

# The Macro-Economy



Apartheid legacy and new possibilities

# The apartheid heritage

- Industrial sector not competitive
- Run-down production capacities not fit for the unemployed or for producing for the majority
- Crisis in agricultural sector
- Scarcity of skilled labour
- Inefficient hostile administration
- Overwhelming capital concentration

# Growth strategies

- 1 Growth with trickle down effect
- 2 Growth with redistribution
- 3 Growth through redistribution

# ANC/COSATU's ideal visions

- Central developmental role for the state
- Closer to Nordic welfare model than to command economy
- Moral redistribution to benefit black majority and to stimulate growth

# Possibilities for progressive growth

- Production machinery underutilized
- Underemployed workforce
- More basic consumer goods can be made with available equipment
- Market can be expanded by wages
- Limited need for import for production of basic goods

# Main areas of development I

- Establishing collaborative democracy
- Building democratic institutions
- Conflict resolution, violence prevention
- Human rights culture
- Overcoming education crisis
- Renewal of health sector
- Employment situation

# Main areas of development II

- Urban areas development
- Physical infra structure
- Land reforms and modern agriculture
- Family structures, women and children
- Environmental problems

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