

Business Frontiers:

Social Responsibility, Sustainable Development and Economic Justice

By Wayne Visser (ICFAI Books, 2005)



~ 10 ECOLOGICAL ECONOMICS ~

Grassroots Reform in South Africa

South Africa's recent political transformation is like a hard won gift which keeps giving, and the environment is one of its greatest beneficiaries. For example, South Africa is now one of the few countries in the world to have the environment enshrined in its Constitutional Bill of Rights, according to which:

"Everyone has the right:

- (a) to an environment not harmful to their health or wellbeing; and
- (b) to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that:
 - (i) prevent pollution and ecological degradation;
 - (ii) promote conservation; and
 - (iii) secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development."

From this basic premise has flowed a stream of national policy reforms, culminating in a host of new and emerging environmental legislation, including, for example, the Environmental Management Bill, Water Bill, and Environmental Impact Assessment Regulations. As important as the results of these, has been the multi-stakeholder participative process followed.

On the Agenda

Fortunately, the role of economics in this environmental revisioning process has been included on the political agenda. Towards the end of 1993, the Department of Environmental Affairs and Tourism established an Environmental Resource Economics Steering Committee, which issued a number of discussion documents on the use of economic instruments in environmental management. More recently, a discussion document on "A National Strategy for Integrated Environmental Management in South Africa" was released which contains a whole chapter on market-based instruments, covering the following items:

Resource charges, non-consumptive user charges, pollution charges, product charges, land-use charges, input charges, investment credits, accelerated depreciation, product/service subsidies, basic needs subsidies, tradable permits, tradable quotas, tradable shares (resource shares), deposit refund system, environmental performance bonds, green funds and environmental valuation.

The implementation of these various concepts remains to be seen, although they are already finding expression in the anticipated changes to the water laws. In essence, South Africa will be moving towards a "true cost" pricing of water (to reflect its scarcity and ecological value) and effluent charges will increasingly be linked to levels of pollution. In addition, to address the "tragedy of the commons" and inequitable access currently associated with the country's water resources, the practice of riparian rights will be replaced by a system of regulated water leasing (amidst much political and commercial controversy).

Hence, at least in theory and partially in practice, environmental resource economics has secured a sound basis on which to justify its importance in the national macro-policy arena. That is good news, but not the whole story.

A New Perspective

What interests me equally is the way in which ecological economics is finding applications at a grassroots level - especially in local communities, and among South Africa's most marginalised people.

This is as important, if not more so, than the government-led national policy initiatives. It is what will decide whether protection of the environment can escape its historical "white, colonial, nice-to-have" image and become a relevant developmental movement enjoying the support of the wider South African populace. Bear in mind what "saving the environment" really meant to blacks under apartheid: fencing off their traditional land and source of livelihood for the exclusive leisure use of whites (including tourists), while

dumping the unwanted waste and pollution from affluent whites in or near their impoverished communities.

In order to embrace this new concept of grassroots ecological economics, we need to expand our definition to include every positive association between environmental management and economic rewards. Caring for the environment needs to become a vehicle for development and economic empowerment, as much as a return to indigenous values of respect for the living earth. This liberal interpretation of ecological economics can be illustrated using three examples from South Africa.

Recycling for Rands

Recycling is an obvious win-win for the environment and economics. But in South Africa, it takes on a different face than the conventional concerned housewife separating her garbage. Here, much of the recycling being practiced is by poor or homeless people, who collect door to door, or clean up litter from the streets and parks, in order to generate a meagre income on which to survive. The tiny economic incentive provided, which probably only captures a fraction of the real environmental benefit of recycling, is sufficient to mobilise large numbers of people behind this "worthy cause" and provide them with a basic livelihood.

Because of this dynamic, South Africa is now among the world leaders in the recycling of steel beverage cans, with 1.8 billion, or 62 percent of all steel beverage cans, having been recycled in 1997/98. This incredible initiative, co-ordinated by Collect-A-Can (Pty) Ltd., has provided employment for approximately 20 000 people, many of whom were previously unemployed. Some of the collectors are earning over R12 000 (approximately 10 times the minimum wage). And the impacts are not only limited to South Africa. Used steel beverage cans are now also being received from other African countries such as Namibia, Lesotho, Botswana, Zimbabwe, Swaziland, Angola, Mozambique and even the islands of the Comores and Mauritius.

Similar, although less dramatic, benefits are being seen in other recycling activities, with 66 percent of glass being either re-used or recycled, 38 percent of paper being recycled, 29 percent of aluminum cans and 17 percent of plastics.

Working for Water

Another extremely successful initiative with a grassroots ecological economics theme is the Working for Water Programme, launched by the new government's Department of Water Affairs and Forestry. Its core objective is the clearing of thirsty invading alien plants from South Africa's major water catchment areas. Bear in mind that 60 percent of South Africa is classified as semi-arid, with mean annual rainfall of less than 600 mm per year, and that

these water-intensive exotic plant species drain an estimated 7 percent of the country's mean annual run-off.

Although costing R525 million (\$100m) annually to implement, numerous environmental economics studies have been conducted which prove that the investment being made in this water-saving strategy will more than pay for itself when weighed against the future costs which would otherwise have to be incurred in dam building, water infrastructure and other water management programs.

In addition, because of its labour intensive nature, the Working for Water Programme has created over 42 000 jobs since its beginning three years ago. Again, many of these have provided the formerly unemployed or destitute with a basic livelihood, the economic and social benefits of which extend far beyond the wages paid.

Reserves for Residents

A final example. History was made at Ntlaveni near Punda Maira in the Kruger National Park on 30 May 1998 when a land claim agreement was signed between several State departments and the Makuleke community. In terms of this ground-breaking agreement, the traditional land of these rural people, from which they were forcibly removed by the Parks Board in 1969 in the name of conservation, will be restored under their custodianship.

However, rather than re-settling the land, the Makuleke community have chosen to jointly oversee this nature reserve and to share its management with the nature conservation authorities. In addition, they have agreed to add a portion of the land they presently own to the Kruger National Park, thus extending its borders. This is quite remarkable given the historical relationship between these two parties. Mr Chauke, now over 80 and one of the oldest people surviving the removal, recalls the attitudes of the past: "When a snake bites you and you kill it, you get five years in jail. When a white man kills an elephant, it is called conservation."

But the reason for their forgiveness and generosity is not entirely altruistic. According to the new deal, the Makuleke will share in the income generated from eco-tourism in the area. In addition, they will be allowed to harvest the natural resources of the Park in a sustainable way, through activities such as controlled hunting, craft production, medicinal plant gathering and honey making. Creating a positive link between economics and the environment has resulted in a real win-win situation, and could set a constructive precedent throughout Africa for addressing other similar situations.

Taking it to the People

In developing countries such as South Africa, we cannot always afford the luxury of sophisticated ecological economics interventions. Often the attitude is: "Why should we

make costly sacrifices now, when the industrialised world never had to, and even today, remains hesitant to commit to anything meaningful - witness the Kyoto Summit on Climate Change”.

By focusing on grassroots ecological economics, by searching for those mutually beneficial “deals”, we can bypass much of the political inertia and North-South “baggage”. Only then can the creativity of a human-needs based market work its magic. Only then will we no longer be surprised with home-grown innovations like solar-energy cookers and wind-up (battery-free) lamps and radios which now exist in Africa.

It all starts with a mind-shift, a change in perception: To recognise that the environment includes people and their development, and that the economy can be made to serve humans and the environment and not vice versa.

Amandla! Awetu! (Power! To the people!). Viva ecological economics viva!

Source:

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