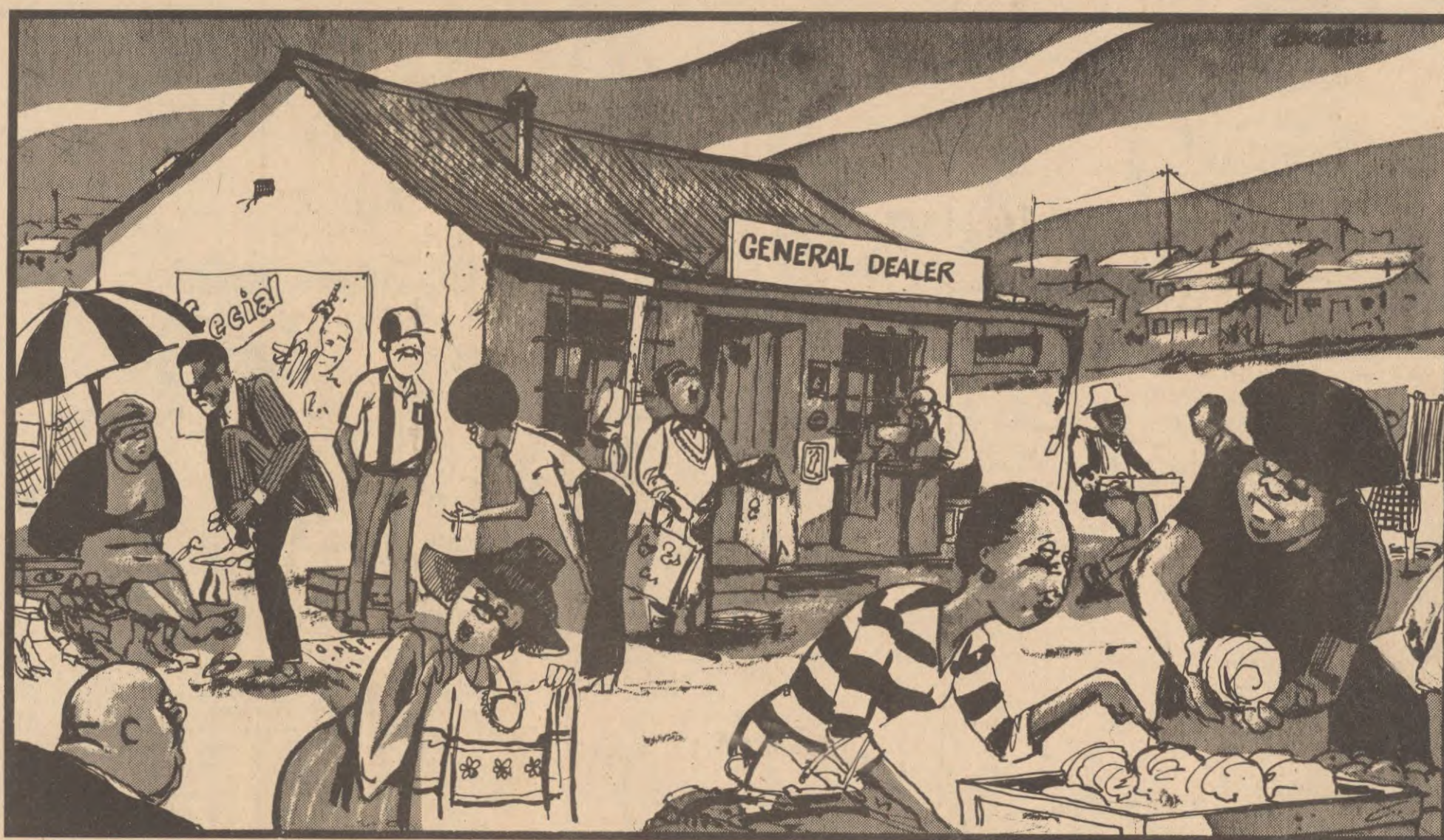
From the perspective of the formal sector and of a middle-class morality a large number of activities in the informal sector are not merely condemned; determined steps are taken to prevent them.

It is a pity that this attitude prevails because activities in this sector are not only necessary to the livelihood of people who live in the grey areas of the big cities, but also to the total socioeconomic system of a developing country like South Africa.

