



WWW.NEWAGENDA.ORG.ZA

NEW AGENDA

SOUTH AFRICAN JOURNAL OF SOCIAL AND ECONOMIC POLICY

ANC

COPING WITH AN EVER-CHANGING LANDSCAPE

PALLO JORDAN

**VAVI, CRONIN, MANUEL, LUBISI,
JORDAN, HABIB, TUROK**

RSA R20 (incl VAT)
Other countries R17.50 (excl tax)



ISSUE 48 FOURTH QUARTER 2012

YOUR SERVICE DELIVERY PARTNER



Bonga Mokoena CA(SA)
Managing Director
Public Sector Division
Alexander Forbes Financial Services

COMPANY PROFILE

Alexander Forbes is a leading financial services provider, specialising in short-term and long-term insurance, health, retirement and multi-manager investment solutions around the world. Our roots are firmly in Africa, but our reach is global. Our primary operations are based in Africa and the United Kingdom. We give an outstanding level of service to our global clients, particularly in Africa and Europe, because of our additional partner network.

The company serves a clear purpose: to have a consistently positive impact on the peace of mind and financial well-being of all our stakeholders. This means we see more than the bottom line by integrating and balancing the multiple demands of clients and staff, shareholders and regulators, community and country, people and planet.

To find out more about these and the many other financial services we offer please contact:

Bonga Mokoena

Managing Director:

Public Sector Division

Tel: +27 (0)11 269 0687

mokoena@forbes.co.za

Itumeleng Malebye

Principal Consultant

Tel: +27 (0)11 269 1550

malebye@forbes.co.za

Alexander Forbes Financial Services is an authorised financial services provider.
FSP License Number: 1177

WE ARE COMMITTED TO SERVE

Our business conduct and client interactions are informed by a clear client-centred SERVE model. The model guides our continuing work to deepen our service culture. It invites

every employee at Alexander Forbes to continually give our clients, with greater **S**implicity, **E**xpert and innovative solutions. We do this to create long-term **R**elationships, based on the priceless **V**alue of hard-earned trust, so that we can **E**nrich people's lives.

IMPACTFUL SERVICE

- S**IMPLICITY
How we deliver
- E**XPERT INNOVATIVE SOLUTIONS
What we deliver
- R**ELATIONSHIPS
What we strive for
- V**ALUE OF TRUST
What we stand for
- E**NRICH PEOPLE'S LIVES
Why we exist

OUR STRATEGIC THEMES

We are committed to the following four strategic themes:

- Increasing value for clients
- Expanding our brand
- Investing & innovating for growth
- Extending our sales & service capacity

This means four things to us:

- Our clients matter: without them there is no business.
- Our employees matter: without them there are no clients.
- Our communities matter: they are where our clients and employees live.
- Our shareholders matter: they expect a return on their investment.

OUR ASPIRATION

Rooted in Africa, yet globally distinctive, we create wealth and protect our clients' assets.

OUR HIGHER PURPOSE

In our service to clients, we respond to a higher purpose by enhancing their quality of life.

OUR BRAND PROMISE

A financial services company committed to a positive impact on the financial well-being of our clients. At Alexander Forbes we have established a stand-alone Public Sector Division to expertly engage with and partner all stakeholders in this sector.

This means that we understand the unique environment you work in and can use our thorough and comprehensive understanding of the financial services environment to create tailor-made financial solutions specifically for you or your employees.



The company serves a clear purpose: to have a consistently positive impact on the peace of mind and financial well-being of all our stakeholders. This means we see more than the bottom line by integrating and balancing the multiple demands of clients and staff, shareholders and regulators, community and country, people and planet.

There are ways to get through stormy business times with Turnaround Solutions.

Turnaround Solutions offers you a subsidised recovery programme to improve your profitability and save jobs.

If your company employs approximately 35 or more people and needs assistance, Turnaround Solutions can provide:

- Expert help to rescue your business and its employees
- Subsidized by 65% or more
- Highly experienced people to analyse the state of your business and make it profitable again

Since its inception in 2000, Turnaround Solutions has saved over 350 companies and over 160 000 jobs in many facets of commerce and industry.



For more information call: 011 848 5300
www.productivitysa.co.za

productivitysa 
Inspiring a Competitive South Africa

New Agenda is a publication of the
Institute for African Alternatives (IFAA)
PO Box 12491
Mill Street
8010
(Supported by Rosa Luxemburg Stiftung)

Website
www.newagenda.org.za

Editor
Prof Ben Turok
Sub-Editor
Helen Douglas
Production
Aneesah Reynolds
Finance
Tel: +27 (0) 21 403 2593
Fax: +27 (0) 21 461 9390
E-mail: mwnewagenda@mweb.co.za

Published by

 **PICASSO
HEADLINE**
Excellence in niche publishing

Design and layout
Rashied Rahbeeni

Copy Editor
June Hare

Content Coordinator
Vanessa Payne

Advertising Sales and Marketing Team
Business Manager Robin Carpenter-Frank
Special Projects John Dos Santos
Project Manager Jerome van der Merwe
newagenda@picasso.co.za

Sales Consultants
Natasha Hendricks
Luthando Maqungo
Monde Tulwana

Tel: +27 (0) 21 469 2400

NEW AGENDA

New Agenda is accredited with the Department of Education contained in Government Gazette No 7794, Volume 460 of 14 October 2003 No. 25583

Distribution queries:
Stuart Dickerson
NND or Media 24
Tel: +27 (0) 11 715 8033

Copyright: Institute for African Alternatives (IFAA) unless used with permission of any third party and referenced accordingly. No portion of this magazine may be reproduced in any form without written consent of the publishers. The publishers are not responsible for unsolicited material. New Agenda is published quarterly by Picasso Headline. The opinions expressed are not necessarily those of the IFAA or Picasso Headline. All advertisements/advertorials and promotions have been paid for and therefore do not carry any endorsement by the IFAA or Picasso Headline.

Editorial Board

PROF BEN TUROK (Chairperson) is a member of parliament and visiting professor at the University of KwaZulu-Natal. He is a veteran of the ANC and has published many books on development economics and politics in Africa.

ASSOCIATE PROF MILLS SOKO teaches international political economy at the University of Cape Town's Graduate School of Business (GSB) and directs the GSB's doctoral studies programme.

PROF MARCUS BALINTULO is the vice-chancellor of Walter Sisulu University.

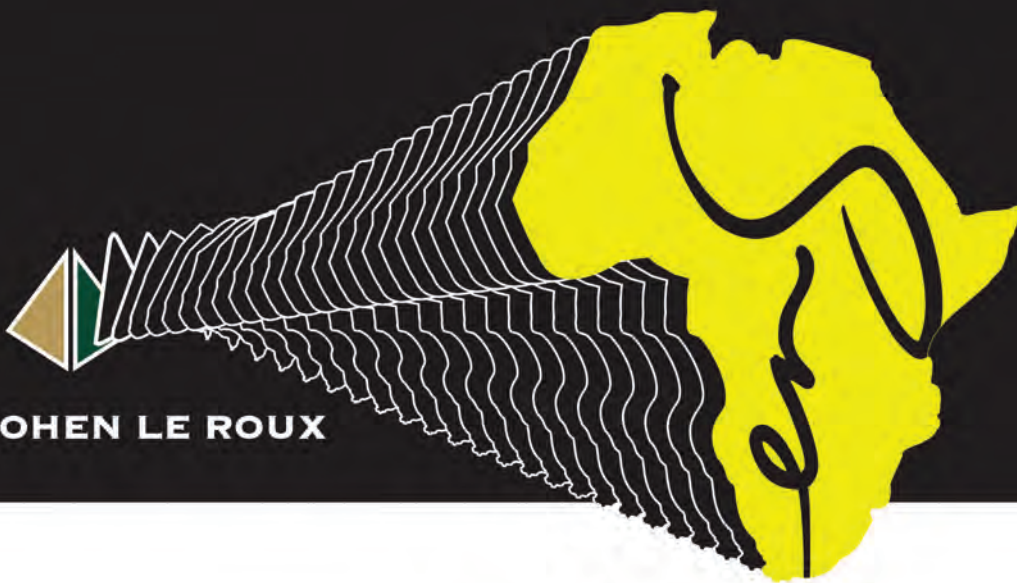
DR ROB DAVIES is the minister of Trade and Industry of the Republic of South Africa.

PROF VIVIENNE TAYLOR currently teaches social policy, development planning and social and economic development in the Department of Social Development at the University of Cape Town where she is Head of Department.

MR LANGA ZITA is the former director-general for the department of Agriculture, Forestry and Fisheries.

PROF CHRIS LANDSBERG is chair of the Politics Department at the University of Johannesburg and specialises in international public policy and foreign policy analysis.





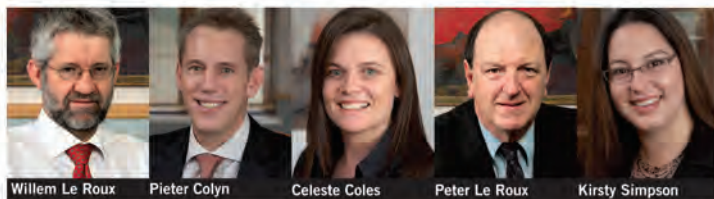
BRINK COHEN LE ROUX

mining in Africa problem solved

Brink Cohen Le Roux, regarded as South Africa's pre-eminent Mine and Occupational Health and Safety practice, joins **ENS, Africa's largest law firm**. **Willem Le Roux** and **Pieter Colyn** will lead the M&OHS Department at ENS alongside the firm's already established Mining Department which is headed by **Otsile Matlou**. **Celeste Coles** will join the M&OHS Department.

The firm will now offer the mining industry a **one-stop-shop** with depth and breadth of experience and expertise spanning all aspects of mining including OHS, employment, environment, finance, litigation, M&A, projects and tax.

Peter (PAK) Le Roux will join the Employment Law Department and **Kirsty Simpson** the Litigation/Dispute Resolution Department.



johannesburg +2711 269 7600
cape town +2721 410 2500
durban +2731 301 9340
stellenbosch +2721 808 6620
edward nathan sonnenbergs

law | tax | forensics | IP | africa



48



8

ISSUE 48

CONTENTS

EDITORIAL OPINION

- 7 What kind of transition? What kind of democracy?

SOUTH AFRICA: THE MANGAUNG MOMENT

- 8 The evolution of ANC leadership
Pallo Jordan
- 18 COSATU's plea: Stop this destruction
An interview with Zwelinzima Vavi
- 24 Reform or transformation?
Adam Habib
- 32 For the good of the whole
R Cassius Lubisi, Bongani Ngqulunga and Khulekani Mathe
- 42 Driving change: The National Development Plan
Trevor Manuel
- 48 Class power in South Africa
Jeremy Cronin

MINERAL BENEFICIATION IN AFRICA: SPECIAL FOCUS

- 56 The key to economic development?
Ben Turok
- 63 Experts' consultation on mineral beneficiation convened
- 68 Governing and harnessing natural resources for Africa's development
African Development Forum

BOOK REVIEWS

- 70 Book reviews



FOURTH
QUARTER 12

NEW AGENDA



POWERING



POSSIBILITY

HKLM512/L

IT'S ALL ABOUT DOING WELL AND GOOD.

At Exxaro we know that if our goal is significant growth, it means achieving that goal through operational excellence. If one objective is to further diversify to become a company with a \$20 billion market capitalisation by 2020, it also means implementing a well developed strategy. If leveraging innovation and technologies is part of our vision, it means making a valuable economic contribution for the benefit of all our stakeholders. For us the power of good business means leadership, and the possibilities in leadership mean good business. We look at both sides of the coin.

What kind of transition? What kind of democracy?

By **Ben Turok**

New Agenda breaks new ground with this issue. We have asked leading authors to provide insight into policy issues that may arise at the African National Congress's forthcoming national conference at Mangaung.

In order to stimulate discussion on key issues facing the country, we have commissioned special articles as follows:

- **Pallo Jordan** on the present conjuncture in historical terms
- **Zwelinzima Vavi** in an interview on the role of trade unions in the liberation struggle
- **Jeremy Cronin** on the current nature of South Africa's class structure
- **Trevor Manuel** presents the National Development Plan
- **Cassius Lubisi** with a legal-constitutional perspective on the separation of powers of the executive, legislature and judiciary in South Africa
- **Adam Habib** on transition in South Africa
- **Ben Turok** on the debate on beneficiation in the mining industry.

This does not mean that *New Agenda* is partisan or wishes to influence the discussions. We know our limitations too well to attempt that. But neither can we stand aside and not give space to these views without being seen as irrelevant or deliberately avoiding contentious issues.

These discussions are not simply of concern within the ANC. Society as a whole has an interest in what is being proposed. An obvious example of this is the debate during the June 2012 Policy Conference on the character of the present transition, which was echoed far beyond ANC structures and revealed the influence it has in wider society.

We understand that the change in terminology from "second transition" to "second phase of the transition" was to avoid indicating a split between political issues and economic issues. The first formulation implies that the political phase is over

and that the agenda should now focus on economic issues, while the second suggests that the two cannot be totally separated.

However, it is still necessary to clearly set out the nature of the measures for economic transformation envisaged in the second phase. For instance, the ANC has declared itself against wholesale nationalisation, but there is a reference to "strategic nationalisation" which has yet to be defined. Furthermore, there is a definite shift towards stronger state intervention in the economy that also has yet to be given clear parameters.

The reservations that these moves will meet from business can be mitigated by spelling out the scale of what is intended and the reasons for these interventions. In the two previous editions of *New Agenda*, we exposed situations where the state felt compelled to intercede in private sector control of sensitive economic facilities that provide public goods. This kind of pragmatic, rather than ideological, argument can be defended easily.

Similar concerns are voiced about the democratic agenda in South Africa. The ANC has indeed introduced a democratic system since 1994. Political parties of all kinds are in abundance and they do not lack for opportunities to press their case. But some people argue that political democracy is insufficient if the poor find little space to participate in parliamentary debates, in the media or elsewhere, because they are too busy fighting for survival.

It is legitimate to ask what kind of democracy can flourish in a society that retains strong elements of economic inequality – in short, capitalist economic relations. Even as we accept that capitalism, in the modified form of a mixed economy, remains a fact of life for the foreseeable future in South Africa, how can we define our democracy in a way that will face up to the disparity of rights and privileges by virtue of that system and its roots in our history?

New Agenda invites further contributions on these issues. ☞



FOURTH
QUARTER 12

NEW AGENDA

The evolution of ANC leadership:

Lessons from history

By **Z Pallo Jordan**



The author is a member of the National Executive and the National Working Committees of the African National Congress

Nationalist politics dates from the third quarter of the 19th century when African and Coloured elites in the Cape began to take collective political action within the colonial political institutions in defence of their rights. The movement to create the Union of South Africa entailed African and Coloured political leaders waging an unsuccessful rearguard action to defend the few rights Blacks had attained under British colonialism before 1910.

The experience of the African National Congress, Africa's oldest national liberation movement, holds many lessons. It inspired other movements in neighbouring countries, where Enoch Sontonga's hymn, "Nkosi Sikelel'i Afrika", was also embraced as expressive of their national sentiments. Zambia still employs the melody, with new lyrics, as its national anthem.

Let us remember:

- the 19th century ended with South Africa at war when Britain forcibly integrated the two Boer republics into its empire
- thus, between 1902 and 1910, there were four separately governed British colonies
- prior to June 1910, the term "South Africa" had purely geographic connotations
- the Union of South Africa was created 12 years after the last independent African kingdom, the Venda kingdom, was conquered
- the ANC came into existence two years after the inauguration of the Union of South Africa.

From this perspective, it is clear that Black people's shared condition as a colonised people was highly differentiated. Most Coloureds had close to two hundred years' experience of White domination. The Africans of the Cape had fought for close to one hundred years before being conquered by the

Europeans. The Indians were recent immigrants with their own experience of colonialism in India. The baVenda, on the other hand, knew only 12 years of White domination.

"We are one people. These divisions, these jealousies, are the cause of all our woes and of all our backwardness and ignorance today." Thus wrote Pixley ka Isaka Seme in an article called "Native Union", in 1911. Uniting the African majority for collective political action was the ANC's initial objective.

Although African nationalist politicians were at first content to act as a loyal opposition that recognised the legitimacy of the White colonial state, repeated disillusioning experiences compelled them to recognise its illegitimacy. Reared on liberal traditions from Britain and the USA, they had opposed the Act of Union as backsliding on commitments implicit in the Cape Colonial franchise, whose property ownership and income provisions made no explicit reference to race.

This educated and propertied elite regarded themselves as loyal subjects of the British Crown, entitled by that status to the same rights as the Whites. They reasoned that their movement would improve the institutions the Crown had established in South Africa by affirming their own rights and extending these to include more Blacks. In its "African Bill of Rights", adopted in 1925, the ANC spoke of "Equal rights for all civilized men".

A COMMON SOCIETY

For any political movement that hopes to be effective, collective action by its members and supporters is essential. Shared objectives must be stated explicitly





in a political agenda. A leadership's performance is judged by how effectively they advance that agenda.

After 100 years of sweeping changes in South Africa, Africa and the rest of the world, and while ossification has overtaken many powerful political movements, the ANC has remained relevant. The performance of the ANC's leadership must be weighed against that reality.

To grow and develop, a political formation must maintain a balance between continuity and the necessity for change. Its organisational culture should permit sufficient political space for new initiatives, ideas and strategies to percolate, keeping it vibrant and alive. The art of good leadership entails successfully managing the tension between continuity and change and mismanagement of this often causes movements to collapse.

The line of fissure in South African society then was race. Political power, social status, wealth and opportunity were all distributed according to race. All political currents among the White minority sought to entrench these racist colonial arrangements. Though they differed among themselves, all the White political parties and groups embraced the ethos of White domination. The African nationalists sought to end that and to erect a common society, with equality before the law, in which all citizens had equal opportunity to improve themselves by their own efforts. The notion of a common society was embraced by the left wing of the then predominantly White labour movement, organised as the Communist Party of South Africa

(CPSA) in 1924. The long-standing alliance between African nationalism and communism is based on this, and not on the conspiracies of Cold War mythology.

After 100 years of sweeping changes in South Africa, Africa and the rest of the world, and while ossification has overtaken many powerful political movements, the ANC has remained relevant. The performance of the ANC's leadership must be weighed against that reality.

The struggle for liberation and democracy was, consequently, a contest between two opposing visions: the African nationalist project for a democratic, non-racial society, and the White supremacist view shared by virtually all Whites.

To succeed, each party to the conflict would have to win as many adherents and supporters as it could to its side, and to devise the political impotence of its antagonist. The conflict consequently involved various alliances, coalitions and changing power blocs to maximise the strength of the rival centres.

ANC strategy initially sought to maximise the unity of the African people, create wider alliances with the movements of the other oppressed communities, and stimulate opposition to White minority rule among Whites.

That strategy was foreshadowed in the 1909 deputation to London, consisting of African and Coloured leaders and supported by a liberal White politician. For two decades after 1910, the ANC leadership thought it might be possible, through patient petitioning and restrained agitation, to convince a critical mass of Whites of the justice of their cause. That, they hoped, could lead to the election of a reformist government that would incrementally extend full citizenship rights to the Black majority.

Prior to 1943, their tactics relied heavily on winning the goodwill of "reasonable" Whites. "Moderation", it was assumed, would earn such goodwill. The passage of the Hertzog Bills, which ended the Cape African vote in 1936, discredited these tactics. Instead of defending the principle of a common citizenship, implicit in the Cape African vote, the ANC's liberal



allies had counselled compromise and were unwilling to agitate for its defence among Whites.

It was evident to many leaders of the ANC that the White liberals would defer to the racism of the majority of Whites and that some of them harboured such attitudes themselves. A letter from ANC President AB Xuma to RFA Hoernlé of the South African Institute for Race Relations best expresses the disgust of the African elite:

One cannot wait for public opinion to be ready for reforms. One must lead public opinion to see the need for reforms by stating the case to its final and logical conclusions, no matter whose interests it affects.

When Oliver Tambo, partially disabled by a stroke, stepped down in 1991, he said to his successor, Nelson Mandela: "I now hand the ANC back to you. Bigger, stronger and intact." Will my generation be able to say the same to those who come after us?

AFRICANS' CLAIMS

It was in that political environment that Winston Churchill, Britain's wartime prime minister, and President Roosevelt of the US concluded the Atlantic Charter, setting out the war aims of the allies in 1941. Dr Xuma quickly called together a committee of African leaders to draft a document applying the principles of the Atlantic Charter to Africa. The product was the Africans' Claims in South Africa, published in 1943. In a radical leap, it directly challenged the prevailing system of government by indicting all systems of colonialism and minority rule. Locating the issue of racial oppression in South Africa in an international context, its unequivocal call for African self-government and independence translated into a call for democracy in South Africa.

The Africans' Claims was based on the African people's humanity, rather than their status as British subjects. The document spoke of freedom as a birthright, and not an accident of history arising from British dominion or a favour bestowed by benevolent rulers. A very different strategy flowed from this.



If freedom is a birthright, then oppressed Blacks striving for freedom had the right to employ whatever methods necessary to attain it, irrespective of the sensibilities of "reasonable" Whites. The movement thus recognised that national democracy could only be realised by defeating and overturning the existing political arrangements. This was an alternative agenda – based on the principles of democracy, non-racism, non-sexism and equality – for all of South Africa. At least two basic changes would be required: a government based on the consent of the governed, and that all racist laws institutionalising inequality be scrapped.

This revolutionary alternative directly challenged White minority rule and advocated majority rule. The Africans' Claims affirmed that the struggle was a contest for state power and not for reform of the White minority state. The African masses would be the principal agency of change, with other forces playing a supportive and auxiliary role.

Dr Xuma would probably have quaked to hear such an interpretation placed on his ablest act of leadership. The adoption of the Africans' Claims by the ANC's national convention of 1943 coincided with the organisational reform expressed in the constitution Xuma initiated that same year.

Compared with its 1919 predecessor, the Xuma Constitution was brief, to the point, and user friendly. It restructured the ANC to make it a more effective



organisation, with branches co-ordinated at regional and provincial levels. It abolished the Upper House of Princes and gave women full membership in the organisation. The powers of the officials, including the president, were subordinated to a national executive committee that met at least twice a year. It also established the national working committee, a sub-committee of the NEC that met regularly to administer the organisation. The 1943 Constitution created an organisation capable of taking quick decisions and responding to unfolding national and provincial events. It also called for the creation of the ANC Youth League.

The ANC Youth League was a galaxy of courageous and visionary young men and women who transformed the ANC from an organisation of “gentlemen with clean hands” – as they sometimes derisively spoke of the old guard – into the organiser and leader of a mass movement. It devolved on their generation to take virtually all of the necessary strategic decisions of the ANC over the next four decades.

