

- 3) institute a small business development corporation to help promote small business enterprises and create more job opportunities;
- 4) accelerate the geographical consolidation of the so-called 'homelands' within the borders of the RSA. (Mafeking, a White town in the Northern Cape famous for its long siege by the Boers during the Anglo-Boer War of 1899-1902, was incorporated into Bophuthatswana on September 1, 1980);
- 5) reduce the use of direct economic controls, and give as much scope as possible to the mobility of labour, capital, technology and entrepreneurship.

An obvious implication of these agreements is that everybody within South Africa's boundaries depend on the same single economy for their material welfare. In other words, the ten homeland areas, as they now exist as dots over the map of South Africa, cannot be developed separately. In fact, there is not even a question of a return flow of Black people from the area of Whites, Coloureds and Indians back to the national states. Accordingly, the Pretoria summit marks a watershed in the annals of South Africa.

Ciskeian independence

Another major step forward in the formulation of a constellation of states was the October 1, 1980 decision by the Ciskei, one of South Africa's smallest tribal homelands, to ask for independence on the basis of a confederal agreement. Endorsing this decision, Dr. Piet Koornhof, the South African Minister of Cooperation and Development, said that the White areas of Berlin, East London and King William's Town and the Black areas of Mdantsane, Zwelitsha and the rest of the Ciskei will be promoted as a corridor of common economic development in which all of the population in the region can share. Koornhof also said the South African government was committed to equalizing salaries based on the principle of equal work and on compulsory education for all the peoples in South Africa.

Although the Ciskei is one of South Africa's smallest homelands, more than 500,000 voters took part in a referendum on December 2, 1980 to say "yes" or "no" to Ciskeian independence. The referendum, which was monitored by four independent observers, including John Sears (President Ronald Reagan's campaign manager), produced an overwhelming "yes" vote.

While the constellation planners envisage the eventual creation of an area of peaceful social and political evolution and economic prosperity for all those people who live under the Southern Cross, the current thinking in South Africa is to start the building process from the core — South Africa and the independent and non-independent homelands first — and work to the periphery: the former British High Commission Territories, now called Botswana, Lesotho and Swaziland (or BLS countries); Namibia, Zimbabwe and Mozambique; Malawi, Zambia, Tanzania and so on. Apparently, South Africa believes that it must get its own

house in order before meaningful discussions with leaders of other African countries can take place. It may be due to the fact that the attitude of the Organization of African Unity (OAU) and the so-called 'frontline states' to the constellation scheme is one of outright hostility.

Social reforms

Recognizing the need to open up economic, social and political opportunities to all of the people within South Africa first, the Botha government has introduced a number of labour and social reforms in the few years, notably the extension of trade union rights to Black workers (including the migrant workers from the tribal homelands), the opening of apprenticeship training to all racial groups, the elimination of statutory job reservation, the abolition of legally enforced racial discrimination in work places, the removal of restrictions on racially mixed sports in schools (mixed race sport clubs have been allowed for many years), the repeal of the permit system of admission to restaurants and other public places (219 restaurants, clubs, drive-in theaters and cinemas have been opened to all races so far).

In addition, the government intends to lift all restrictions in the Group Areas Act which prevented Blacks, Coloureds and Indians from conducting and operating their businesses wherever they wish. Furthermore, three new bills which may soon become law will remove some residence restrictions on urban Blacks and prepare for self-governing black municipalities. Black people who have jobs and accommodation in urban areas will not have to suffer the indignities of a pass system. Prime Minister Botha has acknowledged that Section 16 of the Immorality Act (which forbids sex across colour lines) and the Mixed Marriages Act (which bans marriages between the four racial categories) are not necessary for the survival of the White nation and should be abolished.

Discrimination is therefore a drag on South Africa's social order. It prevents full participation of Blacks, Coloureds and Indians in the economic system. It limits the legitimate aspirations of all racial groups and is a constraint on further economic growth within the RSA. Accordingly, it constitutes a major barrier to the constellation building process or the concept of a broader confederation of states. For without the free flow of labour (and capital), no meaningful regional operation will be possible. By its recent actions, the South African government indicates that it understands that internal reforms designed to bring about justice and human dignity constitute its greatest support for the concept of a broader constellation of states.

In December 1980, the Small Business Development Corporation was inaugurated. It is a joint venture of the state and the private sector, with the government putting up half of the 100 million Rand capital. Its functions include the financing of small