This sector has an inherent dynamic which could lead to great developments if only the conditions under which it functioned were more favourable.

If we see the development of the informal sector as part of the

# Set the blacks free to help themselves



process of urbanisation a number of interesting shifts in Western attitudes towards urbanisation in the Third World can be discerned.

Originally the urbanisation of unemployed people was regarded as a malignant phenomenon to be fought tooth and nail because poverty and unemployment were seen as a greater evil than rural poverty and unemployment.

Eventually the inevitability of the move to the cities in the Third World was accepted and alternative growth points were developed

to limit urban concentration and to encourage decentralisation.

A third approach to the problem is to accept the process of urbanisation as inevitable and to concentrate solely on the large cities and on the potential that they offer for the creation of a livelihood for the poor.

In South Africa the official point of view is still that of the second alternative which accounts for the accent on influx control and decentralisation.

I want to call for a shift to the

third alternative. The time has come when we cannot find the solution to our poverty and unemployment problems only in the growth of the formal sector but must seek the answer by accommodating the development of the informal sector.

Given the multiple structure of the South African economy and the differing forms and grades of employment it is difficult if not impossible to assess the scope of unemployment in South Africa.

In the next 10 years some

300 000 people will enter the labour market annually. In the latest development programme it is estimated that if the growth rate averages 3.7 per cent from 1977 to 1987, unemployment will rise from 900 000 to nearly 2.5-million.

Growth in the formal sector cannot solve South Africa's unemployment problem in the long term and we have no other alternative but to increase not only the so called work opportunities in the informal sector, but to improve its nature and intensity.

ive rules and regulations — in an element of *laissez faire* which must not mean an attitude of benign neglect.

In the metropolitan grey areas a looser and more adaptable framework must be created in which the informal sector can react constructively to the stimuli and opportunities generated by the more dynamic sophisticated modern sector.

The formal and informal sectors complement one another in many ways and this should be deliberately stimulated.

In addition to the abolition of unnecessary First World rules and regulations which are applicable to black and coloured residential areas, the sanctioning of self-help building schemes is a

## QUOTE

We will have to follow a hit-and-miss strategy and with an open mind. If there is one area in which whites will have to discard their typical inclination to decide for poor people (blacks) what is good for them, then it is in the development of the informal sector.

tween traditionalism and modern capitalism.

Luckily it was a world of few rules and regulations and the farmers enjoyed maximum freedom to make a plan and keep their heads above water.

Seen in this light informal sector activities played an important role over many decades in the economic rise of the Afrikaner.

Opportunities must be created so that this "boere ethic" can be expanded and translated into modern terms.

I wonder if we realise what it would mean for South Africa if we could say in 10 or 20 years: Yes, we still have many poor people in our midst but their poverty is bearable because in the

## QUOTE

Poor people should be allowed to build their own homes — something which according to the latest report of the Secretary for Community Development goes right against the grain of that department's policy.

big cities we have created circumstances under which the poor are allowed to help themselves.

In this effort we will have to do many things that go against the grain of our old "so-decent middle class morality".

But if we think clearly about it the things which we have to do will not go against the grain of Afrikaner common sense.

## IN THIS ARGUMENT, WORDS LOSE THEIR MEANING

THE squabble between South Africa's "socialists" and "unbridled capitalists" is acquiring a silliness that would be funny if it did not serve to distort an important debate about national priorities.

The squabble is not what it seems. Both terms are epithets, used not by participants in the debate about themselves, but by their opponents.

Both "socialist" and "capitalist" are labels designed to evoke prejudice, and therefore to obfuscate rather than enlighten.

The descent to such tactics gives a clue to what is happening: powerful interests (academic, political, financial, bureaucratic, even emotional) are contending for the high ground in South African politics, and they are doing so in the mantle of noble purpose.

The result is sometimes confusing. Among the fiercest "anti-capitalists" is Professor Sample Terreblanche of Stellenbosch University who is constantly warning whites to reconcile themselves to financial sacrifice to overcome poverty among blacks — implying, one supposes, increased taxation.

That puts him squarely among the "socialists", right?

Wrong. He argues trenchantly on this page for the liberation of the black communities from the myriad of oppressive regulations that cripple any enterprise in the informal sector of the economy.