THE DEFIANCE YEARS

Inspired by the vision of the Africans’ Claims, the ANC endeavoured to create a broad front in the Congress Alliance during the 1950s, and to inspire the mobilisation of others committed to change. Its primary aim was to isolate the racist regime through ever-broader alliances and coalitions among all South Africans opposed to racism, while at the same time generating tensions, divisions and splits among the ranks of the regime and its supporters.

The Defiance Campaign of 1952 was a defining moment for the ANC. A strategy derived from the Africans’ Claims and undertaken in alliance with the South African Indian Congress (SAIC), it was conceived as a civil disobedience campaign. The concept of a volunteer for freedom – *ivolontiya*, a disciplined self-sacrificing activist of the liberation movement – was born in the course of that campaign. The volunteer-in-chief was Nelson Mandela. The ANC transformed itself from a relatively passive movement of members who attended branch meetings and adopted resolutions into a politically engaged body that intervened in and gave leadership to popular struggles.

We may conclude from the preceding that the movement was confronted with an ever-changing political landscape. A leadership cannot afford to stand pat in such an environment, and must be alert to the dynamic and fluid situation. Between 1940 and ’52, the ANC evolved a leadership corps capable of such development.

The ANC earned the respect of international bodies, statesmen and governments by the conduct of its leadership and members who displayed a spirit of self-sacrifice and commitment to the future of our country.

A mood of expectation and optimism after the Second World War stimulated discourse about colonialism and struggle in the national liberation movement. The struggle against colonialism was visibly advancing. First came Indian independence in 1947, then Chinese liberation in 1949, the Kikuyu peasant uprising in Kenya in 1952, the commencement of the Algerian war of liberation in 1954, the Vietnamese defeat of the French at Dien Bien Phu in 1954, the Suez crisis in 1956, and the independence of Ghana in 1957. From these events, the movement and its supporters distilled new strategies and tested new ideas.

AFRICANIST SPLIT

Caucuses of like-minded comrades and lobbies for specific policy directions were not uncommon in the ANC of the 1950s. Provided these did not cohere into factions, they were allowed. The Africanists was one such lobby, networked across the country with a cyclostyled magazine edited by John Pokela. They complained that the alliances across race that the ANC had entered into during and after the Defiance Campaign were a constraint on the militancy of the African majority. They further charged that the Freedom Charter’s preamble, affirming the multi-racial character of South Africa’s population, compromised the claims of the African people to their ancestral lands. Since a number of the ANC’s alliance partners also had Communists in their ranks, the Africanists larded their critique with anti-Communism.

From its inauguration, the programmatic aim of the ANC was to forge a single democratic nation from the diverse elements that make up South Africa. That vision was captured in the Freedom Charter, adopted at the Congress of the People in 1955 and by the ANC conference in 1956. But that document’s inclusivity became the focus of a bitter internal dispute between the majority of the membership and a very vocal minority, led by the Africanists, who left the ANC to form the Pan-Africanist Congress (PAC) in 1959.





During the 1950s, the ANC evolved by being constantly politically engaged. It interacted with and learned from a host of other political formations, both in South Africa and beyond its borders. It borrowed freely, and adapted to its own purposes, the tactics of the movement for Indian independence. From the workers' movement, it learnt how to organise strikes. It forged alliances with like-minded organisations of Coloureds, Indians and Whites, besides working in loose coalition with White groups that were critical of the policies of apartheid. It also inspired the formation of other bodies that accepted the leadership of the ANC. The Federation of South African Women (FEDSAW), founded in 1954, piloted the Women's Charter.

Giving leadership to so broad a movement meant managing the debates within it. Debate, at a certain point, has to make way for action. Through practice, the ANC evolved a tradition which held that, while debate and ongoing discussion is the life-blood of the movement, differences of opinion should not undermine the movement's capacity for collective action. This was achieved by requiring a minority viewpoint to submit to the majority, although the minority could reserve the

right to revisit these differences within the structures of the movement. The 1958 ANC Constitution sought to capture these practices. It also attempted to institutionalise the informal alliances the ANC had evolved by holding regular consultations with its allies in a National Co-ordinating Council.

On a number of occasions, the ANC has been compelled to undertake serious introspection, to retrace its steps and take tough corrective action to set itself on the right path.

The breakaway of the PAC heralded the most difficult phase of the ANC's history and put its leadership to the test as never before. The movement was banned along with the PAC in 1960, shortly after the Sharpeville massacre. The decision to take up arms in 1961 was made in response to the demonstrated intransigence of a regime that used its armed might to repress an unarmed people and made all forms of political protest unlawful.

ARMED STRUGGLE

During the early 1960s, the international environment was more conducive to the conduct of armed struggle in South Africa because of the successes scored by other national liberation movements on the African continent and beyond. New governments that supported the struggle for freedom were elected and they all became members of the United Nations organisation. The international isolation of the apartheid regime became conceivable.

Because the system of White domination had systematically denied the African majority any access to modern military skills, the nucleus of a people's army had to be created from scratch. From its inception, uMkhonto weSizwe (MK) sought to reflect the non-racial ethos of the national liberation movement in its command structure, personnel and ranks. Its first commander-in-chief was Nelson Mandela. On 16th December 1961, MK announced its existence with a number of nationally co-ordinated attacks on government installations.

The Rivonia arrests in 1963, and the mass repression inside South Africa that came in their wake, virtually dismantled the ANC underground and



that of its allies and supporters. The responsibility of leading the movement at home and abroad was imposed on those who had been posted outside the country. In 1969, the ANC's newsletter *Mayibuye* commented candidly:

The External Mission had, however, been sent out to undertake certain specific tasks, vital but supplementary to the internal struggle. The total command of the people's army and the prosecution of the armed struggle was not, initially, one of these tasks. The leadership vacuum resulting from the destruction of the internal military structure saddled the External Mission with this additional task. In the course of time and by an accumulation of experience it became clear that the External Mission as then constituted was not organisationally geared to undertake the urgent task of undertaking the People's War. As the External Mission attempted to play this vital role, many weaknesses began revealing themselves, weaknesses inherent in the contradiction between organisation and method of struggle. Gradually these weaknesses became magnified and harmful, affecting discipline and morale, and unhealthy tendencies crept into the Congress.

A leadership crisis ensued, as some members of this external leadership could not adapt to the new demands. The first National Consultative Conference of the ANC was convened in Morogoro in 1969 to address it.

The challenge facing the ANC was to reconstruct an underground political movement operating under conditions of repression inside South Africa, and then to use it to revive the spirit of militancy among the oppressed, in the hope of creating a political environment conducive to the infiltration of military personnel and materiel into the country, and thus also to revive mass political struggles.

It entailed four interrelated goals:

- making the ANC an organised presence among the people of South Africa
- spreading among the mass of the people an appreciation that revolutionary violence was not only necessary but could be successfully deployed against what appeared to be a formidable enemy
- igniting among the people the understanding that, without their active support and protection, the armed cadres of the movement could not hope to survive inside the country
- stimulating their self-organisation in every form of mass organisation to actively engage in struggle to overthrow the apartheid regime.

In the years of its illegality, from 1960 to 1990, the ANC's leading bodies were required to operate from external headquarters, co-ordinating the operations of an organisation spread across the globe. In addition to its own membership and supporters, the ANC maintained a multi-faceted relationship with a host of other bodies, including sister liberation movements, and various political parties, governments and solidarity movements. By 1989, the ANC had acquired observer status at the UN, was affiliated to the Non-Aligned Movement and the Afro-Asian People's Solidarity Organisation, and had representatives in more countries than the Pretoria regime.

The ANC transformed itself from a relatively passive movement of members who attended branch meetings and adopted resolutions into a politically engaged body that intervened in and gave leadership to popular struggles.

By marshalling all of these forces and working in closer and more effective co-ordination, the movement finally brought the apartheid regime to the table, compelling it to seek a settlement with the forces of national liberation. When the moment was ripe, the generation of Walter Sisulu, OR Tambo and Nelson Mandela boldly grasped the nettle of negotiating with the racist regime.

We can derive many lessons from the experience of the movement in that period. The strategy of isolating the regime through an expanding network of alliances, coalitions and fronts yielded results. The ANC also succeeded by steadily winning the confidence of diverse opponents of racial oppression. It successfully built relationships that would extend its influence well beyond its immediate milieu and into the wider world. The ANC earned the respect of international bodies, statesmen and governments by the conduct of its leadership and members who displayed a spirit of self-sacrifice and commitment to the future of our country.

On a number of occasions, the ANC has been compelled to undertake serious introspection, to retrace its steps and take tough corrective action to set itself on the right path. This was possible because, even in its most trying times, the movement allowed enough space for creative new ideas



and initiatives to percolate up from its ranks. Sometimes such initiatives were greeted with suspicion, as happened with a memorandum prepared by military veterans of the Wankie (now Hwange) campaign of 1967.

A number of mistakes, blunders and even ugly deeds were inevitably committed in the course of the struggle during those thirty years. But as the Stuart, Skweyiya and Motsuenyane Commissions demonstrated, the ANC had the moral courage to investigate and take the steps necessary to correct them.

COMING TO POWER

The ANC that won the 1994 elections bore the hallmarks of the alliances the movement had built during the period of illegality and the mass struggles of the 1970s and '80s. The results confirmed that its constituency was disproportionately weighted in favour of the urban areas, was overwhelmingly working class, and was African in the main. This was reflected also in the spread of ANC branches and structures. The elections brought to light the depth of ANC support among the rural population, outside of KwaZulu-Natal. They also confirmed that, although the ANC enjoyed support among all Black communities, the Coloured and Indian working classes did not identify with the ANC and preferred to support the National Party. Sections of the Indian middle classes supported the Democratic Party, while the Coloured professional classes supported the ANC.

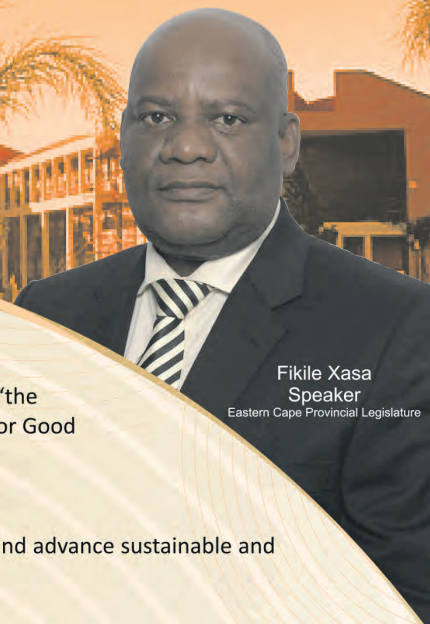
Political freedom brought the dividend of new opportunities for self-advancement in careers and professions hitherto closed to Blacks. Freedom gave us access to centres of the economy from which Blacks had been excluded. A dramatically new dynamic emerged, not only in society at large, but also within the ANC itself. ANC leaders, members and supporters now could compete on more equal terms with their White counterparts – in the professions, in business and for state and government posts. From among the ANC's membership and support base, and including some of its leaders, a new Black elite has begun to take shape: captains of industry, heads of large corporations, heads of state-owned enterprises, well-paid professionals, high-ranking civil servants, judges, government ministers, etc.

To some, these new opportunities represented vindication of their years of sacrifice. Some, whom Thabo Mbeki has dubbed "staffriders", treated ANC membership as career-enhancement. Others came into the ANC as a gateway to opportunity or because it offered access to the governing party.

The generation of Sisulu, Tambo and Mandela passed the baton to my generation in 1997. But when I assess the performance of our generation I am overcome by doubtfulness. When Oliver Tambo, partially disabled by a stroke, stepped down in 1991, he said to his successor, Nelson Mandela: "I now hand the ANC back to you. Bigger, stronger and intact." Will my generation be able to say the same to those who come after us? And, if we cannot say that with conviction, what introspection do we have to undertake to discover how, when, and why we dropped the baton that Mandela handed to us in 1997?

Perhaps the elective conference in Mangaung offers us the opportunity to retrieve that baton by a critical examination of the presidencies of Mbeki and Zuma. The outcomes produced by such introspection should guide the elective process to result in a renewed leadership corps capable of taking the movement on a higher trajectory towards a better life for all our people! ✎





Our aim as the Eastern Cape Provincial Legislature is to fulfil our constitutional obligations and to execute our mandate in such a way that “the people” indeed see this institution as A People's Assembly for Good Governance.

Vision

A dynamic people's assembly for good governance to deepen and advance sustainable and transformative development towards effective service delivery.

Mission

The Eastern Cape Provincial Legislature strives to deepen democracy, promote development and build a better life for all, through law-making, effective public participation, and vigorous oversight.

Constitutional Mandate

One of the most important functions of the Legislature as guided by Chapter 6 of the Constitution is to exercise legislative authority by considering, passing, amending or rejecting any Bill before the Legislature.

The constitution further mandates Legislatures to provide for mechanisms to ensure that Provincial Executive organs of state in the province are:

- Accountable to it and
- To maintain oversight of the Provincial Executive Authority in the Province including the implementation of legislation.

Strategic goals

One of the key strategic goals of the Legislature this term is to deepen and entrench people-centred democracy in the Eastern Cape Province. Public Participation and Education remain one of the core activities of the Legislature.

During this term the Legislature shall focus on Law-making and vigorous oversight on the Executive Council and other organs of state with a view to improve service delivery to the people of the Eastern Cape Province.

Oversight

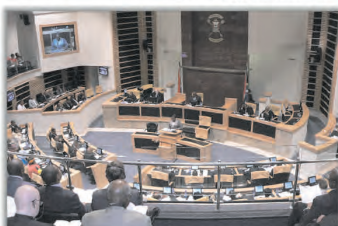
Democracy as a form of governance emphasizes the importance of public involvement in decision making by the government. Therefore, Legislative oversight is considered an important duty in the promotion and protection of public interest. It is for this reason that the Legislature is raising the bar on how it conducts its oversight role to accelerate the level of performance by Provincial Departments.

Public Participation and Education

As public representatives, we are determined to put more emphasis on public participation and education to close the gap between the Legislature and the electorate. Consultative and outreach campaigns shall continue to form the bedrock in allowing the people of the Eastern Cape province to actively participate and have a say in legislative processes and governance in general.

Achievements:

- The Legislature received a Clean Audit award for the 2010/11 financial year



- Public Education Campaigns were undertaken in District Municipalities and all the Kingdoms in the Province
- Sectoral Parliaments were successfully held
- Establishment of a fully-fledged Public Participation, Petitions and Education Unit
- The establishment of the Provincial Speakers Forum
- The signing of the Memorandum of Understanding with Municipalities
- Strengthened relations with State Institutions supporting Democracy

CORPORATE PRACTICE



Lonmin considers itself an agent of social upliftment in the Greater Lonmin Community (GLC) which spans a 15km radius around its Marikana mines. Departing from the ad hoc initiatives of the past, the company has learnt to gear social interventions towards improved quality of life and enduring community upliftment.

Lonmin

COMMUNITY UPLIFTMENT THROUGH WASTE MANAGEMENT

The newly introduced community waste management project is one such initiative. The project's purpose is to manage waste for lasting environmental safety and community wellbeing, while also unlocking entrepreneurial potential among those directly involved.

Waste management strategy for the GLC

According to the 2012 report entitled *Health Status of the Greater Lonmin Communities (GLC)*, around Lonmin plc in Bojanala, 88.93% of households have no waste collection system. Although rural by nature, the villages making up the GLC are inhabited by income-earning households generating relatively high levels of waste to the detriment of the environment. Lonmin's Local Economic Development (LED) Manager, Sebalo Tsogang, points out that the GLC is unlike typical rural areas where people subsist on farm produce. "Such communities make their own bread, grind their own mealie meal and generate biodegradable waste. Our mining area is totally different. Refuse, therefore, needs to be managed."

Lonmin was already removing refuse from its own mine properties, and from Mooi-nooi Township. However, litter in the neighbouring villages, including Bapong, Wonderkop and some of the informal settlements, stuck out like a sore thumb. In response, Lonmin decided to turn an environmental problem into an opportunity by creating a waste management venture which would grow local entrepreneurs.

The idea was presented and debated at a monthly stakeholder engagement forum, where the Rustenburg and Madibeng local municipalities are both represented by councillors representing all the wards within the GLC. The Bapo ba Mogale Traditional Council also participates in the forum.

After much debate, the local authorities bought into the idea. It was agreed that a community-based upliftment and enterprise development approach was the most appropriate for the GLC environment. It was further agreed to pilot the proposed project for three months, both to create awareness of the new waste management service and to demonstrate its benefits before introducing the concept of payment.

Pilot phase underway

Lonmin invested R2.7 million in the pilot phase to cover the cost of litter-picking equipment, refuse bags for households as well as administrative costs. Each village is serviced weekly and each household is issued a plastic refuse bag for their weekly waste. On collection, a used bag is replaced with a new one, as part of a feasibility test. The waste management service removes household refuse and also clears away illegal waste sites. "We use different types of equipment for clearing builders' rubble," Tsogang explains. "We also mix garden waste with refuse, for quicker decomposition, making it suitable for our own landfill management processes."

The pilot commenced on 14 May 2012. Through reports and stakeholder feedback, Lonmin is hoping to create a better service provision model, identify the most feasible methods of collecting revenue, ensure the creation of long-term job opportunities and set up three-year contracts with locals who will respond to calls to take the business further. Lonmin is committed to investing an additional R5 million per year in the project going forward.

Three-way partnership for sustainability

Lonmin has entered a three-year business-to-business partnership with Tedcor, a tried and tested waste management company operating in numerous municipalities around the country. Tedcor will manage the business side of the venture and also mentor and coach the four local contractors who will receive dedicated business management training courtesy of Lonmin's LED division.

Another key partner is the Madibeng local municipality, which is being assisted to build and establish a revenue collection system over the next two years, during which period Lonmin will be carrying the waste removal costs. During this period, the company will also implement a community education programme preparing households to eventually pay for this service to ensure its sustainability.

The business model

The waste management project has presented small GLC based contractors with a great opportunity to acquire new skills in waste and business management and to create



wealth for themselves while stimulating the local economy by creating employment for others. There is also a strong environmental health benefit – a cleaner surrounding will definitely make a positive contribution towards improved community health. The three years during which Lonmin will be supporting the project, will provide the two local municipalities with a chance to improve their waste management services to the rural villages around the GLC.

Within three years, four local entrepreneurs will be equipped to take over waste management in the GLC. By mid-September 2012, Lonmin had started the process of selecting these contractors. Each of the four entrepreneurs will be operating his or her own business under Tedcor's supervision. "Tedcor will manage all these funds, depositing them into the individual contractors' accounts," Tsogang says. "Tedcor will provide monthly reports to all contractors depicting all revenue collection, showing how much of that goes back into operations and how much is accumulating as profits." Ultimately the project will permanently employ 45 young entrepreneurs from the GLC.

Overcoming teething problems

The pilot presented its share of challenges. In the first instance, Lonmin was introducing waste management in a municipality with no revenue collection system, except for electricity. In addition, the communities in which the pilot was being run had no waste management service and therefore no appreciation of its value.

As a result, after the removal of each illegal dump, the heaps were back within the same afternoon, especially during the first two weeks. "It's a question of changing mindsets," Tsogang observes with optimism. "As people become aware, the littering is lessening. Now, although the heaps still build up, there is far less waste than before."

Despite these challenges, feedback received thus far suggests that villages in the GLC are receptive to the waste management service and its socio-economic development benefits.

KEY INSIGHTS

- Attitude and behaviour change are attainable in any community.
- The project's long-term success rests on community co-operation and willingness to own the project.
- Under-resourced municipalities, if willing, can also be empowered towards improved service delivery.
- The project could create a waste-free, cleaner GLC, allowing children to play in a hazard-free environment.
- Lonmin can also assist in reducing the additional waste streams to landfill by facilitation of projects diverting waste from landfill.
- Uncollected waste results in the accumulation of biodegradable waste, which allows vermin and pests to proliferate, and could result in the development and spread of diseases.
- Burning of waste results in the release of toxic emissions including dioxins and furans which are carcinogenic and affect human physiology.
- Other companies could adopt this business model.

SEBALO TSOANG • 014 571 4217/8

Local Economic Development Manager
sebalo.tsogang@lonmin.com • www.lonmin.com

COSATU'S plea to the ANC conference: Stop this destruction



An interview with **Zwelinzima Vavi**

Zwelinzima Vavi is the general-secretary of the Congress of South African Trade Unions (COSATU). Ben Turok interviewed him in Johannesburg on 13 November 2012

WHAT'S AT STAKE

Zwelinzima Vavi: My plea – even though it is falling on deaf ears – is this. Can we make Mangaung, the centenary conference, the conference where we will look at ourselves in the mirror and look at where we are: morally, organisationally, politically, economically?

And globally! Are we still being taken seriously by anyone, anywhere else in the world? Or have we reduced our standing so much that nobody cares, and we're just another lost cause on the African continent?

Can we make this conference not a place where we have battles for leadership and come out so badly injured and fragmented that we inevitably become too weak to fight the 2014 elections? Can we use this conference to win back the confidence of our people, particularly the middle strata of society, to believe that we can be united around a correct platform of progressive developmental programmes?

One of our biggest fears is that the conference might just become the place where we kill ourselves as a movement – instead of the place where we resurrect and move in the direction of radical transformation. There will be no radical transformation led by a fragmented party, one that is not fighting for jobs and against poverty, where those things only get lip service, symbolic treatment like that "Touching Lives" programme on the SABC. We want transformation, and transformation must be led by clear cadres.

We need a new NEC, a national executive committee that can be seen to have gone through the eye of the needle, that has stature. It must be that society says that those people, wherever they go, they are concerned about us. And they have confidence, because that's what we are.

Can this conference be about, not just unity, but unity in purpose? Can this not be where we say goodbye to the ANC as we have known it all our lives? There is a lot at stake. Sanity must prevail. Everyone must see what we are facing as a society, and realise that we're losing lots of friends that we shouldn't be losing. The result is that we not only lose the national project, but the non-racial project, the gender project, and the developmental "better life" project.

There is a lot at stake, and I think ANC members will rally at some point. I hope that rally will be Mangaung.

Ben Turok: I have just had an armed robbery in my house in Cape Town and it has raised my consciousness – it seems to me that we don't talk enough of the social consequences of unemployment.

ZV: That's the experience of the working class all over the country. They go through those experiences almost daily. They've stopped reporting to the police, including the worse cases of rape. One story that touched me deeply is that of the retail workers who work for the fast-food chains. They knock off at 10 or 11 in the evening. By 12, they are still standing at the taxi ranks, and there are no taxis. Fellows give them lifts and they get raped and robbed and dropped in the middle of nowhere in Soweto and they have to walk to their homes. In the morning, they always face a dilemma: do they go and report this at the police station or do they go to work? And they more likely choose to go work, so they won't get a final warning and get dismissed from their employment.

Crime is in a terrible situation in South Africa. It visits us in the middle classes and upper classes, when the criminals can find a way beyond our sophisticated security systems, our high walls and electric fences. But workers have no such defences. They're sitting





ducks. South Africa is not talking enough. It's not just about crime: it's HIV/AIDS, a collapse of morality in society, all these social problems.

THE NEW TRADE UNIONISTS

BT: COSATU has grown a great deal in the recent past. Is your new membership loyal to those social values?

ZV: We are attracting increasingly young workers, even though, of all people unemployed, 73 percent of them are young people. Those who are emerging through the unions, they're militant, impatient, and sometimes individualistic. They're pursuing their careers really aggressively, and they don't mind using the union to do so. They're sophisticated. They get the attention of the workforce because they speak much more loudly, they speak English and they're articulate. But there are consequences. One of the issues we're dealing with in the mining industry is the systematic side-lining of workers who can't speak English, like the rock drillers, who were the backbone of the unions in the '80s. Now their place is being eroded, because these young fellows who can speak to management articulately are getting elected as shop stewards. We should do more to get the balance right.

BT: Is COSATU becoming a more white-collar federation?

ZV: Not at all. COSATU still remains largely blue-collar, but we now have nurses, doctors, young professionals across the economy. What we must fight against is having COSATU become white-collar at the leadership level and have the base – which is actually the backbone of the union, in terms of sustaining strike actions – being only the rank-and-file.

BT: How do these new members of COSATU feel about the alliance with the ANC?

ZV: They are questioning it all the time. They are likely to be more intolerant. As I said, they have no patience,

The progressive intellectuals have shifted from being active in the ANC to being armchair critics in the social media.

they read and they are quite up to date with what's happening in the country. And they're expressing their views about the alliance, including some of COSATU's traditional choices. They are very active with the social media. They have me in a small space, I can tell you now. I have 46 000 followers in my Twitter account and it's just growing. When COSATU takes a very unpopular decision, I get all the heat (laughter).

BT: Does your alliance with the ANC, as the ruling party, limit your independent role?

ZV: Historically, we have mastered that very well. Despite the fact that we are in alliance with the government, we have maintained a very good sense of independence. In fact, we've demonstrated more independence than people who should be more independent than us, because they don't have the constraints of the alliance.

We take up every issue. We were the first to take up the issue of inappropriate macro-economic policies in 1996. We campaigned against privatisation. We forced the government into a bit more expansionary fiscal and monetary policies, which saw the economy grow from 2004, 2005, until we got a hiding from the global crisis. We forced the National Framework Agreement [on the global financial crisis in 2008]. We opposed e-tolls. We opposed the Information Bill. We advocated for a more independent parliament. We have been taking up issues of corruption, sometimes at great personal cost, with the people who are alleged to be involved in stealing from the poor. We've not been bad, I think.

BT: You always talk about the working poor and you fight for higher wages for them. Is it because they have many members of their family who are unemployed? Is that one of your justifications?

ZV: There are quite a few justifications for a living-wage campaign in our world in 2012.

Obviously, the first one is that the wages in large areas of the economy remain pathetic. If you look at the statistics from Statistics South Africa, up to 15 percent of the people employed in the formal economy are earning below R500 per month; 34 percent earn below R1 000; about 50 percent are below R3 000. Those are pretty low wages: almost





half of South African workers are earning below the minimum living level that three universities have now calculated at between R4 000 and R5 500. So we have poverty wage problems in South Africa, big time.

Secondly, it is becoming impossible to convince workers that they have no skills and so they have to accept the wages that are low. They can see that there can be no justification for the salaries that the CEOs are voting for themselves. As a result of that, we're particularly seeing income inequalities widening in the country. The top is making unbelievable gains. I use the example of the gap between the average salary of a worker in South Africa and that of a director of the top 20 companies: it is about 1 728 times larger, which is massive and has no justification. Workers are told to compare themselves with Indonesia, China and other sweatshop economies, but they can see the CEOs are comparing themselves with London and New York. That is why we're advocating for a new incomes policy, a new wage policy, so that we can look at the totality of this issue and find the way forward. This symbolic freeze [on executive salaries] is absolutely nonsense from a worker's point of view. It's making a statement symbolically, but practically it has no meaning whatsoever.

WHAT WE WANT IN MANGUANG

BT: So what do you want the ANC to do about this?

ZV: We want the ANC to agree in Mangaung that we do need a new income policy. And when we look at the issues, it must be in the context of wanting to address poverty and those growing inequalities in society. This ANC conference provides us an opportunity to present a package of policies that will include minimum living levels, wages and income gaps, the meaning of monetary and fiscal policies, tax policies. All of those things must be discussed as a package. Without developing new income policies, we can shout against growing inequalities until we're blue in the face, but they will continue to grow. We can have symbolic 12-month freezes at the top, but inequalities will not be arrested. So the ANC conference is absolutely critical and that's what we hope the discussions will be about.

BT: I'm sure there will be some space for that, but don't you discuss these things with the Alliance beforehand?

ZV: We try, but perhaps not enough. For example, we're now pursuing a meeting with the ANC, saying, "We have proposals that will give content to what you are calling a 'second phase of radical transformation'; please give us an audience." We have



written an official letter, and I'm going to be meeting the secretary-general of the ANC this week. We want a platform, and not only to talk about the content of radical transformation, or what our Congress has dubbed "a Lula moment". We want to talk to them about an integrity pact. We want them to agree with us before Mangaung, and if that's not possible, we're going to pursue it after Mangaung. We can't continue on this route where so many of our leaders are conflicted by business and the overlap between their roles in political offices and in leadership [of the Alliance organisations]. We're going to be publishing that set of proposals and our intention is to circulate it to all the ANC branches – with a plea: can't you stop this destructive kind of leadership?

BT: What about progressive intellectuals in the universities and civil society? Do you ever talk with them?

ZV: We have slipped up in engaging with intellectuals. About two years ago, we put together a very impressive think-tank of left-thinking economists to support our agenda. We're not pursuing that anymore and it's a mistake. I think we found a professor in the federation and we thought that was enough. It was not enough. We need many professors to back the working class's claims! (laughter) It's an issue we'll take up very earnestly in 2013.

BT: Mangaung is getting a lot of coverage in the media, mostly on the leadership question. Don't you want an equally big platform for your ideas in the general public domain?

ZV: We need that obviously. We need a more sympathetic media and we need a more progressive media and we know it's going to be very hard to win that without transforming the media scene in South Africa altogether. Today, unfortunately, four big companies dominate everything that goes out to the nation. We don't have an alternative media. New Age is there, but many people are disappointed that it seems to be becoming just another mainstream paper.

We do need the space. We do need to transform the SABC into a public broadcaster with a particular bias towards the social and economic priorities of the majority. We are battling to get our messages across. We've worked very hard so that, when the Reserve Bank monetary committee is meeting, it will be known that COSATU would have preferred much lower levels of interest rates and more tolerance for bigger inflation numbers, certainly above the punishing and unreasonable 3 percent to the 6 percent we are currently pursuing. But only at those times. Otherwise, *Business Day* preoccupies itself with company news and, at best, the politics of division, and *The Star*

The issue of the moment is to make the SACP not a declared vanguard, but a real vanguard.

pursues only news about crime. The *Sowetan* is about who is in love with who... (laughter)

BT: Can I interpret what you're saying as an appeal to progressive intellectuals across the country to support this programme?

ZV: Absolutely. The progressive intellectuals – and the middle class – have demobilised themselves. Not just demobilised: they have shifted from being active in the ANC to being armchair critics in the social media. They're not there to make things happen – they have ideas, they have influence and they read. From what they've read, they know the pitfalls we should be avoiding. But they are not in the ANC branch to say so. They're on social media, where you can only write one sentence!

My opinion in general is that we need more intellectual involvement. I know that people will say, "Well, intellectuals have been beaten. They were beaten by the previous president, Thabo Mbeki, unless they said something he liked. And the current president has said there's a problem with clever people. (laughter)

So there is some question: are we creating a space? Is there a robust debate in the country? There is no debate! For example, with the ANC conference this close, the country should be filled – not just about the morality of the leadership and all the focus around the leadership – with talk about what we are going to do about this unemployment, about the impact of globalisation, about what the HIV/AIDS struggles mean in the context of a depressed budget. *New Agenda* must, hopefully, cover that space.

SOCIALIST RELATIONS

BT: What is the relationship between COSATU and the SACP [South African Communist Party]? You seem to be taking different positions on a number of important issues.

ZV: We have a close relationship with the SACP, but it has its own challenges. We have been critical of some of their tactical and strategic approaches. They have been equally critical of ours. I have a sense that they think we are taking up too many issues of the middle strata of civil society, such as the e-tolls. We think they are too relaxed about the possibilities that are available at this moment, and that they celebrate too





much that they are in the cabinet of President Zuma. We think they sometimes go overboard in defence of the president and the government, to the extent of losing their credibility.

BT: Would you say the SACP is the vanguard of the working class? And of COSATU?

ZV: It is the vanguard of the working class. That's what it has always been. The issue of the moment is to make the SACP not a declared vanguard, but a real vanguard.

BT: Ideologically.

ZV: Ideologically and organisationally. It must lead the workers. It must have a practical programme, not just on paper, that says, "We are about deep radical transformation. We are about the NDR [national democratic revolution]. We are moving towards socialism." There must be no confusion about that. When you are overly defensive, even about things that anybody can see are wrongs, you risk being not the champion of a deep transformation and laying the basis for socialism, but being the defender of the status quo. The status quo is steeped in capitalism. It's a totally bourgeois road.

BT: COSATU's policy is to move towards socialism. What do you mean? What kind of socialism?

ZV: We mean there will be real democracy, in government, in the workplace, in society. Worker power will be taken literally to mean that workers take charge of their destiny. To us, socialism is democracy, but with a much more active developmental state that intervenes in the economy on behalf of the workers and the poor without any apology. So, it's a mixed economy, but with more slant to the state's role. That's why we've been calling for strategic interventions in nationalisation to leverage our mineral resources, to take back AcelorMittal and Sasol, to drive education and healthcare, and deliver

all the basic services. That's the kind of socialist system we would want to see. It must truly be about ensuring that everyone lives according to their means – and where those means are not available, the state intervening. So that the workers and the poor are in charge of their destiny in a real sense, economically and politically.

BT: So, your socialism is a transitional notion: the state intervenes strongly, thus changing the balance of power in the economy, but still staying with a mixed economy.

ZV: That's exactly what we're talking about: going beyond today. Today, we have a mixed economy in South Africa and we have a state that is active – even though at a very small scale, for instance in mining, or the direct provision of electricity, water, housing, education and healthcare. We like that. But if we were left on our own, we'd go way beyond that. We would see a state that would provide education to the university level, that would not make space for private players in healthcare.

We'd like to see deliberate interventions to bring the price of water and electricity down so people can afford basic services. And to ensure that through progressive taxation and cross-subsidisation. We want a state that is active in mining. Not to create state capitalism but through partnerships – and where that is not possible and we have the capacity to run our own mining operations, efficiently and in a manner that will protect jobs and the well-being of the country, to do so.

What we don't want is nationalisation where the state becomes the owner of everything just for the sake of it...

BT: And maybe make losses in the process!

ZV: And maybe hurt hundreds and thousands of workers in the process, until they think they were better under capitalism. ☿





POWERING



POSSIBILITY

HKLM4898/C

WE BELIEVE THAT THERE ARE TWO WAYS TO LOOK AT MINING.

At Exxaro we're committed not just to building a sound financial base for our stakeholders, but also to caring about the impact we make. So if our aim means operational excellence, it also means achieving that through sustainability. If it means improving our portfolio, it also means developing our people. And if it means building our reputation, it also means protecting the values we stand for. While there may be power in what we do, there's also unlimited possibility for the people we touch. We see it both ways.

Reform or transformation?

Sketching an alternative political agenda

By Adam Habib



The author is the deputy vice-chancellor: research at the University of Johannesburg. This is an edited excerpt of his forthcoming book, *The Suspended Revolution* (Wits University Press, 2013)

*There is a long tradition of thought in progressive socialist circles on how to advance the interests of the workers and the poor in non-revolutionary contexts. The theorists and scholars associated with this tradition have been essentially bedevilled with the relationship between reform and revolution. Even the grand old masters in the early part of the 20th century were confronted with this dilemma, including Rosa Luxemburg, Leon Trotsky and Vladimir Lenin, the intellectual architect of the Bolshevik revolution, particularly in his *Left Wing Communism – An Infantile Disorder*. But perhaps the greatest of the socialist theorists in this regard is the Italian communist Antonio Gramsci, who provided intellectual inspiration for much of the European left in the second half of the 20th century.*

HEGEMONY AND STRUCTURAL REFORM

Gramsci's most significant intellectual contribution, articulated in his *Prison Notebooks*, was his use of the term "hegemony" to explain the longevity of capitalist rule. The bourgeoisie, he maintained, ruled not only through a monopoly of arms and the means of material production, but also perpetuated their domination through their control of the means of cultural reproduction manifested in the norms and mores of society and its institutions. Capitalism continued, he believed, because ordinary citizens, including workers, believed that this was the natural order of things. If socialists desired an alternative order, they had to break through this common-sense logic.

Gramsci identified two strategic projects for socialist parties: the war of manoeuvre and war of position. The former was for those confronted with social conditions ripe for revolution and involved an assault on state and economic power. The latter was the path for those contexts where capitalism was dominant and the bourgeoisie held sway in society. Here socialist parties had to methodically create a counter-hegemony with the propagation of alternative ideas, norms and values. Essentially, they needed to struggle for reforms that prepared the conditions for a social revolution in the future.

Gramsci maintained that change occurs within the "limits of the possible". The struggle was therefore not for any type of reform. It was for reforms that could serve as the bridge between the social realities of the present and the vision of the future. How to define such reforms was the challenge Gramsci identified for the socialist parties of his time. Yet this same challenge confronts progressive South African activists today: how to identify reforms that have the potential to transform, in the long term, the social realities inherited from apartheid.

One of the earliest conceptual exercises addressing this question in relation to post-apartheid South Africa was undertaken by John Saul, who made the case for what he termed "structural reform". Saul defined these reforms as having a snowball effect that would facilitate the emergence of other reforms, all of which would collectively constitute a project of self-transformation. In addition, such reforms would be rooted in popular initiatives in such a way as to



leave a residue of further empowerment – in terms of growing enlightenment/class consciousness, in terms of organisational capacity – for the vast mass of the population, who thus strengthen themselves for further struggles, further victories” (Saul, 1991: 6).

But Saul floundered when it came to specifying the reforms that had to be defined as structural. Caught up in the euphoria of the transition and the rhetoric of intellectuals, progressive academics and union leaders, he proceeded to give credence to a whole slew of policies, both economic and other, that could by no stretch of the imagination be described as transformative (Desai and Habib, 1994).

Nevertheless, Saul’s conceptual departure point – structural reform – can be usefully harnessed to an understanding of how to advance an alternative progressive political agenda. For reforms to warrant the title “structural”, they must

- enhance the leverage of working and marginalised communities
- diffuse power in favour of these social groups in society, and
- promote the accountability of political elites to the vast majority of citizens.

It is worth noting that this perspective is similar to that articulated by the South African Communist Party (SACP). In the controversial 2006 discussion document, “Class Struggles and the Post-1994 State in South Africa”, the SACP argued that “if it is to have any prospect of addressing the dire legacy of colonial dispossession and apartheid oppression, a national democratic strategy has to be revolutionary; that is to say, it must systemically transform class, racial, and gendered power...” (SACP, 2006: 28). This perspective was not entirely new. The slogan adopted by the SACP’s 1995 strategy conference, “Socialism is the future – Build it now”, reflected similar sentiments.

CONSTITUTIONAL TENSIONS

It is probably true to say that most progressives within South Africa would agree with this perspective of conceiving reforms as part of a broader continuum culminating in social transformation. However, it is at this point that the consensus disintegrates. Progressive activists have been divided on the actions, behaviour, policies and strategies that constitute such transformational reforms. Indeed, the progressive orthodoxy within the Tripartite Alliance, and sometimes even outside it, has involved an excessive focus on the role of agency, the net effect of which has been an inordinate amount of time spent on ensuring that the right people get into positions of influence in both

the ruling party and the state. As a result, too little attention is paid to the structural configurations of power and the systemic checks and balances required for conditioning elite behaviour and decisions.

An alternative progressive political agenda must prioritise engagement with this configuration of power with a view to transforming it, facilitating the responsiveness of political elites to the collective concerns of citizens, thereby reinvigorating the dynamic of accountability within society.

Such an alternative political agenda must also mediate between three different sets of constitutional rights that have come into tension with each other as a result of decisions and policies of the post-apartheid regime. The first of these is the unqualified implementation of crude affirmative action that undermines both the delivery of services to the citizenry and the emergence of a national identity, each of which are constitutional goals and responsibilities. The second tension between constitutional priorities relates to the challenges of economic growth and inclusive development, symbolised in the fractious public debate around inequality, poverty and unemployment. Finally, there is the tension in South Africa’s foreign policy engagements between the advancement of civic and human rights and systemic reform.

All of these competing priorities represent constitutional goals that need to be pursued simultaneously if democracy and inclusive development are to be realised. Yet until now the post-apartheid regime, sometimes implicitly and at other times explicitly, prioritised some of these constitutional obligations over others. An alternative progressive political project needs instead to manage the tensions between these constitutional obligations and interrogate ways to pursue them simultaneously.

Affirmative action vs national identity

This can be done with some imagination and contextually grounded engagement. Elsewhere, I have explicitly argued that affirmative action was itself not problematic, but its application within a conservative macro-economic framework and its coupling with a corporate ethic within the public service had a substantive negative effect on the capacities of the post-apartheid state. Kristina Bentley and I deliberated on how this tension between historical redress, on the one hand, and national identity and state capacity on the other, could be mediated (Habib and Bentley, 2008). In the conclusion to an edited volume on racial redress and citizenship, we argued that only a substitutionist class-based redress agenda supported by more specific race-based initiatives would allow for the simultaneous



pursuit of both of South Africa's constitutional priorities in this regard. While class-based elements of the redress programme would generally address both the deracialisation and erosion of poverty, race-based initiatives would be confined to areas where the former did not have significant deracialisation effects. One area where this could be the case, we argued, was the upper echelons of the corporate sector where race-based initiatives could be used, such as sectoral charters that establish deracialisation goals over specific time frames for corporates to qualify for government tenders and business.

A social democratic political economy is a minimum prerequisite for the country to deal comprehensively with its challenges of inequality, poverty and unemployment.

There are a number of specific benefits to the adoption of such a nuanced redress programme. First, it does not allow economic and political elites within the black population to monopolise the benefits of the redress initiative. Second, it allows the state to focus its limited resources on poorer communities while using its regulatory power to encourage the corporate sector to use its own resources to deracialise the market economy. Finally, not only will this redress programme have more legitimacy among both black and white citizens – since even the latter are open to redress if it is formulated with an anti-poverty flavour – but its non-racial thrust also enables the simultaneous cultivation of a national identity, which is a necessary precondition for realising the cosmopolitan vision running through South Africa's Constitution.

Economic growth vs inclusive development

Similarly, the tension between economic growth and inclusive development needs to be much better managed than it has been. A social democratic political economy is a minimum prerequisite for the country to deal comprehensively with its challenges of inequality, poverty and unemployment. While this was recognised by the ANC's Polokwane conference and there has been a gradual adoption of some elements of a social democratic platform, this economic perspective is still continually challenged within the ruling party by individuals and factions advocating fiscal conservatism in the guise of financial prudence. This battle for the economic soul

of the ANC has to be resolved, the economic divides bridged, and a consensus built around a social democratic political economy.

Related to this is the need for a social pact to be cemented between business, labour and the state. The structural impediment to a viable social pact – the inequality in leverage between business and labour – has been overcome as a result of COSATU's greater influence in the post-Polokwane era. However, the Zuma administration has failed to manage both elite and popular expectations, with the result that the other essential foundation for a pact – the willingness by all sides to defer the realisation of their desires – has not been achieved. This is a failure of political management. As many have argued so often: elite expectations among both politicians and corporate executives have to be contained as a prerequisite for popular aspirations to be managed effectively.

At one level, this has been recognised by some political leaders, in particular Finance Minister Pravin Gordhan, who have recently come out against excessive executive remuneration and enrichment in the private and public sectors. At another level, however, the lesson has not been truly internalised. This is most evident in a stakeholder column run by the *Sunday Times* since February 2012, called "Each One Hire One". The column is meant to enable a public discourse on South Africa's unemployment crisis, and has attracted the support and thoughts of a number of ruling party politicians, including Cyril Ramaphosa and Pravin Gordhan; opposition party politicians like Helen Zille and Lindiwe Mazibuko; some corporate and business leaders like Brett Dawson, Bobby Godsell, Michael Spicer and Moeletsi Mbeki; and even the odd labour leader like Zwelinzima Vavi.

What is striking about this intellectual engagement is that – while all recognised the need for a social pact and therefore the formal necessity for compromise – none except Vavi was willing to recognise the legitimacy of labour's concerns about labour brokering and a low-wage growth path. Indeed, almost all of the contributions berated the unions, some more politely and others more robustly, for focussing on the interests of their own members, ignoring the needs of the unemployed, and undermining economic growth and efficiency. In essence, and despite all the platitudes about working together, it was assumed that the pact must be constructed decidedly on the terms of the corporate sector.

Leave aside the irony of a whole range of individuals, largely from the political and economic elite,



professing that they now represent the true interests of the unemployed and lecturing unions on their selfishness, while it is the latter who live and interact on a daily basis in an environment with those who are truly marginalised: should we not be concerned that this diverse set of leaders, with their impressive track records and experience, has not really internalised how successful social pacts are established? Pacts require compromise and have to manage the dilemmas of competing interests. The essential dilemma of a South African social pact is to enable economic competitiveness and the accumulation of work experience by new entrants into the labour market without losing the hard-fought gains of the labour movement, many of which are encapsulated in the Labour Relations Act.

The unions fear that any compromise would weaken the LRA and allow employers to roll back the gains won by formal sector workers. To argue that this is not possible and is an unrealistic fear, as Helen Zille has done, suggests that one is seriously out of touch with the economic dynamics of the last twenty years. There is precedent for this in the post-apartheid era. Two decades ago, the cleaning services of most companies and public institutions were undertaken by internally employed staff. Most have now sub-contracted their cleaning services to external companies that employ workers at much lower wages and with far fewer benefits.