## Impeccable

From the view of any "unbridled capitalist", his arguments are impeccable. Why raid shebeens? Why ban hawkers and flower sellers? Why persecute so-called bricklayers who put up garden walls in the suburbs? Why are there no newspaper stalls on the sidewalks, as in Athens and Spain, and no kerbside tailors?

Why not permit blacks to do anything which is (a) not a menace to public health, and (b) makes no demand on the public purse? Why enforce South Africa's miserably inconvenient shop hours? Why not dismiss the unnecessary municipal inspectors whose only job is to harass law-abiding folk, and let them join the police force and chase terrorists? Why, indeed!

Then again, there is Mr Harry Schwarz, the confessed social democrat who would like to develop in this country a system of social

## The professor's not a socialist, and neither is Schwarz, come to that



KEN OWEN

security similar to that of West Germany.

It is silly to call him a "socialist"; but he, like many others whom one would expect to favour freer enterprise, flails at "unbridled capitalism" (to



HARRY SCHWARZ  
Social democrat

be understood, one supposes again, as the system of law and custom which existed in Dickensian Britain). He sees no contradiction (as the "unbridled capitalists" do) between his demand for State intervention in the economy on the one hand and his staunch belief in individual liberty on the other.

Neither man is intended here to be a target. Each is merely an example (more interesting than most) of the blurring of political and economic lines of division which has occurred since it became apparent that the National Party's efforts to make the economy the instrument of ideology had ended in total failure.

It is impossible these days to say precisely where, in economic terms, the members of different parties stand. The Cabinet consists now of what might be called "bridled capitalists" — they have perceived the virtues of economic

growth but have not yet understood the need to relinquish control.

Behind them stands the country's most sinister presence — the all-powerful bureaucracy that has been the chief beneficiary of the era of centralised control of the economy, the chief oppressor of the population. For 30 years it has been pampered. Its most hare-brained schemes (District Six; the Planning Act; population registration; job reservation; the book of life; separate buses) have had blind Cabinet support. Its mistakes have been concealed by secrecy, its failures reinforced by law. Its arrogance has swollen until its contempt for the tax-paying public is often flaunted.

(Examples abound. "We broadcast what we like," says a spokesman for the SABC. "There is no need for you to know the salaries of public servants," says the Public Service Administration. Foreigners know when we are at war, or where we buy oil; South Africans don't. Etc., etc.)

## Growth

Professor Terreblanche puts his finger on the problem when he talks of the *petit bourgeois* norms — he uses the more graphic Afrikaans term "klein-burgerlik" — applied by public servants, from the central government bureaucrats down to the petty officials of the municipalities.

And this is precisely where the argument might most profitably concentrate.

The virtues of a policy of rapid economic growth are well known: At a growth rate of 10 per cent a year (achieved, but seldom sus-

tained, by Japan, Mexico, Brazil, Taiwan, South Korea, and Singapore), the national wealth doubles in seven years. At this rate, says American think-tanker Herman Kahn, prosperity engages the bulk of the population, and individual wealth tends to increase faster than the people's economic expectations — with obvious political implications.

Even at seven per cent (which should be achievable in South Africa) wealth doubles in 10 years which, revolutionaries please note, is faster than can be done by any known form of revolution.

But such rapid growth puts a terrible strain on bureaucratic structures; it bewilders and frightens those — especially public servants — whose entire mission in life is to maintain orderliness. It offends those who don't like to see rural people move from country to slum, and slum-dwellers to suburbs, and suburbanites to mansions.

And since the action is concentrated in the private sector (formal and informal) it evokes a terrible, consuming envy among the sheltered but restricted employees of government. From them, as much as from true socialists, come the cries of "chaos" and "exploitation", and "unbridled capitalism".

Beneath the furious propaganda, however, lie the real questions which seem to be debated in South Africa only in the inner chambers of the Treasury and in the office of the Minister of Finance: the trade-offs.

## Sacrifice

Could pensions be raised if the Department of Sport were abolished? Does it make sense to subsidise a 100-kg rugby player at the expense of a war veteran?

Should a Department of Housing or a Group Areas Board be permitted to knock down any house so long as any family lacks a house? If fewer people were administering pointless laws, might we not be able to pay policemen and

nurses and teachers better than we do? Should pensions be equalised for all races, or would it be better to abolish sales tax on food and medicine?