Similarly, Bezuidenhout (2008) demonstrated that, as the racial ownership of mines changed, so labour standards fell. Essentially, the most marginal mines were sold to black entrepreneurs who derived profits by squeezing wages and working conditions, mainly through the use of labour brokers. Labour brokering then served as a “safety valve” that enabled corporates to avoid some of the obligations to workers made mandatory by the LRA.

Compromise

Yet South Africa has some significant economic challenges to address. Many economic sectors are not globally competitive and the viability of many small enterprises is compromised by having similar employee obligations as big companies do. Moreover, given the staggering rate of unemployment among young people, there is an urgent need to create an environment where employers are willing to take on new entrants into the labour market so that they can accumulate the work experience necessary to compete for jobs. These challenges should be as much of a concern to labour as they are to employers and the state. Addressing these challenges is necessary



for the inclusive development to which the union movement is committed. The challenge for the social pact is to create the conditions to address these problems without sacrificing or weakening the protection afforded to formal sector employees.

With imagination, this can be done. In October 2011, employers in the textile sector in Newcastle entered into agreements that involved wage concessions for new employees to enable the companies to be competitive and survive. This suggests that unions can be and have been pragmatic.

Unions would have to compromise on a wage subsidy for new and young employees and allow for special wage and employment provisions for certain economic sectors and geographic zones. Employers would have to commit to employment targets in these sectors, and provide guarantees that they would not try to generalise these special provisions to the broader labour market. The fears of all parties do need to be addressed. Most importantly, compromises are required from, and costs need to be borne by, both business and labour.

This was, however, not the message that came out in the “Each One Hire One” columns. In fact most – not all – of the contributions seemed to engage in a dialogue of the deaf. None of the contributions thought through the compromises required for the establishment of a social pact. But if this is not done, how is a social pact to be realised? Moreover, as long as the social pact is not realised, South Africa will not succeed in bridging the divide between economic growth and inclusive development, without which it will not be able to address the polarisation and social pathologies of the society. An alternative progressive political agenda must therefore look to cement an equitable social pact.



Rights vs reform

The final necessary mediation of constitutional priorities involves the tension between human rights and systemic reform. Where such priorities have come into conflict with each other – as they have in Zimbabwe, Libya, Sudan, Burma and other hotspots around the world – the South African government has implicitly traded off human rights for systemic reform, while civil society activists have prioritised the former over the latter. As a result, the government has been accused of ignoring the plight of civilians, and civil society activists have been perceived as unwitting agents of imperial powers in pursuit of their geo-political agendas.

Neither choice is legitimate. Strengthening democracy and enhancing inclusive development require the simultaneous pursuit of civic and human rights and systemic reform. An alternative progressive political agenda needs to bridge the divide that has emerged in this regard, both in the practice of South Africa's foreign policy and in the conduct of its critics.

This can be done. Elsewhere, I have argued that South Africa's interventions in the Libyan crisis – to couple its support for Resolution 1973 with the search for a political solution – was strategically appropriate and far more coherent than critics have given it credit for. This strategic intervention usefully balanced the principles of sovereignty and the right to protect, both of which are important for the construction of an equitable global order. The failure of the intervention occurred at the level of implementation because of both mangled communication and South Africa's inability to convince its BRICS allies to partner it in the initiative.

I have provided other examples of how the divide between human rights and systemic reform could be bridged. On the UN Security Council resolution on Burma, I argued that South Africa could have opposed the matter being tabled at the Security Council, but should have then led the charge against the generals in the Human Rights Council. In the case of the ICC charging Sudan's Al Bashir, I argued that South Africa could have used this as leverage against the Sudanese authorities by using its good offices with the UNSC to invoke Article 16 of the Rome Statute – essentially granting Al Bashir a temporary reprieve – in exchange for a firm time-bound agenda of peace in Darfur. On Zimbabwe, I have argued that the essential challenge is to develop leverage over Mugabe in the pursuit of a political solution. One way would be to develop a consensus among the southern African frontline states on how to proceed, and the penalties that would be invoked,



including closure of neighbouring airspace, if ZANU-PF does not abide by an agreed peace plan. On nuclear non-proliferation, I have argued that South Africa should have led a developing-world consortium to insist that a renewal of the NNPT would only be acceded to on condition that existing nuclear powers signed on to a time-bound disarmament agenda.

All of these suggestions are informed by two related considerations. First, the achievement of both justice and peace is sometimes in tension, as it was in South Africa. In this context, it is legitimate to trade the former, but only if the latter is the dividend. Second, there can be no trade-off between human rights and systemic reform. Both have to be pursued simultaneously if a more equitable world order is to be realised. An alternative progressive political agenda must recognise these issues and enshrine these principles to inform its praxis.

FOREIGN POLICY INITIATIVES

But this foreign policy practice must also be supplemented by three additional strategic initiatives. The first involves South Africa undertaking the role of leadership in the continent, or in the words of some of the international relations literature, the role of a "benevolent hegemon" that not only prioritises stability, democracy and economic development, but also the development of regional and continental common markets. These increased markets can greatly enhance the leverage of national and continental politicians in their relations with other actors in the



global economy, and can be particularly favourable for attracting foreign investment.

Second, in tandem with this continental leadership, South Africa needs to revitalise its partnership with Nigeria. Regional and continental unions – whether economic or political – are always driven by one or two powerful states. The African agenda and a more cohesive African Union depend on the existence of a partnership between two or more regional powers directed to this goal. Such an alliance existed in the form of the South Africa–Nigeria pact for much of the first decade of the new millennium, but it has begun to fray in recent years. There is therefore an urgent need, as Chris Landsberg has argued, to revitalise this pact and maybe even broaden it into the fulcrum of the African Union. Finally, South Africa needs to continue to prioritise multilateral institutions, endeavours and strategic alliances both among the South and between northern and southern countries. This is necessary in order to contain not only the unilateralism of the United States, but also that of big economic powers acting in concert, as so often happens in global trade negotiations (such as the coincidence of interests on agricultural subsidies that prevailed for so long between the US and Europe in the World Trade negotiations).

None of this is possible unless significant weaknesses in South Africa's foreign policy engagements are overcome. First, South Africa has to prioritise South–North strategic alliances in addition to the South–South ones, if power is to be significantly dispersed in the global setting and development opportunities for the South are to be maximised. Second, some South African politicians have to transcend the market fundamentalism so apparent in some of the NEPAD documentation, in their refusal to regulate South African investment on the continent, and in the almost timid reforms undertaken at the level of the IMF and World Bank. It would be useful to note that the current success story of China is not one of simply its resort to the market, but also its pragmatism in manipulating the latter, through a fixed currency for instance, to suit its own ends.

Third, South Africa's foreign policy practitioners and trade negotiators need to become bolder. This would involve a greater willingness to get involved in the politics of brinkmanship, as occurred in Cancun, and a far better engagement with global civil society to advance a human rights-oriented development agenda. Finally, none of this will be possible without building significantly more capacity among state personnel, in both technical skills within institutions and the internalisation of these strategic perspectives far beyond the narrow band that currently occupies

the presidential and foreign policy apparatus. All this is necessary not only because an equitable global order is a moral imperative, but also because it is a strategic necessity if South Africa is to achieve its domestic priority of building an inclusive economy that caters for the interests, and is responsive to the needs, of all of its citizenry.

CONCLUSION

These recommendations – on the mediation of specific constitutional obligations, and the policy advocacy and strategic choices required to disburse power and facilitate accountability between elites and their citizens – represent the essential contours of an alternative progressive political agenda. Of course this reflection does not exhaust the list of programmes, strategies and tactics that have to be adopted to enable an alternative political trajectory. These would have to be determined in the rough and tumble of politics.

But the contours outlined here guide the choices that should be made and how they should be implemented. For instance, an alternative progressive political agenda would have to come out against the Protection of State Information Bill, given the limits on transparency it portends and the impacts this could have on the mobilisation of civil society. Similarly, it would have to oppose the Traditional Courts' Bill, given its explicit goal of empowering chiefs vis-a-vis rural citizens. The contours serve as a lodestar by which to identify the strategic behaviour, choices and policy options required to enhance democracy and facilitate inclusive development in post-apartheid South Africa. ❹

REFERENCES

- Bezuidenhout, A. 2008. "Black Economic Empowerment and externalisation in the South African mining industry", in Habib and Bentley (eds)
- Desai, A and A Habib. 1994. "Social movements in transitional societies: a case study of the Congress of South African Trade Unions", *South African Sociological Review*, 6(2), 68–88
- Habib A and K Bentley (eds). 2008. *Racial Redress and Citizenship in South Africa*. Cape Town: HSRC Press
- Saul, J. 1991. "South Africa: Between 'barbarism' and 'structural reform'", *New Left Review* 1/188. July–August
- South African Communist Party (SACP). 2006. "Class Struggles and the Post-1994 State in South Africa: SACP Central Committee Discussion Document", *Bua Komanisi* 5:1. May





Correctional Services Minister Mr Sibusiso Ndebele, MP

TOWARDS FINDING SOLUTIONS for SOUTH AFRICA'S HIGH RATE OF IMPRISONMENT and BREAKING THE CYCLE OF CRIME

On 19 and 20 November 2012, more than 170 representatives, from various organisations including government and civil society, attended a two-day colloquium hosted by the Department of Correctional Services to discuss overcrowding, alternative sentencing and remand detention management in South Africa.

Overcrowding is, perhaps, the single most pressing concern facing correctional services around the world. The World Prison Brief currently places South Africa in the top ten in terms of inmate population. South Africa has 51,8-million citizens, and the rate of imprisonment is the highest in Africa. Nigeria, the continent's most densely populated country with 166,3-million people, has 51,560 inmates with 31 inmates for every 100,000 of its people. South Africa sits at number nine worldwide with 310 inmates for every 100,000 of its people. Of this, approximately 70% are sentenced offenders and approximately 30% are remand detainees. The population of offenders serving longer than 15 years (including life sentences) increased from 4,995 during 1994/95 to 29,575 during 2010/11.

In 1984, the driver of overcrowding in South Africa was the incarceration of people as a result of influx control measures. In 1985, the key driver was the mass detention of political prisoners as a result of the State of Emergency. From 1995 to 2004, the prison population increased from an annual average of 111,090 to an annual average of 186,467 in 2004. In the same period, the bed spaces gradually increased from 95,002 to 114,097 which translates into an occupancy rate of 163,43% in 2004. On 31 October 2012, the total inmate population was 149,959 and the approved bed space was 118,968 which translates into an occupancy rate of 126,05%.

Overcrowding can, therefore, be the consequence of lack of adequate correctional facilities' infrastructure, or a result of overuse of imprisonment in the penal system. Overuse of imprisonment involves the indiscriminate, and even uncalculated, use of pre-trial detention. In other words, in order to determine the causes, an analysis must be conducted of those offenders coming into correctional facilities, the reasons thereof, as well how long they stay and barriers to release.



correctional services

Department:
Correctional Services
REPUBLIC OF SOUTH AFRICA



It is widely recognized that solutions to overcrowding do not reside solely with the Department of Correctional Services. This is particularly true when considering that remand detainees constitute about 30% of the inmate population. As at 1 November 2012, there were 45,180 remand detainees.

A Justice, Crime Prevention and Security (JCPS) Cluster Overcrowding Task Team has been established to identify blockages that result in overcrowding. The Correctional Matters Amendment Act (Act 5 of 2011) has provided a framework, for the first time, for the effective management of remand detainees in South Africa, addressing, in particular, the length of detention in police cells and correctional facilities. The Correctional Matters Amendment Act stipulates in Section 49G: "The period of incarceration of a Remand Detainee must not exceed two years from the initial date of admission into the Remand Detention Facility, without such matter having been brought to the attention of the Court concerned in the manner set out in this section."

Greater consideration needs to be given by the courts to alternative sentencing options such as Non-Custodial Sentencing, especially for first time offenders who have committed minor offences. Non-Custodial options such as Correctional Supervision, and Community Service sentences, will assist in relieving overcrowding and other accompanied ills. It is also more cost effective, and involves the community, and its stakeholders, in the processes of rehabilitation and social reintegration. The United Nations' Standard Minimum Rules for Non-Custodial Measures (The Tokyo Rules) prescribe the basic principles for the use of Non-Custodial measures, and the minimum safeguards for persons subjected to alternatives to imprisonment. The rules are aimed at promoting greater community involvement in managing criminal justice in relation to the treatment of offenders, and to instill a sense of responsibility in society.

In the United States, the Second Chance Act was signed into law on 9 April 2008. Federal and state corrections facilities held over 1.6 million prisoners at the end of 2010. This amounted to one in every 201 US residents. More than 700,000 individuals were released from state and federal prisons in 2010, an increase of 20% from 2000. More than four in 10 offenders returned to state prison within three years of their release. The Second Chance Act provides a number of grants, over a two year period, to state and local governments in order to promote the safe, and successful, reintegration of offenders into the community upon their release.

In a further effort to increase successful rehabilitation by removing the narrow focus on the offender only, the Department is also embarking on Victim-Offender Dialogues. The main thrust of this programme is to contribute to a safer South Africa through promoting family unity and stronger community systems, as well as victim support

and empowerment, while pursuing the rehabilitation of those incarcerated through well-managed rehabilitation programmes. An understanding, and acknowledgement, of the three-way relationship between victim, offender and community must inform the implementation of the Victim-Offender Dialogues.

The Freedom Charter states that imprisonment shall be only for serious crimes against the people, and shall aim at re-education, not vengeance. It is accepted worldwide that 95% of all inmates will ultimately return to their communities at some point. Therefore, conviction and sentencing can no longer be meted out without considering the eventual reintegration of offenders.

Rehabilitation programmes must impact the hearts, heads and hands of offenders. Currently, discussions are underway with the Department of Basic Education to utilize offender labour to build, maintain and manufacture furniture for schools. This is in addition to what is already being produced in correctional centres. Key to rehabilitation is empowering offenders with skills to function effectively in society upon their release but, equally important is to ensure that offenders are involved in productive activities while they serve their sentences. For this, the establishment of a trading entity is being prioritised which will impact positively on utilising offender labour. Through this trading entity, the customer base, consisting of government, NGOs and the private sector, may be offered a wide variety of products and services, ranging from furniture, clothing, steel products, food products, agricultural produce and many others. In addition, some of these products will continue to be donated to disadvantaged communities to help alleviate poverty.

South Africa was recently elected Chair of the African Correctional Services Association (ACSA). Through ACSA, correctional services on the continent will be enhanced, including persisting with the movement to reform correctional/prison systems by reducing inmate populations and promoting rehabilitation.

The Department is passionate about galvanising understanding for the transformative agenda from prisons to corrections, and preparing offenders to be reintegrated as functional members of society. We have moved away from the legacy of the past of serving solely as an instrument of retribution towards actively pursuing lasting solutions to the societal challenge that is crime by showing those in conflict with the law that there are alternatives to a life of criminality and self-destruction.

Let's continue this dialogue towards finding solutions to South Africa's high rate of incarceration and breaking the cycle of crime. Working together, we can do more.

Contact: 012-307 2934 or Logan.Maistry1@dcs.gov.za



Minister Ndebele refurbishing a house in Naledi, Soweto.



Minister Ndebele harvesting cabbages with his management team at Piet Retief Correctional Centre.

For the good of the whole:

On the doctrine of the separation of powers



By **R Cassius Lubisi, Bongani Ngqulunga** and **Khulekani Mathe**

The authors are all based in the Presidency. Lubisi is the director-general, Ngqulunga is chief policy advisor (governance and administration), and Mathe is a senior policy analyst for the National Planning Commission

Our democratic institutions, such as the multiparty system of parliament and the judiciary, are the legacy of the negotiated national settlement in 1994, as endorsed by the national Constitution to which we owe our allegiance as citizens. And yet, reservations continue to be raised. These need to be resolved. We are fortunate to be able to draw on this profound historical and philosophical essay by Dr Lubisi and his colleagues, which, although written for a different context, sets out the tradition in which our present system is located. – Ed.

Perhaps we should start right at the end. The Constitution of the Republic of South Africa – a constitution that affirms human dignity and equality for all and one that embodies judicious and accountable governance – is a product of the selfless struggle by the masses of our people ably led by the African National Congress. This point, which should be self-evident to many who witnessed the struggle for freedom in South Africa and the birth of a new society, is important to make today because, if what gets written in the newspapers is anything to go by, the very same people who sacrificed enormously for South Africa to be free have become enemies of a free society they helped create.

In this intervention we will try to address questions such as: what is the doctrine of separation of powers? What is its history and how have other countries exercised it? What does the Constitution of our republic say about it? What is its history in South Africa? Finally, we will look at several cases that shed some light on South Africa's unique and often complex application of this doctrine.

HISTORICAL REVIEW

Although there is no unanimity over its exact origin, the doctrine of the separation of powers appears to have a long history. Often cited as a product of the Enlightenment, and to a large extent correctly so, the doctrine was already evident in the writings of early political philosophers. Parpworth (2008) cites Aristotle's view in *The Politics* that

there are three elements in each constitution in respect of which every serious lawgiver must look for what is advantageous to it; if these are well arranged, the constitution is bound to be well arranged, and the differences in constitutions are bound to correspond to the differences between each of these elements. The three are, first, the deliberative, which discusses everything of common importance; second, the officials...; and third, the judicial element (emphasis added).

Feudal monarchist Europe gave rise to conditions that developed fertile ground for the germination of the doctrine of the separation of powers. It is common cause that feudalism was synonymous with the rule of absolute monarchism. Political power was largely wielded by one person or body – the king, queen or despot – who determined the parameters of such power, executed his or her own determination, and was simultaneously the arbiter of disputes over the interpretation of his or her determination.

In almost all cases, the feudal order was entwined with a religious order: in the case of Christian Europe, in the form of Catholicism or, later, Protestantism. The basic philosophy was that divine revelation was the root of all private and public good. Power



and knowledge were bestowed by a deity that endowed rulers with the characteristics to rule over their subjects. There are fewer illustrations of this philosophy as stark as the British national anthem, which survives to this day:

God save our gracious Queen
Long live our noble Queen
God save the Queen
Send her victorious
Happy and glorious
Long to reign over us
God save the Queen

The religious hierarchy necessarily occupied prime political, social and economic space in this feudal configuration.

The beginning of the Enlightenment ushered in a counter-hegemonic philosophy that saw the criterion for the authority of power shift from divine revelation to reason. Linked to this broad paradigm shift was increasing criticism of the monarchy and religious absolutism, which were seen as two sides of the same coin. It should, however, be stated that the Enlightenment, rather than eschewing religion, sought a more balanced approach to religion and reason.

On the political front of the Enlightenment, monarchist absolutism, as both discourse and practice, gave way to the ideas of liberty, democracy, social progress and, in some instances, republicanism. Liberalism as a political philosophy gained dominance during this period. Prominent political philosophers included John Locke in England; Montesquieu, who had vast experience in France and in England, where he served in the court of King George II; and Thomas Jefferson, who was a great influence in the American Revolution and the Declaration of Independence.

Locke and Montesquieu were the first to clearly articulate the doctrine of the separation of powers. In their view, power could not be concentrated in any one person or body, as was the case with the monarchy. They cautioned against arbitrary power and argued for greater checks and balances in political governance.

In his *Second Treatise of Government* (1689), Locke contended thus:

143. The Legislative Power is that which has a right to direct how the Force of the Commonwealth shall be employ'd for preserving the Community and the Members of it. But because those Laws which are constantly to be Executed, and whose force is always to continue, may be made in a little time; therefore there is no need that the Legislative should be always in being, not having



always business to do. And because it may be too great a temptation to human frailty apt to grasp at Power, for the same Persons who have the Power of making Laws, to have also in their hands the power to execute them, whereby they may exempt themselves from Obedience to the Laws they make, and suit the Law, both in its making and execution, to their own private advantage, and thereby come to have a distinct interest from the rest of the Community, contrary to the end of Society and Government: Therefore in well order'd Commonwealths, where the good of the whole is so considered, as it ought, the Legislative Power is put into the hands of divers Persons who, duly Assembled, have by themselves, or jointly with others, a Power to make Laws, which when they have done, being separated again, they are themselves subject to the Laws, they have made; which is a new and near tie upon them, to take care, that they make them for the publick good.

144. But because the Laws, that are at once, and in a short time made, have a constant and lasting force, and need a perpetual Execution, or an attendance thereunto: Therefore 'tis necessary there should be a Power always in being, which should see to the Execution of the Laws that are made, and remain in force. And thus the Legislative and Executive Power come often to be separated.

It is worth noting that Locke limits his understanding of the doctrine of the separation of powers to the executive and the legislature, which he argues is "supreme". He does not mention the judiciary as a separate power. While Locke acknowledges the role of independent courts, he is seemingly not brought to the idea that the interpretation of laws is a distinct function or power (Tuckness, 2002).

Further, Locke's conception of the doctrine of the separation of powers becomes nuanced by his doctrine



of prerogative. In his *First Treatise of Government*, Locke defines prerogative as “the power of doing public good without a rule” (paragraph 167). Locke suggests that the executive can invoke the doctrine of prerogative to act either without being authorised by a law or even contrary to a law, if such action is for the protection of human life.

Our Constitution didn't just fall from the sky. It is a product of a proud history of struggle by our people.

Unlike Locke, Montesquieu, in his *L'Esprit des Loix* (*The Spirit of the Laws*), 1748, refers to three distinct powers of the state that should be separated in order to mitigate arbitrariness and potential tyranny:

When legislative power is united with executive power in a single person or in a single body of the magistracy, there is no liberty, because one can fear that the same monarch or senate that makes tyrannical laws will execute them tyrannically.

Nor is there liberty if the power of judging is not separate from legislative power and from executive power. If it were joined to legislative power, the power over the life and liberty of the citizen would be arbitrary, for the judge would be the legislator. If it were joined to executive power, the judge could have the force of an oppressor.

All would be lost if the same man or the same body of principal men, either of nobles or of the people, exercised these three powers: that of making laws, that of executing public resolutions, and that of judging the crimes or the disputes of individuals.

Despite the categorical formulation of the doctrine, the separation of powers – especially between the legislature and the executive – has not been clear-cut in practice in most cases. The Constitution of the United States of America illustrates the closest one could come to Montesquieu's formulation by granting distinct powers to the legislature, the executive (through the president), and the judiciary (in Articles I, II and III, respectively).

History is a key conditioner of the constitutional model for the implementation of the doctrine of the separation of powers adopted by any country. Hunter-Schulz (2005: 12–13) asserts that

[e]ssentially, the American Constitution was forged by a fledgling nation that extracted its

independence with war and bloodshed. This is reflected in their constitution with a complete separation of powers, ensuring that power could never [again] be concentrated into a single organ or person.

Prior to the Constitutional Reform Act of 2005, the United Kingdom (UK) could represent the other extreme end of the continuum. In *The English Constitution*, Walter Bagehot described the UK situation as a “fusion of powers” as opposed to a “separation of powers” (Benwell and Gay, 2012: 1). The prime minister and members of cabinet were also members of either the House of Commons or the House of Lords, and the Lord Chancellor (the equivalent of a chief justice) was not only the speaker of the House of Lords, but was also a member of the cabinet. This has since changed to create the distinct position of Lord Chief Justice, who is no longer the speaker or a member of the cabinet.

MAKING THE CONSTITUTION

The Constitution of the Republic of South Africa is justifiably considered one of the most progressive in the world. It is a document that most South Africans have come to embrace and call their own. If one thinks about it, it is understandable why it is so celebrated. Its lineage can be traced back to some of the most pivotal moments in the history of our nation. Let us mention a few here that all of us are familiar with.

The very first was the founding of the African National Congress almost 101 years ago, which envisioned a country where all racial groups could live together as equals. That fundamental principle is a thread that runs throughout the struggle for freedom in South Africa and is deeply engraved in our Constitution.

Another distinguishing characteristic of our Constitution is the inclusion of a bill of rights. As many are aware, the first bill of rights in South Africa was drafted by the African National Congress in 1923 and proclaimed equal protection and equal rights for every person in South Africa. The proud lineage goes on. The Africans' Claims document, produced in 1943, called for the same freedoms and rights for African people as those contained in the Atlantic Charter. In 1954, the Women's Charter was adopted by the Federation of South African Women. As Kader Asmal correctly notes in his memoirs, it took the radical step for its time by proclaiming women's rights as human rights.

Finally, the Constitution can also trace its lineage to the Freedom Charter, adopted at the Congress of



the People in 1955, which envisioned South Africa as a home for all and thus proclaimed “South Africa belongs to all who live in it, black and white”.

It is important to sketch this history to provide a bit of context to our Constitution, to show that it didn’t just fall from the sky. It is a product of a proud history of struggle by our people. Serious thinking about a constitution for a democratic post-apartheid South Africa actually started in the 1980s. For the African National Congress, the turning point was Oliver Tambo’s decision to establish the Constitutional Committee, under the leadership of Jack Simons, that produced “Constitutional Guidelines for a Democratic South Africa”.

The Guidelines touch on various themes, including the state, franchise, national identity, a bill of rights and affirmative action, the economy, land, workers, women, the family and international commitments. What is striking, for our purposes, is that it does not mention even once the matter of the separation of powers. Clause (b)(i) comes close to this matter, proclaiming that “[s]overeignty shall belong to the people as a whole and shall be exercised through one central legislature, executive and administration”.

This omission does not mean that the liberation movement envisioned a state where there would be no separation of powers between its branches. Part of the reason for not addressing the matter directly, we contend, was because the Constitutional Committee took a decision that it would not produce a constitution for South Africa, but rather broad guidelines to be used to involve the masses of our people in the constitution-making process. Kader Asmal credits Albie Sachs for this approach and mentions that Sachs had adopted it from the Nicaraguan experience.

As a side point, former Chief Justice of the Constitutional Court Sandile Ngcobo also notes that there is no single mention of the separation of powers in the Constitution, but suggests that the absence of mention does not mean that it does not exist. The doctrine of the separation of powers is clearly visible in the description of the powers and functions of the legislature (in Ch. 4, and Ch. 6 for provinces), the executive (in Ch. 5, and Ch. 6 for provinces) and the judiciary (in Ch. 8).

We suspect that the absence of the separation of powers in the Constitutional Guidelines was also due to another important reason. As you may recall, the proposals from the apartheid regime and its supporters needed more urgent attention at the time. In his memoirs, former President FW

de Klerk constantly mentions, in his euphemistic language, that the regime envisioned a constitution that would give the white minority veto powers over democratic decisions taken by the majority of South Africans. The regime also wanted power to be devolved into sub-national entities – a ruse, if you think about it – to effectively partition South Africa. Read in that context, the Constitutional Guidelines are actually a counter-vision to that of the other forces.

“The power of an individual member of the assembly to introduce a bill, particularly those from the ranks of opposition parties, is more than ceremonial in its significance.”
Constitutional Court ruling in *Ambrosini v Sisulu*.

Given all this, the significance of the Constitutional Guidelines in the process of constitution making in South Africa cannot be disregarded. One important document that was demonstrably inspired by the Constitutional Guidelines – and, in fact, resembles it – is the 1989 Harare Declaration. It reiterates many points mentioned in the Guidelines and then asserts significantly that “South Africa shall have an independent and non-racial judiciary”.

The CODESA Declaration of Intent (1991) explicitly mentions the separation of powers. This is an important document because it is more detailed about the shape of the post-apartheid South African state. Clause (b) says that “the Constitution will be the supreme law and that it will be guarded over by an independent, non-racial and impartial judiciary”. Crucially for our purposes, clause (d) states that “there shall be a separation of powers between the legislature, executive and judiciary with appropriate checks and balances”.

The structure of the state that emerged in the Interim Constitution, and ultimately in the Constitution adopted in 1996, reflects some of the fundamental principles contained in the CODESA Declaration of Intent, which itself owes much to the Constitutional Guidelines document, which had drawn inspiration from the earlier pivotal documents mentioned above.



SELECTED SOUTH AFRICAN CASES

Case 1: Ambrosini v Sisulu (Constitutional Court judgment)

Mario Oriani-Ambrosini MP sought to introduce a bill to amend the National Credit Act. The speaker of parliament, Max Sisulu, informed Oriani-Ambrosini that the bill would have to be processed in terms of the national assembly's rules (adopted in 1998) that required that a private member's bill first be submitted to the committee on private members' legislative proposals and special petitions. The committee would then make a recommendation to the assembly on whether permission could be granted to proceed with the proposed legislation. Before the legislative proposal could proceed, it had to, in terms of the rules, receive approval from a majority of national assembly members.

The relationship between the executive and legislative is an evolving one: the principles that have been codified in the Constitution and various pieces of legislation are being tested in practice as time goes on.

Oriani-Ambrosini challenged this requirement, arguing that it violated his political and democratic rights under section 73(2) of the Constitution, which stipulates that "a cabinet member or a deputy minister, or a member or committee of the national assembly, may introduce a bill in the assembly". His application was dismissed in the Western Cape High Court. He then appealed to the Constitutional Court for the national assembly rules to be declared constitutionally invalid. In his answering affidavit, Sisulu said the rules set up a procedure to govern the initiation, preparation and introduction of legislation in the national assembly where a member introduced legislation in his or her individual capacity. "Similar procedures are provided in respect of bills introduced by cabinet members, deputy ministers and committees of the national assembly." He said the national assembly, in contrast to individual members acting as such, had the sole power to initiate or prepare legislation to be introduced in the assembly.

The Constitutional Court struck down the national assembly rules regarding private members' bills. Chief Justice Mogoeng Mogoeng, writing the majority

judgment, found that the permission requirement was constitutionally invalid. The judgment said the constitution empowered members of parliament to initiate or prepare legislation and introduce a bill, and found that the authority of the national assembly to make rules did not permit it to make any that undermined these powers.

The Court found that:

[t]he power of an individual member of the assembly to introduce a bill, particularly those from the ranks of opposition parties, is more than ceremonial in its significance. It gives them the opportunity to go beyond merely opposing, to proposing constructively, in a national forum, another way of doing things. It serves as an avenue for articulating positions, through public debate and consideration of alternative proposals, on how a particular issue can be addressed or regulated differently and arguably better.

This noble objective finds further support from the consequences that flow from the introduction of a bill. Once introduced, a bill forms part of the permanent and searchable records of the assembly, like the parliamentary order paper, the announcements, tablings and committee reports, and Hansard. This material can then be accessed by members of the public, to do with as they think fit. Also, once introduced, a bill is published in the official gazette and goes to the relevant portfolio committee, with expertise on the subject matter of the bill, for deliberation. This all promotes the values of participatory democracy, openness, accountability and transparency.

Even if a bill does not result in an act of parliament, the power to introduce it is vital to the type of democracy envisaged by our Constitution. This is so because it facilitates meaningful deliberations on the significance and potential benefits of the proposed legislation. It is therefore an important power and should not be restricted without good reason.

Individual MPs now have the power to initiate legislation and introduce bills in the national assembly. This provides them with an opportunity "to promote their legislative proposals so that they could be considered properly". The members of both the majority and minority parties in the assembly will then be required "to deliberate critically and seriously on legislative proposals and other matters of national importance" in the relevant portfolio committee before the bill is submitted to the national assembly for a vote.



Case 2: Tensions in Chapter 9 institutions

The ad hoc Committee on the Review of Chapter 9 and Associated Institutions was tasked with assessing the effectiveness and relevance of institutions mandated with strengthening constitutional democracy in South Africa. The committee's report (released in 2007 and popularly known as the Asmal Report) highlighted several tensions between the legislature and the executive.

Regarding the financial independence of the institutions, the Report expressed concern at the location of the budgets of most of chapter 9 institutions (with the exception of the Public Service Commission) within the budget allocations of specific government departments. The institutions were dissatisfied that they were not able to defend their submissions and seldom received the allocations requested. This impacted negatively on the perceived independence of the institutions and created a false impression that they were accountable to the respective government departments for the use of their finances.

The committee also raised concerns about the non-uniform approach to appointments. There is no central body that deals with appointments to Chapter 9 institutions. In many cases, the national assembly recommends candidates and either the president or the relevant minister makes appointments. In this regard, the president's powers are non-discretionary: provided the correct procedure has been followed, he or she may not refuse to make the appointment. However, there have been occasions in which the non-discretionary nature of the president's power has not been fully appreciated. For example, despite the national assembly's recommendation that 11 commissioners be appointed to the South African Human Rights Commission (SAHRC), the president appointed only five. This impacted negatively on the Commission's work.

The report was also concerned about the role given to ministers in the appointment processes of the Pan South African Language Board (PANSALB), the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities (CRL Rights) Commission and the Independent Communications Authority of South Africa (ICASA). It recommended that ministers should play no role in these procedures.

Case 3: The minister and SCOPA

There was some tension between former Defence Minister Lindiwe Sisulu and SCOPA in 2010

when the minister failed to appear before the committee on three occasions. The meetings were intended to address parliament's concerns about the department's finances. The chair of the standing committee, Themba Godi, approached the chief whip of the ANC to compel the minister to attend the meeting. The minister argued that parliamentary committees could not summon ministers to appear before them. Godi argued that the minister was guilty of "a breach of engagement" but said this was likely because 2010 was the first year that SCOPA had implemented a policy of summoning ministers.

These cases illustrate some of the tensions experienced between the executive and legislative arms of government in recent times. The case of Oriani-Ambrosini presents an opportunity to forge greater understanding among MPs of the challenges of initiating and defending legislative proposals. This understanding should also be positive for the relationship between the executive and parliament.

With regards to the Chapter 9 institutions, making parliament responsible for the finances and appointments at these institutions will likely improve their ability to fulfil their constitutional mandate – although it may create tensions with the departments that currently house their budgets and appoint their heads.

The tension between Minister Sisulu and SCOPA illustrates that the relationship between the executive and legislative is an evolving one: the principles that have been codified in the Constitution and various pieces of legislation are being tested in practice as time goes on. This is nothing to be concerned about. In fact, it is through this process that our democratic institutions are strengthened. 📌

REFERENCES

- Benwell, R and O Gay. 2012. "The separation of powers". *Standard Note SN/PC/06053*, Westminster: Library of the House of Commons
- Hunter-Schulz, T. 2005. "Rule of law, separation of powers and judicial decision making in Australia: Part 1", *The National Legal Eagle* 11: 1, Article 5
- Parpworth, N. 2008. *Constitutional and Administrative Law*, 5th ed. Oxford: Oxford University Press
- Tuckness, A. 2002. *Locke and the Legislative Point of View: Toleration, Contested Principles, and Law*. Princeton: Princeton University Press





INTRODUCTION TO ECSCA

The Engineering Council of South Africa (ECSCA) is a statutory body established in terms of the Engineering Profession Act, 2000 (Act No. 46 of 2000) (EPA). This Act superseded the Acts of 1990 and 1968 and progressively extended ECSCA's scope beyond the original purpose, namely to regulate professional engineers. ECSCA and its predecessor have thus regulated engineering practice for more than forty years.

ECSCA exists as a regulatory body for the profession of engineering because while engineering activity is essential and beneficial to society and the economy, substantial risks to health, safety and environment accompany engineering activity that must be managed by competent professionals. In addition, engineering services must be of high quality in the interests of economy and the public's safety.

ECSCA is also empowered to advise government and other parties and to take necessary steps to protect the public interest, health and safety, improve standards of engineering services, create awareness of the need to protect the environment and conduct research.

GOVERNANCE AND OPERATIONS

ECSCA is governed by a Council of 50 members of whom 30 are registered professionals representing disciplines and categories within the engineering profession, 10 are nominees of the state and 10 are public representatives. This composition arose from a principle in the 1999 Policy Document: regulation of the profession should rely primarily on professional expertise, but should be informed by the public interest.

Most of ECSCA's functions require peer judgement in decision-making. ECSCA has a range of committees with specific decision-making powers, for example registration, accreditation and investigation committees. Such committees are constituted by nominations from stakeholder bodies – Voluntary Associations (VAs) and higher education institutions. The committee system relies on more than 600 volunteers from the engineering profession. These volunteers generously give of their expertise and time, and work tirelessly for the good of the profession.

The VAs are the seat of expertise in engineering disciplines and specialised practice areas. ECSCA consequently works very closely with them. The EPA provides a recognition mechanism for VAs; currently 44 VAs are recognised.

The day-to-day running of the Council is handled by a staff complement of around 60 people headed by a Chief Executive Officer. The executive and administrative functions of ECSCA on the one hand support the expert peer-review committees that make decisions relating to standards, accreditation, registration, professional conduct and international recognition. On the other hand, a wide range of expertise is available to support the executive function in volunteer committees on career information, communications, marketing, corporate governance, finance and legal matters.

ROLE OF REGISTRATION

Registration of engineering practitioners as professionals or candidates in the categories of engineer, technologist, technician, certificated engineers, and specified categories is a key function of ECSCA which is embedded in the Engineering Profession Act (No. 46 of 2000). Currently the number of professional, candidate and specified category registrations with ECSCA exceeds 41 000.

Engineering is a profession with a core competency of solving problems based on engineering sciences. Engineering solutions are necessary for the delivery of infrastructure, goods and services. Because engineering involves exploiting and controlling natural forces and complex systems and processes, the attainment of solutions is accompanied by risks. Mitigation of these risks requires competent and accountable engineering professionals. The registration system has been established by law to ensure this competence and accountability.

Registration provides public recognition that the registered person has, through education, training and experience, demonstrated competence at an established level. It signals to the public, employers and peers that the person has not only demonstrated competency, but is bound by a Code of Conduct, is accountable for professional conduct and is committed to maintaining his or her competency. Titles attached to categories of registration and their abbreviations, for example Professional Engineer (Pr Eng), are legally protected, and it is therefore a criminal offence for an unregistered person to use such a title.

The intent of the EPA is to require registration for the responsible performance of identified functions. There are, in addition, a number of instances in which registration in particular categories is required by other legislation, for example the National Building Regulations, the Pressurised Equipment Regulations and the Water Act.

Engineering is a global activity, with services and technology being exchanged across national boundaries. The standards of engineering education and professional competence are therefore benchmarked internationally. At the educational level, ECSCA is a signatory to the Washington, Sydney and Dublin Accords (respectively for the education of engineers, engineering technologists and engineering technicians). These agreements, in addition to periodically verifying ECSCA's standards and accreditation processes, also provide for mutual recognition of graduates among the signatories.

Registration with ECSCA and membership of a VA such as SAICE are complementary. The VA promotes the interests of the discipline and its members and provides services such as continuing professional development. Different grades of membership – for example student, member and fellow – recognise the member's career progression. ECSCA provides the legal regulation of professional practice to ensure that safe, effective and environmentally sound solutions are provided and that risks are managed. The nexus between the VA and ECSCA is a corps of professionals, benefiting from the VA activities and professionally recognised through registration.

STRATEGIC INITIATIVES

ECSCA's discretionary functions under the EPA include advising government and other bodies, undertaking or promoting research, taking any steps to protect the public interest, improving standards of engineering services, promoting environmental protection, and health and safety. ECSCA has a number of strategic initiatives related to the engineering skills pipeline.

During the 2010 and 2011 period ECSCA significantly increased its involvement in and focus on strategic initiatives. The strategic initiatives were carefully chosen to ensure a reinforcement of Council's repositioning of ECSCA as an organisation relevant to the development of South Africa, willing and able to partner with Government in areas of priority skills and national imperatives.

Some of ECSA's strategic initiatives include:

Engenius

ECSA and its strategic partners continued the drive to promote the engineering profession to learners at high school through Engenius. Engenius is a career guidance programme designed to encourage learners to consider a career in engineering. The main focus is on previously disadvantaged learners and young girls. To date more than 2 million viewers have been reached via mass media campaigns. More than 50 000 individuals have been reached via face to face interaction. Learners, teachers, facilitators and young professionals continue to benefit from this program. Further information about Engenius can be found at www.engenius.org.za.

The Candidacy Phase

Registration of engineering professionals worldwide is based on two requirements; of having obtained the appropriate entry level education qualification for the category of engineering concerned, and having obtained at least three years of post-qualification practical engineering experience at the appropriate level of engineering responsibility for the category of engineering concerned.

The Engineering Profession Act, 2000 (Act 46 of 2000) makes provision for registration in candidate categories in respect of the professional categories provided for in the Act. The candidacy phase is at least three years practical engineering experience after obtaining the benchmark qualification. Candidates are trained in terms of ECSA's requirements of registration in the different categories of registration as prescribed in ECSA Policy Statements on "Acceptable Engineering Work for Candidates for Registration as Engineers, Technologists and Technicians," as well as discipline specific guidelines for the nine accepted disciplines of engineering.

ECSA has accordingly introduced a Commitment and Undertaking (C&U) system with employers of candidate engineering practitioners, in terms of which candidates are trained under formal mentorship of a professionally registered engineer or technologist in the discipline of engineering concerned. Mentors are listed per employer next to the employer's C&U number. Nationally, more than 400 employers have registered in excess of 800 Commitment and Undertakings with ECSA, with more than 3 200 mentors listed.

To date ECSA has set up a candidacy working group with task teams to develop and ensure good practice is adopted in terms of workplace training towards professional registration.

The Throughput Study

The sustainability of a representative Engineering Profession is linked to the engineering graduate output from South African universities. In 2011, ECSA commissioned a study to determine the barriers to engineering students graduating from traditional South African universities. The study report titled 'Improving Throughput in the Engineering Bachelor's Degree' was presented to senior officials in the Department of Higher Education and Training (DHET) in December 2011. Consequently, ECSA, in partnership with the DHET organised a National Engineering Education Summit on 16 October 2012, with participation from government, higher education institutions, further education and training. The summit resolutions and recommendations will be presented to the Minister of Higher Education with the goal of influencing policy and practice in respect of engineering education.

Hosting of the World Federation of Engineering Organisations' (WFEO) Committee on Engineering Capacity building

In September 2011, The Engineering Council of South Africa was elected to Chair the WFEO's Committee on Engineering Capacity Building. ECSA will host and chair the Committee on Engineering Capacity Building for the next four years. ECSA has begun forging a relationship with the United Nations Educational, Scientific and Cultural Organization (UNESCO) and is in the process of exploring a mechanism for collaboration between ECSA, Department of Science and Technology (DST) and UNESCO on various initiatives related to Engineering Capacity Building across the African continent. This committee will focus on building sustainable engineering capacity, both in developing countries and in developed countries faced with an aging population of engineering practitioners.

Call centre	011 607 9587 / 9502 / 9571 / 9554
Telephone	011 607 9500
Fax	011 622 9295
E-mail	engineer@ecsa.co.za
Website	www.ecsa.co.za
Postal	Private Bag X691, Bruma, 2026
Physical	1st Floor Waterview Corner, Bruma Office Park 2 Ernest Oppenheimer Ave, Bruma, Jhb



**Cyril Gamede Pr Eng
ECSA President**

of engineering students in the mid-1990s with the objective of encouraging engineering as a career within the black community.

Cyril was involved with the Natal Branch of the South African Institution of Mechanical Engineers (SAIMechE) for many years. He later joined the Council of SAIMechE and was elected president in 1999.

Cyril Gamede is the President of the Engineering Council of South Africa (ECSA) and is also the Chief Executive Officer of Umgeni Water. Cyril was appointed in July 2012 as the President of the ECSA.

In 2011 Cyril consulted for ECSA to assist in its Transformation Initiative. He was also involved with the ECSA Professional Advisory Council (PAC) (Mechanical) for several years.

Cyril holds a Mechanical Engineering Degree, a Masters in Mechanical / Industrial Engineering including an MBA degree from the University of Cape Town.

Cyril made history by becoming the first president of National Society of Black Engineers, a formation which was started by a group

Adrian Peters is the Vice-President of the Engineering Council of South Africa (ECSA) and was appointed in July 2012 as the Vice-President of the ECSA.

Adrian holds a BSc Civil Engineering degree from University of Natal (now UKZN) as well as an MBA degree from the University of Wales.

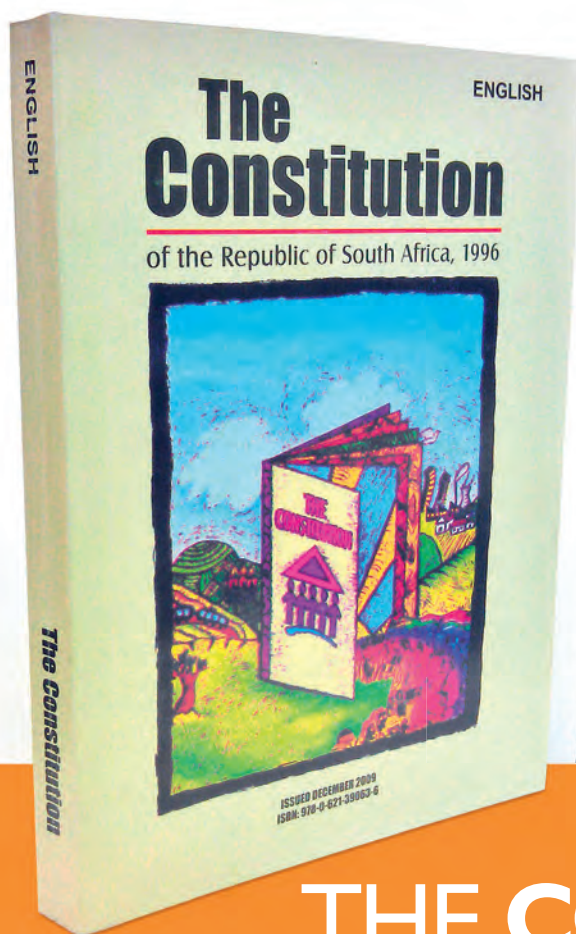
Adrian chairs ECSA's Legal Matters Committee, and is a member of the Identification of Engineering Work Steering Committee. Adrian served as the Vice Chair of ECSA's Investigation Committee and is now the newly appointed Chairperson of ECSA's Investigation Committee.