In short, how much growth must be sacrificed for how much welfare? And how much bureaucratic control should be sacrificed for how much day-to-day liberty — to trade, to shop, to play, to work — must be yielded to the *klein-burgerlikheid* of officialdom?

There are more questions than answers; though to pose them suggests where at least some of the problems lie. And to try to answer them is at least less sterile than to sit hurling epithets like "socialist" and "capitalist" at each other — unless, of course, the epithets are intended as a smokescreen behind which the real questions are to be concealed.

## New attitude

By 1990 two to three-million people will not be able to earn a living in the formal sector and we must make a concerted effort to upgrade the livelihood which they and their families will perforce have to make in the informal sector.

I therefore want to plead for a change in the official attitude to the informal sector.

We will have to follow a hit and miss strategy and with an open mind. If there is one area in which whites will have to discard their typical inclination to decide for poor people (blacks) what is good for them then it is in the development of the informal sector.

The formulation of a policy strategy for the informal sector is a field for maximum consultation between the authorities and the poor.

We do not plead for a bureaucratic green light to invade the informal sector with a complete blueprint and with bags full of money. The help should be rather in the demolition of administra-

primary requirement to stimulate activities in the informal sector.

Poor people should be allowed to build their own homes — something which according to the latest report of the Secretary for Community Development goes right against the grain of that department's policy.

## QUOTE

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WHEN one looks at the list of trialists - or more specifically grasps the names that are missing - for this week's big showdown at Loftus, one has the irresistible conviction that the side for the first Test against South America at the Wanderers in two weeks is already cut and dried.

Why so? Simply because there are so many shock omissions that the selectors must surely have made their minds up already. Call it just a gut feeling if you like, but the decision to discard players - to mention a few - like wings Hermanus Potgieter and Doug Jeffrey, centre John Knox and flyhalf Gavin Cowley, would suggest this.

Of course, the country will be waiting in the next 24 hours with bated breath for the Big Seven's Shadow Boks side. Then comes the agonising "trial and error" three days when they have to put it all together to vindicate the national panel.

But one thing is certain: if the shadow Boks do come right in Pretoria, expect few changes - if any - for the first crunch against the Puma-dominated South Americans. And that in itself is a passport to the first Test against the British Lions. By their own admission the selectors have chosen their teams largely on last year's form. Fair enough, one may argue, for this season is but a pup. But they have shown some inconsistencies in their thinking as regards a player like Potgieter, who, admittedly, did not have a happy tournament in Durban last week.

But whereas others have been spared harsh judgment on the evidence of one or two current matches, the wing, who was No 1 choice for the Boks in 1977 and 78, finds himself on the chopping block.

Those invited to the trials do have a head start, but it doesn't rule out those who have missed out. For instance Northern Transvaal's crash-tackling cen-



JOHN KNOX  
Unluckiest of all

By BARRY GLASSPOOL

# Daan for a big switch

tre John Knox, who must rate the unluckiest player of all. There is no doubting the calibre of Hennie Shields' defensive qualities. But on the evidence of the last few seasons, Knox has had no equal as the best "stopper" in the country.

But he is one of those rare players who seldom catches the eye. He's not a "shiner" in the true sense, but is always in there doing the hard graft, taking the nasty knocks (no pun intended) and setting it up for a team-mate to round off in a spectacular burst of glory.

If the selectors cared to discuss the question among the players, they might find that the majority view of the "now

men" is that Knox has no peers on defence and isn't all that much of a slouch on attack either.

But enough of the men who have been overlooked in the early reckoning for Test places, though one should add that if it's any consolation to Knox, he should remember that often in the past, as much as half or two-thirds of the original choices for a series have fallen by the wayside by the time the Tests come around.

The Pretoria trials can't possibly answer all the problem areas facing the selectors, but the matches could prove useful in determining just how good our scrummaging is.

There is an air of heady euphoria about how we won't be outscrumbled as we were in 1974. I can't share the optimism, especially after the Toyota club championship in Durban, when there were no loosehead props of real quality on view.

In fact the loosehead slot must be the major worry and I

## These trials won't dish up too much

wouldn't be surprised if the selectors resort to switching Test-certainly Daan du Plessis from the tighthead.