Adrian currently holds the position of Head: Engineering/City Engineer of eThekweni Municipality. Adrian has 21 years of experience in municipal engineering, 12 years of which were spent in the Transportation Sector where he held positions of Manager: Transportation Engineering rising to Director: Traffic and Transportation. Adrian led the process of establishing the first Transport Authority at a municipal level in South Africa, prior to taking up his present position in October 2002.



**Adrian Peters Pr Eng
ECSA Vice-President**





JUSTICE EMBRACES THE CONSTITUTION AS THE COUNTRY'S HERITAGE.

The century long struggle saw various individuals of different descent coming together to advance the course for a democratic, non racial and non sexist South Africa. Various efforts of many heroes and heroines of the liberation struggle which we celebrated during this year gave birth to our thriving constitutional democracy. Our democracy is anchored on the Constitution which is a towering testament of the country's emancipation and an embodiment of our collective genealogy and aspiration.

When former President Nelson Mandela signed the Constitution into law 15 years ago, he erected a monumental spirit of justice and the rule of law at the heart of the country's democracy. This colossal product of the country's emancipation, which former president Mandela described as an embodiment of our nation's highest aspiration, is the greatest virtue bequeathed to our democracy by a century of selfless struggle.

The Constitution redeems the heroism of many South Africans who lay down their lives for liberty. It serves as a bridge between South African past of gross and systemic violations of human rights and a future based on democracy and respect for human rights. The signing of the Constitution into law marked a significant transition from the brutal dehumanising system which retarded the country's potential and polarised the country's citizenry through discriminatory practices.

In line with the country's vision, the Constitution seeks to establish a united and democratic South Africa which is based on human rights, equality, freedom and respect for the rule of law. It seeks to establish a society in which all human beings will have equal dignity and respect regardless of their cultural grouping.

As a product of an inclusive process and collective endeavour, the Constitution represents the ideas of ordinary citizens, civil society and political parties.

This monumental document is a product of two million submissions and petitions, which were received, collated, processed and negotiated into constitutional formulations.

Many South Africans participated in the process of drafting the Constitution and together shaped a country that values human rights. A special effort was made by the Constitutional Assembly to keep the public informed, gather their views, consult with civil society, and ensure that the final product was legitimate and reflective of the views of all.

Notably, Chapter 2 of the Constitution, the bill of rights, is a crucial vehicle towards the realisation of the country's vision. The Bill of Rights affirms democratic values of human dignity, equality and freedom. These values are the guiding principles or standards for all of us to understand and promote a culture of human rights.

While there is still more to be done, significant strides have been taken to realise the noble principles in the Constitution. Chapter Nine Institutions have been set up to protect the rights of the citizens and hold government accountable for its actions.

There are also various efforts to ensure that all South Africans have access to justice as envisaged by the Constitution. All sectors of our society including the courts have an obligation to protect the noble principles enshrined in the Constitution. In support of the significant role performed by the courts in safeguarding our Constitution, the Department of Justice and Constitutional Development is constantly making significant interventions to ensure effective administration of justice.

In recent time, the Minister of Justice and

Technology (MOVIT). The successful implementation of PEAS and MOVIT will relieve work pressure on the Masters' officials, and curb the possibility of fraud and loss of documents.

In order to ensure that efforts to deliver quality services in time are not frustrated by acts of criminality, a Fraud Prevention Plan and Whistle Blowing Policy were developed as part of the Department's resolve for zero tolerance of fraud and corruption.

Simultaneously, the Department is strengthening its control measures and financial management with a view of ensuring effective governance and administration.

During the 2011/12 financial year, a considerable time and effort was invested in turning around the administration of

Several legislations seeking to advance the transformation of the justice system, repeal obsolete statutes and strengthen the independence of the judiciary, such as the Constitution Seventeenth Amendment Bill, Superior Courts Bill, Legal Practice Bill and Traditional Courts Bill, have already been tabled in parliament and are currently undergoing the necessary legislative development process. As part of our participatory democracy, which is guaranteed in the Constitution, South Africans are actively submitting their contributions.

This year Minister Jeff Radebe also released two significant policy proposals on the transformation of the judiciary and state legal services. The implementation of these policy documents will among other ensure the independency of the judiciary and deal with growing inequalities in the



Constitutional Development officially opened courts in areas that were previously underserved as part of the Departmental infrastructure development programme, which in many ways seeks to redress the imbalances of the past.

A maintenance turnaround strategy which seeks to reduce the amount of time spent on the queues and ensure that rightful beneficiaries receive their dues is currently being piloted in nine (9) courts with high volumes located in all regions.

As part of the turnaround strategy in the Office of the Master of the High Court, special focus has been placed on training frontline officials, implementation of enabling technology such as the Electronic Fund transfer a Paperless Estate Administration System (PEAS) and Masters Own Verification Information

the Department towards an unqualified audit opinion on the vote account. A number of interventions have been initiated to ensure that the Department achieves an unqualified audit in 2012/2013 financial year.

These include Identifying systems, people and processes to address the qualification on Third Party Funds and consulting with relevant stakeholders. Other measures include the preparation of annual financial reports, putting systems in place to identify and manage irregular expenditure and improve performance information.

Since the conceptualization and implementation of these initiatives, the Department received an unqualified audit in most areas which include irregular expenditure, assets, leave and performance information.

country and thereby assist in meeting the demands of the Constitution.

In all its endeavours, the Department works to ensure that the notion of access to justice for all, as dictated by the Constitution, becomes a reality and the wishes of those who paid the higher price in pursuance of a just and democratic South Africa were not in vain.

Collectively we have a responsibility to ensure that this treasure is preserved and continue to guide in the process of building a united democratic South Africa.

As President Mandela said, "Let us now, drawing strength from the unity which we have forged, together grasp the opportunities and realise the vision enshrined in the Constitution".



the doj & cd

Department:
Justice and Constitutional Development
REPUBLIC OF SOUTH AFRICA



Switchboard: Tel. 012 315 1111
www.justice.gov.za

Driving change:

The National Development Plan Vision 2030

By Trevor Manuel



The author is the minister in the Presidency responsible for the National Planning Commission. This presentation was made to the ANC Parliamentary Political Education programme

The National Planning Commission didn't take a cookbook approach to produce the National Development Plan (NDP). There are a lot of cookbooks around – but when you see chefs at work, they're not reading from a cookbook. And a cookbook can't tell you how to feed the country, because the issues are different and dynamic. We need to be alive to the realities we're talking about. In our case, there are different senses of globalisation, different competitive forces, different kinds of manufacturing, value and ownership patterns, and different processes of government.

The NDP is also not a series of new policies. We went through a few, very ordered, steps. The first was to try and understand what was wrong. On 9 June 2011, just 13 months after the Commission was appointed, we told parliament that we had set objectives. The two big issues are poverty and inequality, but to deal with that, you have to understand what the impediments are. We laid out an overview in the Diagnostic Document. After launching that document in parliament, we had very extensive discussions across the board. By the time we released the proposed Plan on 11 November last year, we had added four additional areas to it.

We've harvested policy from every department. Sometimes we've added little bits or changed the emphasis in particular areas. But one key to planning is to understand how everything fits together. The second key is to focus on implementation. These are the issues I want to speak about: how we link objectives and actions.

SIX PILLARS

Our primary focus is the two issues that we have interpreted from our Constitution again and again: poverty and inequality.

We've set the poverty measure at R432 per person per month (in 2012 terms). This is not a lot of money, but 39 percent of South Africans still live below that line. The objective is for nobody to live below that line, and the question is how to deal with this.

The second issue is inequality. It is a fundamental problem. As skills accumulate, there is growing inequality because some people are earning better. Consider just the inequality in our families – and all of us, as members of parliament, are now much better off than the majority of South Africans. So inequality needs a different treatment than poverty, which is why we've separated them, while insisting that we retain a focus on both.

In order to do that, the Plan calls for six pillars to be built. First of all is *the unity of all South Africans* around this common purpose. All South Africans. All races, all classes. We need a full-on action to deal with these problems.

The second is that we need *an active citizenry*: citizens active in their own development. Not alone. Not without the state, and hopefully not against the state. But citizens active in an energised democracy, which means something more than having elections once every five years.

The third pillar is *inclusive economic growth*, because you can't raise living standards unless you also raise growth. If you want to raise growth, you have to focus on exports and create more employment. One factor that increases inequality is those who earn zero, and people who are unemployed earn zero. The more "zeros" there are, the higher the Gini co-efficient.



The fourth pillar is that we need to improve our *capabilities*. Development economist Amartya Sen developed this capabilities approach in his book *Development as Freedom*, for which he received the Nobel Prize. The capabilities of the *country*, we argue, depend on a range of infrastructure issues. If you don't have ports, roads, broadband, then you can't develop. And the capabilities of *people* have to do with skills. If we want skills, we've got to get the education system right.

The fifth is the *capable and developmental state*. I think the notion that these are two separate issues is now put to bed: it's capable-and-developmental.

The last and very important pillar is a focus on *leadership* – and clearly not the “big man” notion of leadership. It's an all-in effort by everybody, wherever we find ourselves.

We're not going to be able to construct a programme of transformation without those six pillars in place.

CONDITIONS FOR CHANGE

We looked at the conditions needed for change, the opportunities that present themselves, and the capabilities to follow through. There are three factors at the heart of this. The first is active citizenship. The second is effective governing – with “effective” as a shorthand now for both “developmental” and “capable”. You can't be in local government if you don't care whether people have water or not, and you also have to make sure the water flows through the taps. The third issue is that leadership question. No leadership is built in a classroom. Leadership is built in struggle, in taking up issues and opportunities and in developing organisations. If you don't focus on the conditions people live with, and on the opportunities that are created by focussing on those conditions, then you're not going to grow in leadership.

As we deal with these issues, we understand how they create a better basis for employment, for economic growth, for poverty reduction – and through that, for raising living standards. It also lays a basis for the strong social cohesion that is necessary for change. People must pull together. A people at war with itself is a people that is not focussed on the issues of development and raising living standards and improving quality of life.

So all of these things act together as a package, which is to say again that the Plan is not a cookbook. A cookbook tells you to take so much of each ingredient and what to do with them, but we have to decide how to bring these things together to drive change, and to what end.

The Plan contains a number of targets, and remember: a target is not a promise. They give an idea of the magnitude of the issue we have to attend to.

On the issue of employment, we extrapolated population growth over the next period, and set 6 percent unemployment as our measure of full employment, as the best we're ever likely to get. Now the question is: how many jobs do you have to create? The answer is 13 million – which is approximately the same number as there are people in permanent employment at the moment. That gives you a scale of the problem without making a promise. The New Growth Path talks about 5 million jobs by 2020. How will this country create 13 million jobs to ensure that no family goes hungry?

Similarly, we need a measure of how much growth is needed to raise per capita incomes from R50 000 to R120 000. But because we also have to focus on eliminating poverty and reducing inequality, there is also the question of how to get that income distributed more equally.

If you look at the inequality trend, our Gini co-efficient is 0.69 at the moment. (The closer it is to 0.00, the more equal the country.) Thirty-five years ago, China had a Gini of close to 0.00; today it is trending towards 0.49. The United States, with all of its problems, is at 0.43. Now we'd all like to dream of South Africa with a Gini co-efficient close to zero, but we've used a more modest target of 0.60. And it's going to be very, very hard to obtain.

EDUCATION, SKILLS AND INNOVATION

That's the big picture. I'd like to turn now to something that should be uppermost in our minds because it will determine the opportunities for the next generations. It's Chapter 9 of the Plan: “Education, skills and innovation”.

If we don't focus our attention on this, then everything else will fall apart. The quality of education is fundamentally important. The department of basic education (DBE)'s *Action Plan 2014: Towards Realisation of Schooling 2025* is sensible but it needs some work. One of the areas we focus on is early childhood development (ECD).

There's a big divide in access to ECD, to good quality ECD with trained teachers, a good learning environment and good nutritional support. When children start school, the children of the poor are already left behind. The gap opens up and it widens as they progress through life. How does this happen in South Africa? It's largely because ECD is not seen as part of the education equation. It's managed by the



department of social development, and partly by the Expanded Public Works programme – we look to ECD as a way to employ people rather than focusing on what it means in the life of a child. Educationists and health experts say you’ve got to focus on the first 1 000 days of a child. Focus on nutrition, on intellectual stimulation, and other things follow.

No leadership is built in a classroom. Leadership is built in struggle, in taking up issues and opportunities and in developing organisations.

There are a several issues here. We must define the system properly. We must deal with the institutions. We’ve got to understand the value of nutrition. We’ve got to retrain every teacher involved – in countries with the best education systems, like Finland, you can’t teach the early childhood phase without a master’s degree. We’ve got to ensure that the sector is properly funded and overseen, and we must have targets that we can measure and monitor. A lot of this falls outside the DBE’s action plan, but we understand that, unless we focus on ECD, we will continue the division in schooling between rich and poor.

The World Bank released a very interesting report about a month ago. South Africa has a very high measure of enrolment in early primary school, with a very high enrolment of girl children. By grade seven, though, it drops off. The report found that children of parents who did not themselves finish primary school are most likely to be among the early dropouts. And so inequality is replicated in the schooling system.

There are other issues, such as teacher upgrades and computer access for all schools. Even the bulk of the Dinaledi maths and science schools still don’t have internet. District offices don’t function. And then we have to look at issues in infrastructure in education. I think we were all woken up by what happened with the Limpopo schoolbooks.

In the further education and training (FET) sector, we’re not producing nearly enough artisans, and the artisans we produce are not finding employment because their training is not good enough. We’ve got to look at our universities, to understand the dropout rates, to get better returns and to create more opportunities for people.

Now, we’ve heard President Zuma speak a number of times about the “non-negotiables in education”.

It was included in his acceptance speech at the 2007 National Conference in Polokwane, his January 8 speech in 2008, and every State of the Nation address. It may be his most consistent message: “teachers in class, on time, teaching; no neglect of duty; no abuse of learners”.

Just pause for a moment and think about Limpopo. Were teachers in class? Were they teaching? Because that is their duty, as teachers, as development workers, as revolutionaries. Didn’t they notice that there weren’t any books?

The question is: if you have a mantra like “the non-negotiables in education”, how do you oversee it? This is the difference between policy and transformation. Transformation actually requires action on each one of those. You need to know that the teachers are in class. How do you know it? How do you know they’re on time? That they are teaching? What measures do you use? How do you reconstruct accountability frameworks? Without that, nothing happens.

OUR COLLECTIVE PROBLEM

An *energised democracy* doesn’t just require us to visit our constituencies and do a bit of political work three months before the election. We knock on doors and people say, “*Uvela phi?* Why did we vote for you?” That’s not democracy! Our democracy must be measured in improvements in the quality of life.

Take a simple example like the Limpopo textbooks. How does this happen? How come no ANC branch knew that the books were not delivered? What do we talk about in our branch meeting? What is the role of the ANC branch in development? What is the role of the public representative, be it a member of parliament or of a provincial legislature or municipality? People go to church. They go to Orlando Pirates supporters’ club meetings. And they don’t know that there are no books? Something’s very broken in society and it’s our collective problem. How did the system fail us? Where are we? How do we think development happens?

The National Development Plan is not about complex theoretical constructs of value or economics. It’s about measuring improvements in the quality of life. It’s about understanding the difference between a static democracy that will die and one that is energised.

We had this really interesting debate in the ANC Policy Conference: is this the second transition? Is it the second phase of the first transition? I almost put up my hand and said, “This Plan is a second chance for what we’ve wasted thus far: our democracy.”



It's the fruits of our struggle. It's the blood of our martyrs that brought this democracy. It's all of that pain and prison and exile and banishment that brought the democracy. And then we said, "Now that we've got it, everything will be okay." Transformation is not about announcements and it's not about cookbooks. It's about eating.

We need to see that all these issues are connected. You can't hold on to one clause of the Freedom Charter – whether it's "The people shall govern" or "The doors of learning and culture shall be opened" – and not be interested in the rest. The struggles of people have always been interconnected. So we need to stop thinking in little boxes that say "home affairs" or "education" and understand that transformation is an inclusive process. We have to catalyse people's involvement in their own lives, their own activities and development.

CRITICAL FACTORS

A number of things have changed since we released the proposed Plan last November, which are simplified in the new "Overview" chapter. There are targets and enabling milestones, direct steps that we've articulated to attack poverty. Issues that didn't get adequate attention in the November draft – including youth, the disabled, women, arts and culture, sport and recreation – are now more integrally accounted for. There's a lot more detail.

We've given a lot more attention to the "low growth trap". The second quarter GDP results put economic growth at 3.2 percent. That's just a little bit higher than our population growth and insufficient to raise living standards and bring more people into employment. Before, we had difficulty conceptualising this issue. The people working on the economics chapter thought that the social cohesion chapter would deal with them, and the social cohesion people said it was an economics issue. The revised version integrates these differently.

I want to end by returning to what we've called the "critical success factors".

First: focussed leadership. Who is the leader? Not the person we will elect as president of the African National Congress at the 53rd National Conference in Mangaung. There's never been a single individual leader – or even that approach to leadership – in the ANC or in the country.

Leadership involves every one of us. It must be focussed, determined. Every morning, we must get up and say, "What difference do I make today?" Every bit

of work counts. I was privileged to serve on a global growth and development commission, and one of our tasks was to identify the common trends in countries that grew sustainably over time. In every case, it was leadership that drove and motivated people.

A cookbook tells you to take so much of each ingredient and what to do with them, but we have to decide how to bring these things together to drive change, and to what end.

The second issue is inclusion. It's a plan that must involve all South Africans. We must reach out and bring people in and not exclude ourselves.

Thirdly, we need to know when our institutions don't work. Start with parliament. Does it work as it should? Does it hold the executive accountable? Do members advance the interests of the communities they represent? Don't point fingers; ask the questions. Look at every institution and ask those tough questions.

We're not going to get everything. We will take many of these issues through stakeholder discussions and there are going to be trade-offs. What can we give? What can't we give? We must seek the maximum that we can get.

And as we deal with these issues, we need to mobilise resources to sequence what happens. Let me go back to education. If a child doesn't have proper nutrition in those first 1 000 days, his or her learning is going to be constrained. *For life*. So, there should be some mechanism in the ECD scheme. But we are making such a mess of primary school nutrition, how are we going to get it right in the early childhood centres? We can't just shrug it off by saying *unzima lomthwalo* [the load is heavy]. We can't take that approach. We must fix primary school nutrition in order to fix early childhood development.

And we must be clear about whose responsibility *everything* is. The president said, "I don't want a government plan. I want a plan for South Africa." It's a plan for all South Africans, which needs to be implemented by all South Africans. Freedom hasn't reached all South Africans and we must understand that the road ahead is going to be very rocky. There's still no easy walk, but we are on the road. It's as basic as that. 🍌





University of Fort Hare
Together in Excellence



Excellence in Public Administration & Community Service

ADDRESSING UNEMPLOYMENT CHALLENGES AMONG YOUNG GRADUATES IN SOUTH AFRICA: THE ROLE OF ENTREPRENEURSHIP EDUCATION

Edwin Ijeoma
Professor of Policy and Public Sector Economics
Chair and Head of Department of Public Administration
University of Fort Hare

Preamble

To successfully address unemployment across young graduates, certain things need to be developed regarding the training of potential entrepreneurs through tertiary institutions. Entrepreneurship education is a common course of study in higher education settings. A wide variety of curricular approaches exist, though many common elements are found across institutions and settings. These texts and programs must be structured to introduce the concept of entrepreneurship and provide hands-on experience and working models for students to develop skills as entrepreneurs. The principles of entrepreneurship must be considered valuable for students at all levels. In response to the rapidly changing national landscape, not only high unemployment but more generally in the areas of economic growth and job creation, entrepreneurship is being increasingly emphasized as a critical resource. (Kourilsky, 1996: 2) Similarly, Timmons and Spinelli (2007:18) recognise that there is no substitute for starting a business, but it is possible to expose students in all fields to many of the vital issues and immerse them in key learning experiences

through case studies of successful entrepreneurs. Concerning this point on students' capacity building in entrepreneurship, a multi-sectorial policy, going from higher education institutions to centres of training, is needed. For a long period of time, many graduates in all fields of study were not trained in entrepreneurship. However, many universities are engaged in various programmes dealing to fill this gap on training of potential entrepreneurs. The courses include entrepreneurship and small business management, innovation and creativity, opportunity recognition and business plans. These courses are aimed at developing and unleashing graduates' expertise in entrepreneurship. As has been mentioned earlier in the case of the US, the proliferation of entrepreneurs was associated with the emergence of centres and higher education institutions specialised in entrepreneurship.

The Need for Entrepreneurial Education

In universities, courses in entrepreneurship must be implemented at all levels and in all fields. The course "entrepreneurship" focusing on the management of



Recipient of the Supreme Order of Baobab (Gold)

Professor EOC (Edwin) Ijeoma, PhD.

Professor of Policy & Public Sector Economics

Chair & Head: School of Public Administration (SPA)

Editor: Africa's Public Service Delivery and Performance Review

Faculty of Management and Commerce

University of Fort Hare, Bisho Campus

Opposite the Eastern Cape Legislature

Independence Avenue Bisho, 5601

South Africa.

Telephone

: +27 40 608 3426

Mobile

: +27 72 672 6276

Fax

: +27 086 625 5571

Website

: www.ufh.ac.za/departments/publicadmin

Alternative E-mail

: adewafrica@yahoo.com

creativity and innovation develops the nature of creativity and innovation, and how entrepreneurship involves the ability to identify market opportunity based on new ideas. The course may assist the student to recognise any opportunity within an environment. However, the courses on Entrepreneurship and New Venture Creation are intended to build personal appreciation for the challenges and rewards of entrepreneurship and to foster continued development of venture ideas, suitable as career entry options or for investments (Löwegren 2006:26). A social sciences or engineering student needs the same entrepreneurial skills as the business student; the same with the medical student. A business plan is needed to open a clinic or a law firm. An opportunity recognition is not there for only business students, but for all those who are willing to embark on any entrepreneurial activities.

Henry, Hill and Leitch (2003:12) point out that entrepreneurship training can complement the early stage awareness-raising function of entrepreneurship education, as it provides the more practical skills that entrepreneurs require when they are ready to set up their business. Ladzani and Van Vuuren (2002:156) state that organisations wishing to develop entrepreneurship education presuppose that the lack of training of entrepreneurs is the main reason for venture failure. Along the same lines, Pretorius, Nieman and Van Vuuren (2005: 424) add that the transfer of the requisite knowledge and skills is the easiest part of training and is incorporated in most training programmes on entrepreneurship. However, the behaviour to engage in the start-up process is what really matters but is lacking in most entrepreneurship programmes. South African tertiary institutions may draft a comprehensive programme in entrepreneurship with an aim to closing the missing links being experienced in the entrepreneurship education and development.

Development of entrepreneurial behaviour

Lewis (1987: 41) points out that: "In traditional classes, students are expected to acquire knowledge one step at a time, adding methodically to their storehouse of facts until they have sufficient to pass an examination. This demands left-brain skills. The problems students are given to solve more often in traditional classes demand an analytical rather than an intuitive approach. This too is a task for the left hemisphere. Written work, by which ability is chiefly

evaluated, must be organised, well argued and logically structured...all left-brain skills. The students considered most intelligent and successful are those who strive after academic goals, can control their emotions in class, follow instructions, do not ask awkward questions, are punctual and hand in class assignments on time. Goal-setting, emotional restraint, time-keeping and matching their behaviour to other people's expectations are all left-brain skills. Children are meant to learn by listening, keeping notes and reading books. All these, too, of course, are tasks in which the left hemisphere specialises".

Gibb (1987:38) argues that to develop entrepreneurs or more enterprising individuals, the focus of the education system in entrepreneurship needs to be shifted away from the traditional to what he terms "the Entrepreneurial". Thus, the challenge is to develop a system of learning (and assessment) that complements the traditional and develops in its students the skills, attributes and behaviours characteristic of the enterprising or entrepreneurial individual. Olsen and Bosserman (1984: 53) suggest that "individuals will exhibit entrepreneurial behaviour when they possess a combination of three attributes", namely role orientation, emphasizing effectiveness and personal skills.

Concluding Remarks

It has been established in many research outcomes that successful entrepreneurs have a set of personal skills, attributes and behaviour that go beyond commercial interests. These attributes need to be developed in students if their entrepreneurial capabilities are equipped to meeting the challenges of the entrepreneurial climate of the 21st century. Therefore, there is a need to change both the content of courses and the process of learning on entrepreneurship education.

According to Rae (1997:199) "while students still need to develop their business skills and understanding, more attention needs to be paid to the development of their entrepreneurial skills, attributes and behaviours, introducing modules and courses specifically designed to develop the awareness and characteristics of the entrepreneur"; these include, amongst others, communication skills, especially persuasion; creativity skills; critical thinking and assessment skills; leadership skills; negotiation skills; problem-solving skills and social networking skills.

Class power in South Africa

By **Jeremy Cronin**

The author is the deputy secretary-general of the South African Communist Party and the deputy minister of public works in the South African government. This is an edited extract of his presentation to the ANC Parliamentary Political Education School on 2 November 2012

Although South Africa has changed, history continues to mark our society very profoundly.

I'll start with a very broad overview of South Africa's history and the formation of modern classes, in order to understand contemporary class power.

Class and race overlap deeply in the economic development of the late 18th and early 19th century, which saw the incorporation of South Africa into the emerging global capitalist economy. European and American mining interests imposed a highly developed stage of monopolistic industrial capitalism on South Africa. The huge demand for cheap labour led to the development of a migrant labour system, in which impoverished rural labour reserves were forced to not only produce labour power for the mines but also to shoulder the burdens of social reproduction (rearing of children, care for the sick and aged, etc.)

Although South Africa has changed since then, this history continues to mark our society very profoundly. Still today our economic growth path is very dependent on unbeneficiated mineral commodity exports. At the same time, we're very import-dependent for capital goods (e.g. machinery, technology), luxury goods and processed foods. As an example, we export relatively cheap manganese and platinum and it comes back to us as cell phones and televisions. So you can see that the way in which we are located in this global capitalist system is problematic and unfavourable to our own development.

Industrial capitalism did not develop organically here as it did elsewhere, from local small enterprises. It was imposed on us by highly developed foreign interests. It is because of this that we still have very high levels of monopoly concentration, particularly in the mineral-energy-finance complexes and also, increasingly, in retail.

The problem is compounded because the racial and national oppression of the majority of our people – their poverty – means that our national market is very weak. Countries in the regional market were also messed up by this pattern of development. In order to find a market for what we have to sell, we look outwards. This creates a vicious cycle of ongoing export dependency.

For all of these reasons, we have a very underdeveloped manufacturing sector, given the size of our country and our level of development. The same is true of our SMME and co-operative sectors.

There are also spatial and geographic distortions and inequalities. Even today, if you were blindfolded and driven in a car, your bottom would tell you where you are: an urban centre, a formerly white area, a township or a former bantustan.

We have a very divided and segmented working class. Mining developed around a skilled white artisanal segment of the working class and a majority of unskilled migrant labourers. This structure has been locked into place by powerful forces and interests. Everything has favoured mining and works against the development of other sectors, such as manufacturing – where the jobs would be. Now we're opening up the northern mineral belt around Lephalale. The big question is: are we going to do the same thing? Obviously we mustn't. But unless, as South Africans, we are vigilant about this, we will.

FINANCIAL SECTOR

Here is another part of the same story: capitalism comes into South Africa at a very high level of development, dominated by the big mining houses – but also by the big finance companies. Finance and mining have been twins, and finance has even been dominant. It is the same today. We have four big





When you talk about class power, you're talking about two dominant classes. The capitalist class has the power and the working class has the numbers. That's characteristic of capitalism. But what I've been trying to say, and why I spoke about our history, is that what we have is not "just another" capitalist class and working class. In South Africa, both classes have

particular features that have been profoundly shaped by this history.

Compared to the rest of sub-Saharan Africa, we had advanced industrial capitalist development very early. It was intense and extensive. And so, very early, two key classes developed: the powerful capitalist class, dominated by finance and mining capital, and a large and growing industrial working class – a proletariat. In the course of the 20th century, the South African peasantry became a small minority, unlike in the rest of Africa, and was dispersed into the small reserve territories, on just 13 percent of the land.

This structure has been locked into place by powerful forces and interests. Now we're opening up the northern mineral belt around Lephalale. The big question is: are we going to do the same thing? Obviously we mustn't. But unless, as South Africans, we are vigilant about this, we will.

And, of course, given the nature of South Africa, this capitalist class has been overwhelmingly white and male. Let me quickly add that not all whites were or are capitalists. But the majority of whites in South Africa were beneficiaries of this system, and within the white community, the interests of the monopoly capitalists were dominant and most whites identified with it to varying degrees. Those of us who didn't were a minority of a minority of a minority.

ASSESSING BEE

Given this racial character, what is the way to change things? One answer that was developed over the course of the 1990s was to promote a "black patriotic bourgeoisie". But there aren't two bourgeoisies or two working classes in South Africa! There is one capitalist class. And some of its members now are black. We, the ANC and the government, actively set about making policies that would create a black patriotic bourgeoisie that would begin to change the reality.

What is the BEE scorecard? I'll give my version – which I share with others – and some of you may disagree. None of us is opposed to black economic

empowerment, if you take those words seriously. The social and economic empowerment of the black majority is what it's all about. But BEE, especially in its narrow sense, didn't transform this problematic economic growth path. By focussing on de-racialising capitalist ownership, it changed the complexion of the boardroom, a little bit. But do the blacks sitting in the boardroom change capitalism? Or does capitalism change the black sitting in the boardroom? I'll leave that to the jury here.

Many comrades genuinely said, "Why shouldn't we advance? That's what the Afrikaners did after the electoral victory in 1948." It's true, but there are important differences between their situation and ours.

First is the obvious one. After 1948, the National Party and the Afrikaner nationalist movement used state power to advance the interests of Afrikaner capitalists, to get a slice of the action away from the dominant English-speaking monopoly capitalists. But it was still premised on the super-exploitation of the majority of black people. They didn't change *that* system. It was just a deal between white minorities over the super profits that were generated.

Now, as the ANC-led government, we can't possibly be doing the same thing! Let's continue the super-exploitation of the black majority, but create a bit of space – 26 percent or 14 percent? We can't possibly. We want black economic empowerment for *all* black people in our country, not for a small elite. We should be working towards a different reality.

The other critical difference is that, before 1948, there had been a significant process of capital accumulation by Afrikaans businesspeople, particularly in the financial sector. In the agricultural sector, they developed co-operatives like KOO and KWV, but through mobilising Afrikaner savings, they created financial companies like AVBOB and what would become Sanlam. Then they used state power to tell the mining companies that they must give these companies a slice of the action. Anglo-American agreed, because they realised they could "change in order to prevent change", in order to prevent transformation. (And that's what they've done again with us after 1994: given some black people a slice in order to maintain access to state contracts and to reduce the pressure on them for change.)

But prior to 1994, for historical reasons, there was no serious accumulation of capital by aspirant black capitalists. After 1994, there were only two ways for them to acquire capital. One way was to be given shares that eventually had to be paid back, in exchange for access to the new government and



help with controlling workers. It was a relationship of dependency, on their terms, and on the promise of future profits and dividends.

The alternative and related path to capital acquisition was to be parasitic on the state, to highjack resources that should be going elsewhere. This is the whole story of “tenderpreneurship” and corruption. An example: I’m now deputy minister of public works. Recently, there was a presidential high-level summit, which was hosted by the department of public works at one of our properties. The guesthouse hardly has any furniture and doesn’t have basic equipment like knives, forks and glasses, and so these had to be hired. Can you guess what the hiring firm was charging for a glass, for one day? One hundred and twenty rands! What’s happening there? Someone in public works – and we’re trying to get to the bottom of it – is taking a big cut.

This is what happens because we’re trying to develop a patriotic black bourgeoisie. I’m not saying that every black entrepreneur is caught up in this. But, given the structure of our reality, this policy pushes people into compradorist relationships with established big capital or parasitism on the state. It causes factionalism within political organisations.

CLASS DIVISIONS

From its formation and then through the early 20th century, the working class in South Africa has been weakened by the transitory and ethnic character of migrant labour.

You can even see this playing itself out in Marikana. Contract workers, who are still basically migrant workers, are at the heart of those events. They’ve organised themselves in AMCU [Association of Mineworkers and Construction Union] and also in the informal settlements around Marikana. It was the same with the Five Madoda, back in the late 1990s and early 2000s. Basically, Pondoland vigilante groups – anti-stock-theft vigilante networks that formed because the police weren’t protecting their livestock – have transplanted themselves into the informal settlements in and around the platinum mines. They’re organised quite ethnically, using muti and so on, and they start to control all the things that working class people do in these horrible places to try to survive. They control the dagga trade and the sex trade; they’re shacklords. They run these survivalist activities based on ethnic “homeboy” connections. And then they say, “Hold on! NUM [National Union of Mineworkers] is collecting big fees every month. They’re driving nice cars. Let’s move into that.” The workers are upset. Maybe NUM is not serving them



effectively. I don’t want to get into that too much, but you can see that – still today – the contractual and migrant nature of labour can weaken the unity, and therefore the power, of the working class.

And of course, since the beginning, the working class has also been weakened by racial divisions. In the course of the 20th century, a white labour aristocracy developed that benefited from being white, from being organised into trade unions, and from access to social wages like pensions, etc. Unlike the majority black working class. The race division didn’t have to happen like that. Fierce battles were fought between white workers and mining capital. The 1922 Rand Revolt, for instance, makes Marikana look like a picnic. Jan Smuts’ government was bombing white workers with aircraft. They hanged the leaders.

It began because the mining houses were saying, “Why are we paying these white workers so much? Let’s allow black workers to perform some of the semi-skilled jobs. We’ll promote them and pay them less than the whites.” This provoked racial action by the white workers against the Chamber of Mines. Individual capitalists might be racists. Most of them are in South Africa. But capitalism is not racist. It’s about profits. And if promoting blacks to semi-skilled positions will serve the purpose and they can get away with it, they’ll do it. In that case, the workers lost the strike in 1922, but then won the elections in 1924 [with a coalition of the Labour Party and the National Party]. That entrenched labour protection for whites and the disqualification of blacks from skilled jobs.

The racial divisions in the working class are also reproduced by the huge unevenness in our education system. Think of the difference between government schools in Bizana, Khayelitsha and Newlands. It reproduces inequalities, and therefore divisions, in the working class. There was also a barrage of



THE NEF STRIVES TO CREATE JOBS THROUGH BUILDING INDUSTRIALIST

As a catalyst of broad-based Black Economic Empowerment in South Africa, the NEF strives to enable, develop, promote and implement innovative investment and transformation solutions in order to advance sustainable black economic participation.

Much as the NEF will continue to fund small and medium enterprises, for which we have approved over R4,5billion to date, while supporting 31 000 jobs, what our country needs is for black entrepreneurs to dream big.

The NEF therefore seeks to contribute to economic growth by funding projects that have the potential to boost the economy, and which support job creation significantly.

In order to give effect to President Jacob Zuma's injunction for the industrialisation of South Africa, the NEF established the Strategic Projects Fund, SPF, with a mandate to increase the participation of black people in early-stage projects that are aligned to national government policy. The SPF has been created to seek competitive opportunity for the South African economy and the inclusion of black participation in opportunities at the outset of projects, as opposed to doing so during equity closure.

SPF uses a sector-targeted approach in developing its portfolio and these sectors include tourism, mining, minerals beneficiation, agri-processing, renewable energy, business process outsourcing and infrastructural projects.

The total project size of SPF transactions is R33 billion, with a job-creation potential of between 150 000 to 200 000 new jobs over the next 3 years. The NEF is in the process of exploring potential co-financing or syndication arrangements with international and local strategic equity partners, and this will include both international and local development finance institutions. Should the NEF take up its rights to invest in these projects, the NEF investment required will be around R5, 5 billion.

Busa Holdings and Rare Metals Industries:

In Infrastructure, and specifically in Healthcare, is a project valued at R1.2 billion. South Africa's Health Care sector is dominated primarily by three large groups that control more than 75% of total market share, while the balance is largely fragmented. Busa Holdings intends to be the first black-owned hospital group to compete with the big three. The vision is to be a consolidator of a fragmented health-care market. This will be kick-started with the commercialisation of four hospital licenses amounting to 500 hospital beds, spread over three provinces, namely Gauteng, Western Cape and the Free State. With the first being in Gauteng, this hospital will be a world class orthopaedic and sports medicines centre, a first of its kind in Africa. The aim is to develop centres of excellence which will provide world-class services.

The Rare Metals Industries project (RMI), is a project in mineral beneficiation that is valued at R15 billion. RMI is an investment

by a select group of venture capital investors collaborating in the building of the world's first integrated speciality metals beneficiation complex. The RMI beneficiation complex will produce high-value industrial metals, namely pure titanium, zirconium, hafnium and silicon.

Currently, South Africa is the world's second largest producer of titanium slag, but manufactures no titanium metal or titanium components. Titanium as a rare metal is difficult and expensive to produce, but faces strong demand growth and is used mainly in high-tech industries like aerospace and chemical processes. In the South African context specialist minerals such as iron ore, copper, cobalt, chrome and PGMs are mined locally and shipped to international markets primarily in raw form.

This plant will enable South Africa to create downstream beneficiation clusters.



NEF Chief Executive Officer: Ms Philisiwe Buthelezi



Contact Details: +27 11 305 8000
Website: www.nefcorp.co.za

oppressive measures against working class people: pass laws, hostels, anti-union legislations, etc.

Later, the black working class became increasingly urbanised, but the situation of semi-migrancy persisted. In dormitory townships, workers were still located at a distance from the core centres. Blacks weren't really "meant" to be in towns. They were here to work and then go away to sleep, and then come back to work the next day.

Daily migrants. To give some numbers: the average public transport trip in London is 8km and in Moscow, it's 7km. In Tshwane and Cape Town, the average is 25km and 20km respectively. In London, it's middle class people who catch buses and trains. In South Africa, it's working class people travelling those huge distances. They're still not full citizens of the cities in which they supposedly live.

So you can see it's very hard for the working class to get organised. It's very hard to get to a meeting of your child's school governing body when you're getting home at seven in the evening and you still have to cook and the kids need help with their homework. In the ANC, we're still asking why they're not coming to the branch meeting – and this is one of the reasons. Life is terrible for people because the geography, the space, is structured to destabilise the working class in its own time. That's just anecdotal, but it gives you a sense of the kind of society we've got.

At the moment, a dominant capitalist system is still making super-profits in South Africa. The labour reserves in the deep rural areas still exist in places like Bizana, but now the key location of the working class is the dormitory township.

THE LIBERATION STRUGGLE

Over the 20th century, the townships grow through urbanisation. In the Second World War, large numbers of white workers are in the army and they go off to fight, mostly in North Africa. At the same time, industrialisation is developing in South Africa because we are outside the theatre of war. Industry needs skilled black workers, and so we see increasing urbanisation and black workers becoming proletarian. I won't go into detail, but a big highlight of this was the massive strike by the African Mineworkers Union in 1946.

In the 1960s, the Congress movement – the ANC, the unions, the Communist Party – was defeated, but then re-emerged in the 1970s, e.g. with the Durban Strikes in 1973 and the development of SACTU, FOSATU and COSATU.

As Marx says: capitalism exploits workers, but it also organises them for its own purposes and brings them together in large numbers. That's what Marx and Engels called "the gravedigger of capitalism". (That gravedigger is taking a long time!) In other words, capitalism by its nature needs a large army of workers, which it organises and disciplines. But that organisation and urbanisation and almost militarisation also creates the potential for working class power to challenge the capitalist system itself.

Just as a sideline, let's look at why South Africa's national liberation struggle was different from the other armed struggles. China was liberated after a protracted guerrilla struggle. The liberation of Cuba came in 1959, after quite a short struggle. In Vietnam, there was a heroic war against the French and then the defeat of the US. In Mozambique and Zimbabwe, guerrilla liberation movements that were much younger than the ANC were moving quickly. Why did it take so long to get our guerrilla struggle going?

A lot of it had to do with what we've been talking about. By the 1960s, the peasantry in South Africa was fragmented and increasingly became a minority class. We were, to some extent, trying to copy what had happened in the other liberation movements – and failing. We were thinking it was maybe because we didn't have jungles or mountains to hide in. That wasn't it: in the other countries, the mass base was an oppressed, marginalised peasantry. Even in Zimbabwe, which had similar patterns to South Africa, 50 percent of their territory at liberation in 1980 was "trust land", their reserves or bantustans. There was an independent, self-subsisting (although very poor) peasantry that became the "mountain" where the guerrillas were able to conceal themselves, find recruits, recover from injury, etc.

We didn't have that – and we were slow to realise that we were operating in a different social geography. Almost spontaneously, we began to understand that our "Sierra Maestra" [the Cuban mountains where Fidel Castro and Che Guevara built their guerrilla force] was in the townships, both rural and urban. From 1976 right through to 1994, we had semi-insurrectionary struggles, and they were based fundamentally in the townships of the working class and the working poor. Every day, like a Trojan horse, they were wheeled from the dormitory townships into the heart of the capitalist system. This zone of exclusion was turned into one of popular power. We made the townships ungovernable to the apartheid regime, and as governable as possible by us, by building organs of popular power.



The linchpin of cooperative debt resolution in South Africa

The National Debt Mediation Association (NDMA) is a not-for-profit organisation, established by the credit industry to facilitate and implement the obligations of the industry arising from the requirements of section 48(1)(b) of the National Credit Act (NCA). Industry's commitments to combating over-indebtedness are embodied in the National Credit Regulator (NCR)-approved Credit Industry Code of Conduct to Combat Over-indebtedness. Our contribution to combating over-indebtedness involves designing and implementing process improvement solutions, consumer debt rehabilitation options, consumer education and providing a platform for stakeholders to engage.

GOVERNANCE OF THE NDMA

The founding members of the NDMA are the Banking Association, National Clothing Retail Federation, Furniture Traders Association, Credit Providers Association, Motor Finance Association and Micro Finance South Africa, all of which are represented on the NDMA Board alongside independent members.

OUR MANDATE

Emerging from the Task Team Recommendations and the Code of Conduct is a clear mandate for the NDMA as the body through which the credit industry will coordinate and execute its obligations.

The role of the NDMA in relation to the Code is to:

- execute collaborative obligations of the credit industry under the Code relating to process improvements and reducing levels of over-indebtedness;
- receive, manage and resolve as far as possible complaints against credit providers as well as unresolved debt restructuring cases;
- monitor and enforce compliance by affiliated credit providers with the code as well as rules and guidelines adopted under the Code;
- inform and educate consumers about credit and over-indebtedness.

CODE UPTAKE

As of June 2012, 2 646 credit providers had subscribed to the Code as part of their conditions of registration in terms of section 48(1)(b) of the NCA. This represents 64% of the total number of registered credit providers and more than 90% of the credit industry in value terms.

STAKEHOLDER ENGAGEMENT & COLLABORATION

A Debt Review Stakeholders Forum was constituted in 2011 in an effort to encourage engagement and collaboration between stakeholders. The Forum consists of all the credit industry associations, as well as the Debt Counsellors Association of South Africa (DCASA) and the Payment Distribution Association of South Africa (PDASA).

DEBT MEDIATION

The NDMA has made it possible for hundreds of consumers to engage with credit providers and find solutions to alleviate their debt stress while allowing credit providers to receive reasonable payment. From January 2010 to June 2012 the NDMA helpline handled 25 738 calls and dealt with 9 026 complaints and enquiries – enquiries related to consumers requesting advice on various issues relating to over-indebtedness; rights and obligations; bureau listings; debt enforcement; and dispute resolution mechanisms.

Of the 1 877 matters dealt with in 2011, 95% were finalised. Of the finalised matters 1 345 (77%) were in favour of the consumer and 444 (33%) were not. Through mediation, 126 property auctions were stopped, 207 car repossessions were halted and 426 terminated matters were reinstated back into debt review.

CONSUMER EDUCATION

The NDMA continues to be involved in a number of innovative consumer education campaigns. In 2011, the NDMA partnered with the Soul City Institute (SCI) which included a financial literacy theme in their *Soul City*

television series on SABC 1, reaching an average of 7.66 million people every episode. The NDMA has also been involved in a World Bank initiative through the e-TV soapie *Scandal* where a financial literacy theme was woven into the storyline. An impact assessment will be used to inform the future design of effective consumer education programmes.