It may not be advisable to do this, since he is clearly better packing on the tighthead and is more at home there. But with a paucity of looseheads - Western Province's Flip van der Merwe no longer looks the part after a promising start, while Transvaal's magnificent workhorse, Richard Prentis, may be getting just a little past it now - it may be forced on them.

The other two looseheads - Free State's Noel van Rensburg and Northern Transvaal's Okkie Oosthuizen - invited to the trials, aren't even first choices for their provinces. This, in itself, reflects the concern over the loosehead material, but one can't help feeling sorry for Northern Transvaal regular Jan Oberholzer, who was never beaten in a front-row battle last season, though he was given a torrid time by Hempies du Toit in that Newlands thriller last year which

Province won in the dying stages.

Moving Du Plessis would make room for 'Vaal's ironman, Johan Strauss, on the tighthead. Not one to trifle with the subtleties of the game, inside or outside the scrum, Strauss' immense strength could be a crucial factor in the Tests.

The one Test the Boks won convincingly in the 3-1 triumph over the All Blacks in 1976 was when Strauss made his Test debut and almost single-handedly wrecked the All Blacks' scrum.

The front-row dislocation ripped right through the Kiwis' scrum and before the end they were a beaten side, slipping backwards out of the series. It's this sort of physical strength and scrummaging expertise the Boks will need against the likes of Fran Cotton and Graham Price.

If South Africa has a front-row problem - and let's be honest this is where winning and losing starts and ends -

## Porta can play ball any way

so, that one of the top officials of the world-famous River Plate FC, whose HQ is in Buenos Aires, approached him to become a professional with the club.

"Hugo was studying hard to become an architect so he said 'no thanks' and carried on playing with the oval ball, otherwise he would have been lost to the game," said coach

of the touring South American side 'Altior' Otano.

Whether or not the powerful Puma pivot would have had the determination to get to the top as a pro soccer player is doubtful, for even today, his architecture is his first love, although he has 25 International rugby caps to his credit.

Porta, who played in the

World XV against the Springboks in Pretoria in 1977 has, at 80 kg and 1,76 m tall, all the physical requirements needed to get to the top in soccer, so obviously the roundball's loss was rugby's considerable gain.

He was not with the South Americans when they touched down in Cape Town this week. He was nursing an injury in faraway Australia, where he had played in a Barbarians Invitation side in Sydney and suffered a severely wrenched knee. But according to members of the South American side's management, the injury will be fine by the time Porta arrives next week.

be out to prove he's the logical successor to Barry Wolmarans.

The selectors will, of course, be hoping that the next few days don't turn their calculations and assessments upside down. But knowing trials it's a real risk. It has happened often in the past.

Any bets?

there is no such concern about the locks and the looseforwards.

In fact, it's a nice "problem" - an embarrassment of riches and the selectors' main task will be to develop the right blend and combination of the five men who will carry a major load in the series.

Thys Burger, Northern Transvaal's rangy looseforward, had a magnificent tournament in Durban and throughout last season, was the most consistent No 8 next to Morné du Plessis.

But with Du Plessis a certainty at No 8, Burger has shifted to the flank, where he is no less effective as he showed for Pretoria Police in Durban. If Burger gets the nod on the one flank, the "fetching" or roving role could develop into a battle between Northern Transvaal's Burger Geldenhuys and Western Province's lethal whippet, Rob Louw.

Geldenhuys gets through an enormous workload and is a fine wrencher and ball-winner in the mauls, while Louw's devastating speed over the ground and deadly tackling makes him a foe to fear.

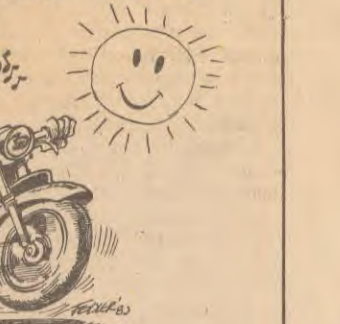
If Du Plessis is a certainty up front, then only Peter Whipp (centre) and Pierre Edwards (fullback) can feel reasonably safe about their places behind the scrum. At a time when the country is not blessed with Test-hardened centres, Whipp

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