The NDMA was also featured on SABC's *Yilungela Lakho* (*It's your right*), as well as reality show *In Debt* which used true stories and characters who had to face and resolve their over-indebtedness.



CEO Magauta Mphahlele



National Debt Mediation Association
5 Hunter Street, Ground Floor, Silver Fern Building
Fernridge Office Park, Ferndale, Randburg 2125

Tel: 011 326 3459
Helpline: 086 111 6362
Fax: 011 781 0589
Email: info@ndma.org.za
Website: www.ndma.org.za

The maximum weapon of the working class was the stayaway – general strikes to shut down the township and to push for better terms of inclusion, such as better wages and trade union rights. There were consumer boycotts and bus boycotts: all forms of working class strategy around the connection between simultaneous exclusion and inclusion on inferior terms. So when we talk about class power, it's not just an abstract thing. You have to understand the social terrain and why it is as it is.

In order to build this power as we did from '76 to '94, we had to overcome tendencies in the working class towards narrow "workerism" or "economism". In the townships, the working class had to unite with the broader interests of the urban and rural poor. This was precisely because of a national democratic strategy by the ANC, the UDF and other structures to link working class power with a wider alliance of forces, including the middle strata, minibus owners, etc. The narrower economist working-class struggles became linked with community struggles and social-wage issues around things like housing and education.

In South Africa particularly, if we want to build working class power (which people like me do want, because it is the only way to change our reality, given that it is the largest class and the class with the largest potential capacity), then it mustn't isolate itself from the broader range of national democratic issues and struggles. This is why, in our view, the Alliance is so important. And why a national democratic strategy is so important. Now we're seeing challenges to that. Around Marikana, there are opportunist forces trying to break the Alliance, trying to get workers to go it alone, to disunite the working class, to undermine NUM and COSATU. This is not to say that NUM is perfect; it must look very seriously at itself and address internal problems.

The working class, because of its central position in capitalist production, occupies a very strategic position. It's the one place where popular power enters into the fabric of the dominant system. Building its unity across divisions of race and so on is critical. And it mustn't be isolated. That's why we like to talk of "working class hegemony". Hegemony doesn't mean going off on your own, but having a broad working class perspective on the world. That's what we must struggle to build.

CURRENT CHALLENGES

Some things have changed and some haven't since 1994, but democracy created the ability to project our organised power out of townships into state power itself.

You get elected and think you have state power, but you get hijacked, pulled off in different directions and your department starts hiring glasses for R120. You might be elected but you aren't necessarily in control. But we are in the position to use state power now and to combine it with popular working-class hegemonised power to begin to really change our country. The census has just reminded us of what we know. Despite very important democratic breakthroughs, we've got crisis levels of unemployment, massive inequality that is still overwhelmingly racialised, and poverty that is also still racialised, with gender and geographical features as well.

Many things have changed, but we've not fundamentally transformed. Why? To go back to the beginning: because we remain locked into this very problematic growth path that is dominated by mineral exports, highly monopolised capitalism, huge skills inequalities and so on. All of these things have to be transformed. That's our dialectical dilemma. The growth path that we are locked into is reproducing the problems that weaken the working class. When over a third of the proletariat unemployed, it loses its leverage. Unemployment strengthens the bosses. Attacking unemployment is a critical social task, but it's also about strengthening the capacity and unity of the working class.

Since 1994, we've also seen new forms of stratification. The old forms are still there (race, skills, etc.), but new forms are increasingly more important: labour brokers, casualisation, divisions between the formal and informal sectors, the huge growth of skills in the public sector and the advance of the public sector unions while the private sector lags behind.

The working class also continues to face challenges at a subjective level, such as the tendencies towards narrow workerism that we see in the unprotected strikes in the mining sector. As long as wage demands are not tied to political demands, they mask the real problem. The reason that rock drill operators are looking for R14 000 per month is because they're now supporting two wives, two families, two fridges and so forth. They're in hock to the loan sharks. They don't have decent housing. There's a range of social issues to do with migrancy. We need to develop a democratic transformational programme around decent forms of work, housing, transport, education – and not allow the working class to become narrowly workerist in its demands, however understandable those might be.

In order to change the reality that keeps reproducing the problems, we need a national democratic struggle with a powerful working class. We need an ANC and an Alliance that understands in practice that the working class is the key motive force for transformation. ✎



Beneficiation of mineral resources:

The key to economic development?

By **Ben Turok**

The author is involved in a multi-country study for the UN Economic Commission for Africa on ways to enhance value addition in Africa's mineral and commodity resource sectors

Since the 2010 ANC National General Council in Durban, there has been a lively debate in and outside of the movement about what should be done with the mining industry. The June 2012 Policy Conference came up with a compromise formula of strategic nationalisation in selected instances. The impressive State Intervention in the Mining Sector (SIMS) report (ANC, 2012) proposed a range of state interventions short of nationalisation.

This article suggests that any mining policy we come to should take account of the entire value chain, from extraction to fabrication. In this way, our mineral resources can boost industrialisation and thus create jobs, expand our manufacturing industries and make our country more self-reliant.

The Africa Mining Vision (AMV) of the Economic Commission of Africa (ECA) states:

For the mining sector to improve its contribution to broad-based development, it must be better integrated into the national and regional economic fabric through linkages. To harness linkage opportunities, challenges such as those relating to deficiencies in human capital formation, particularly in knowledge intensive areas, as well as infrastructure inadequacies must be addressed. (cited in AMV, n.d.)

The mining industry was the foundation for the modern economy in South Africa. It not only provided huge financial tax benefits to the state, but soon became the hub for numerous feeder enterprises. Even now, according to the Chamber of Mines, the industry's contribution to GDP is 8.6 percent direct and 10 percent indirect; it creates a million direct and indirect jobs; pays R6 billion in royalties and R441 billion in expenditures, with between R4bn and R7bn spent locally.

A 2010 report by Citibank asserted that South Africa has the largest *in situ* mineral resources in the world, excluding oil. These are dominated by the platinum group of metals (PGMs) (88 percent of global reserves), manganese (80 percent), chrome (72 percent), vanadium (32 percent) and gold (30 percent). But between 2001 and 2008, the value add of mining was only 0.5 percent per annum (IDC, 2012: 11). Furthermore, there is a low level of beneficiation and our trade with most parts of the world is characterised by the export of raw materials and the import of manufactured goods (DMR, 2011: 5, 20).

For the present exercise, the most important aspect of the industry is the extent of multipliers into the rest of the economy. These are obviously substantial, but this paper argues that the mining industry could contribute even more to the development of other enterprises.

The Industrial Development Corporation has argued that realising the enormous potential of South Africa's enviable mineral resource wealth is a national imperative, and this must extend beyond extraction and primary beneficiation towards more value addition and labour-intensive activities. (IDC, 2012: 17) Our approach must be governed by solid scientific work. While there are obvious ideological issues, too much is at stake to allow for ill-considered decisions.

Fortunately, the SIMS report (ANC, 2012) has set out the terrain in considerable detail, though there remains much scope for further research and analysis. We have been fortunate to have access to key research papers from the IDC. We also lean on the department of mineral resources' paper on beneficiation (DMR, 2011), the comprehensive report of the South African Mining Development Association (SAMDA, 2012), and the South African Institute of Metallurgy's analysis of the SIMS report (Solomon, 2012).





DEFINITIONS

Processing and beneficiation occur after the extraction of a mineral:

Processing involves a deepening of value-added as a commodity is refined or processed prior to being exported. For example, iron ore is processed into steel, copper is smelted, timber is transformed into veneer, and cotton is rendered purer through ginning. In this sense, the ‘processing’ of raw materials is located in the same, or a closely related industry as extraction. By contrast, beneficiation can be described as a process of transformation in which the commodity is used in a different manufacturing activity... Processing requires an enhanced technical understanding of the commodity in order to augment it, whereas beneficiating requires entirely different production and market destination skill sets. (Morris et al, 2011: 18)

The DMR (2011: ii) defines beneficiation as “transformation of a mineral (or a combination of minerals) to a higher-value product which can either be consumed locally or exported”. In this sense, the term is used interchangeably with value addition, meaning that it also incorporates processing. This is the more common usage in the South African mining industry where beneficiation is seen as an intermediate stage between processing and fabrication.

Promoting Industrial Diversification in Resource Intensive Economies (UNIDO, 2012) provides a rich analysis of how resource rich economies work. The extraction of mineral deposits continues

on a significant scale in many countries, largely by foreign-based companies that export the raw minerals. Africa benefits from this industry in many ways such as employment generation, provision of a variety of services, taxation, and foreign exchange among others. In the South African case, the mining industry has indeed led to enormous subordinate and peripheral development.

Beneficiation need not take place in the same geographic area as the mining of the mineral itself. Beneficiation of minerals from South Africa takes place largely outside the continent. Even within an African country, if the mineral is mined in a remote area, it may be necessary to locate the beneficiation plant where power and water are available, or near a port for export purposes. However, there are clear advantages in having manufacturing plants in reasonable proximity to their raw resources.

The UNIDO paper also enables us to use value chain analysis to break down the individual steps of product creation, thus enabling modest interventions where the local capacity exists. This approach is the opposite of wholesale state intervention in a particular industry – but the one does not necessarily exclude the other.

GOVERNMENT POSITIONS

There is strong political support for beneficiation. When the department of minerals and energy (DME, predecessor of the DMR) launched its beneficiation strategy in 2009, then-Minister Buyelwa Sonjica said, “The trading structure of mineral commodities in



Africa has essentially been premised on a model that sought to sustain a colonialist political configuration and serve its agenda” (DME, 2009). This sentiment is shared across the continent.

According to the department of trade and industry, “Mineral beneficiation is an area of work that presents much untapped opportunity but which has lagged in policy development and implementation. It is proposed that the department of trade and industry co-develops this area of working closely with the DMR to take it forward urgently.” It also acknowledges beneficiation as a key opportunity and says that the lack of maturity in South African beneficiation chains presents opportunities to extend value chains through further downstream manufacturing. (DTI, 2011: 17, 82)

The DMR’s recent beneficiation strategy document provides a framework that seeks to translate the country’s sheer comparative advantage inherited from mineral resources endowment to a national competitive advantage. The strategy is aligned to a national industrialisation programme, which seeks to enhance the quantity and quality of exports, and promote the creation of decent employment and the diversification of the economy, including promotion of the green economy. Further, the strategy is contributory towards strengthening of the knowledge economy in support of the overall competitiveness of the economy. (DMR, 2011: 6)

The government’s intentions were made clear when it argued that the promotion of beneficiation is one of its objectives, and proposed offsets under ownership provisions in Section 26 of the Mineral and Petroleum Resources Development Act (MPRDA), although its stronger focus is on BEE considerations (DMR, 2010).

THE AFRICAN CONTEXT

However, there are challenges. The international study group noted that African countries have diverse development experiences, mineral endowments and economic needs, yet they share common impediments to the development of mineral-based linkages. The most notable are

- inadequate capture and management of resource rents
- poor resource infrastructure
- trade barriers and regional market constraints
- inhibitors to downstream value addition and
- human resources.

Further obstacles include

- problematic tax regimes in which mining companies pay little tax until the investment

capital is recouped. This postpones tax payments so that, during periods of boom prices, the benefits accrue mainly to the investors

- infrastructure is a determining factor in industrialisation
- power supply and roads are principal areas of deficiency
- major trade issues include poor customs trade and restrictive trade relations
- multinational firms prefer to send crude resources to a central beneficiation facility in another country, or have a policy of keeping to their “core competence” of resource extraction
- low levels of education in most parts of Africa mean that the human resource component needed for sophisticated beneficiation is not readily available (UNECA/AU, 2011: 108-110).

African resource ministers have already stressed “the need for greater local beneficiation of Africa’s mineral resources and the enhancement of its industrial base through mineral sector upstream, downstream and sidestream linkages”, calling for an improvement in “... mineral resource policies, legal, regulatory and administrative frameworks and enhancement of [Africa’s] industrial base through mineral resource exploitation regimes; and for developing the linkages of the mineral sector with the domestic economy” (AU, 2012).

Jourdan (2010) goes further, suggesting that, if the linkages cannot be built, Africa should leave its mineral assets in the ground for exploitation at a later date. In his view, market forces are unlikely to establish the linkages naturally if foreign capital – through transnational corporations (TNCs) – exploits the assets, as the TNCs have already created global linkages to optimise their own returns. The evidence of mining in Africa over the last fifty years appears to support this contention. Even so, he argues, the disadvantages of foreign capital can be eliminated or mitigated through state strategies that oblige or incentivise TNCs to develop local linkages.

WHY SOUTH AFRICA IS WEAK ON BENEFICIATION

In the mid-20th century, South Africa’s increasing fear of isolation led to major efforts to build a self-reliant industrial economy with substantial capabilities in engineering and technology.

However, the latter part of the century saw increasing pressures to integrate into the global economy, which paradoxically increased with the democratic government in 1994. This led to de-industrialisation.





In part this was because the financial sector was growing in importance. This growth accounted for an increase in employment while industry and manufacturing were losing ground. De-industrialisation in turn led to a general dependence on imported consumer goods.

At the same time, South Africa's mineral reserves were the richest in the world and there was little domestic beneficiation or fabrication. Indeed, towards the end of the 20th century, the country became a classical colonial economy, with predominantly foreign-based mining companies drawing raw ore and exporting it in bulk. A very substantial part of mining's production needs, including machinery – possibly up to 70 percent – are imported.

Given the scale of our mineral resources, it is surprising that much more beneficiation and fabrication has not occurred. The present challenge is to begin long-term planning along with a new examination of the mining industry so that de-industrialisation can be reversed.

Prior to the ANC's SIMS report, there was scant analysis of how our mineral resources could be used for domestic industrialisation and the consequent employment creation. Insufficient analysis has been done on the value addition process and associated linkages. What is required is a rigorous unpacking of the value chains in the mining industry, focused on the five stages of exploration, extraction, processing (e.g. treatment, separation, smelting), beneficiation (South African usage includes various stages, creating ingots) and fabrication (creating final products). Extensive investigation should identify the obstacles and potential opportunities in backward, forward and horizontal linkages.

One of the central issues is whether existing mining corporations could, or indeed should, be offered inducements to beneficiate. This requires in-depth consultations with these corporations as it may break long-established links with global commodity markets.

Consideration may be given to the licensing provisions in the MPRDA, particularly Section 26 (3), which states: "Any person who intends to beneficiate any mineral mined in the Republic outside the Republic may only do so after written notice and in consultation with the Minister."

We also require a thorough analysis of the role of the state with respect to the mining industry and to the re-industrialisation of the economy. This would include a critical appraisal of research and development (R&D) in both private and public institutions, the role of dedicated research institutions (which receive only 30 percent of their funding from

the state), the finance allocated to technology, and the scale of excessive rent seeking in the industry.

This review can be located in the context of UNECA's research programme "Reaping the benefits of value addition", which covers a range of natural resources (not only minerals) in terms of advancing industrialisation across the continent. There is also a focus on negotiations between private corporations and governments that will require attentive monitoring to promote new linkages based on value chains.

It is understood that the conversion of South African and African natural resources into finished products for local and foreign markets cannot be achieved in a single leap, and that detailed analyses of existing and potential capabilities will be required in each country. But it does require a fundamental change of mindset, in particular about the interface between processing and fabrication.

KEY ISSUES

This study will have to examine the issues of ownership, licensing, pricing in the supply chain, and the role of the state with respect to the minerals industry. Key questions include the following:

- what is the scale of processing and beneficiation at present?
- are the mining companies willing to go further along the path to fabrication? If not, why not?
- should they be incentivised to do so? Could it be built into the first year tax rebates for capital expenditure?
- should there be import restrictions for inputs available in South Africa?
- are export quotas for raw ores feasible?
- could beneficiation undercut mining companies in foreign commodity markets? How can South Africa break these monopoly and cartel links?
- should the state encourage others in this endeavour? Is beneficiation possible in small enterprises?



- how can we move to producing better and cheaper products for domestic and foreign markets?
- are 30-year licences necessary?
- what powers does the state have?
- does the state do long term planning?
- should government spending increase for R&D and high level training?

THE COUNTER-ARGUMENTS

There are also arguments against focusing on beneficiation:

- mineral extraction is highly profitable whereas processing and beneficiation may be less so
- the domestic market is too small for a significant effort
- the capital investment required is too large for domestic investors, and labour is too costly
- there are serious constraints with energy and water supply
- the highest value add lies in the input industries. This includes the knowledge functions, especially in the creation of machinery and the expertise that accompanies that. That is, the real value add lies in the capabilities, not in the resource itself. And South Africa is deficient in these capabilities.

International experience shows that TNCs have a clear bias against local beneficiation and so do not encourage linkages in the host country, stick to their core competencies, and prefer to locate abroad their R&D, beneficiation, human resource development, etc. This means that they derive maximum benefit from the host country's natural resources without contributing social returns.

The strong focus on extraction tends to strengthen large firms, even monopolies, which thereby increases monopoly pricing in the domestic market. For example, steel prices are 50 percent higher in South Africa than China, despite South Africa's huge iron ore deposits, because of import parity pricing.

The South African manufacturing industry is further disadvantaged by SASOL's monopoly pricing of coal and inputs for the cement industry. Other former state-owned enterprises also engage in this practice.

South Africa does not sufficiently use its near-monopoly power in minerals such as platinum to leverage downstream development. Hence the state will have to step in to incentivise new manufacturers, to facilitate their learning and advance their capabilities. There is no "quick fix" solution, but countries like

South Korea managed to develop advanced industries despite a poor technological legacy. The solution lies in highly concentrated effort by the state.

While it is necessary to use a model of the structure of linkages, backward, forward and horizontal, this does not lessen the importance of examining each stage in value addition. By separating out each stage, it becomes possible to consider how and where each step could be made operational.

Africa is being spoken of as "a global growth pole", but there is a gap in many of the documents about the potential for beneficiating the continent's minerals. The gap is particularly important with respect to South Africa, given the huge extent of our resources. It is therefore essential that the actual potential of beneficiation in South Africa be explored. The lessons will surely be applicable to the rest of the continent, not only with respect to minerals, but to other natural resources as well.

CONCLUSION

Since South Africa is rich in minerals it makes sense to use those resources for industrialisation, which means finding suitable multipliers in the beneficiation process.

If the mining companies are reluctant to do so, a Beneficiation Bill might be needed – not as a blunt instrument for coercion, which would not work anyway – but to initiate a serious assessment as to what is possible. This consultation may be a useful starting point.

We also need to examine the oft-repeated claim that South Africa is a natural "gateway to Africa". Work done for the Africa Mining Vision shows that the rest of the continent is not waiting for us to show the way. In a recent article, the *Economist* argued that Africa might be moving ahead without us ("South Africa's business pre-eminence is being challenged", 2 June 2012). The continent is now the second-fastest growing economic region in the world; its population of one billion is not much behind India and China; and the collective GDP at US\$2 trillion is bigger than that of Russia or India. Nigeria's economy has seen growth of 7 percent for the past eight years, compared to South Africa's less than 3 percent. Several major corporations are locating their headquarters in Nairobi rather than Johannesburg. Although South Africa has the richest deposits in the world, its taxes are high, education is poor, corruption is rising and foreign investment is declining. The "gateway to Africa" is now being challenged by Egypt, Kenya, Mauritius and Nigeria.



Fortunately, South Africa has the technological knowhow to forge a new path of industrialisation. This is by no means an argument against the export of raw ores, nor does it argue for a total shift away from traditional mining, in which we have so much expertise.

A change of mindset in how these resources are used is necessary. Value chain analysis, coupled with a deep assessment of associated backward, forward and horizontal linkages, is the mechanism for a serious analysis that will show the power of utilising natural resources to develop the country in all its dimensions, for all its people. ☞

REFERENCES

(all websites accessed November 2012)

Africa Mining Vision (AMV). no date. "Optimizing mineral linkages needs a conscious policy approach", in ISG [International Study Group] Bulletin 2. www.africaminingvision.org/amv_resources/ISGbulletin2.pdf

Africa Mining Vision (AMV). 2009. *Africa Mining Vision*. February. http://www.eac.int/environment/index.php?option=com_docman&task=doc_download&gid=111&Itemid=143

African National Congress (ANC). 2012. *State Intervention in the Minerals Sector (SIMS): Maximising the Development Impact of the People's Mineral Assets. Policy Discussion Document*. March. www.anc.org.za/docs/discus/2012/sims.pdf

African Union (AU). 2012. *Action Plan for the Implementation of the Africa Mining Vision*. Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development, Geneva. 16–18 October. www.globaldialogue.info/Action%20Plan%20for%20the%20Implementation%20of%20the%20Africa%20Mining%20Vision%20-%20Ayoup%20Zaid.pdf

Chamber of Mines of South Africa. 2010. *Facts & Figures 2010*. www.bullion.org.za/Publications/Facts&Figures2010/F%20and%20F%202011-small.pdf

Department of Mineral Resources (DMR). 2011. *A Beneficiation Strategy for the Minerals Industry of South Africa*. June. www.dmr.gov.za/publications/summary/162-beneficiation-strategy-june-2011/617-beneficiation-strategy-june-2011-.html

Department of Mineral Resources (DMR). 2010. *Amendment of the Broad-Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry*. 14 September. www.dmr.gov.za/publications/finish/108-minerals-act-charter-and-scorecard/128-amendedofbbseecharter/0.html

Department of Minerals and Energy (DME). 2009. *Keynote Address By (MP) Minister Ms Buyelwa Sonjica of Minerals And Energy - On The Launch Of The Beneficiation Strategy 31 March 2009*. www.dmr.gov.za/publications/summary/93-ministers-speeches-2009/100-keynote-address-by-mp-minister-ms-buyelwa-sonjica-of-minerals-and-energy-on-the-launch-of-the-beneficiation-strategy-31-march-2009.html

speeches-2009/100-keynote-address-by-mp-minister-ms-buyelwa-sonjica-of-minerals-and-energy-on-the-launch-of-the-beneficiation-strategy-31-march-2009.html

Department of Trade and Industry (DTI). 2011. *Industrial Policy Action Plan 2011/12 –2012/13*. www.info.gov.za/view/DownloadFileAction?id=144975

Industrial Development Corporation (IDC). 2012. *Sectoral Trends: Performance of the primary and secondary sectors of the South African economy*. <http://idc.co.za/images/releases/IDC-R-and-I-Dept-Sectoral-Trends-Report-1st-Quarter-2012.pdf>

Jourdan, P. 2010. "Towards a refined ANC minerals policy and strategy", *Umrabulo* 33 www.anc.org.za/show.php?id=2832

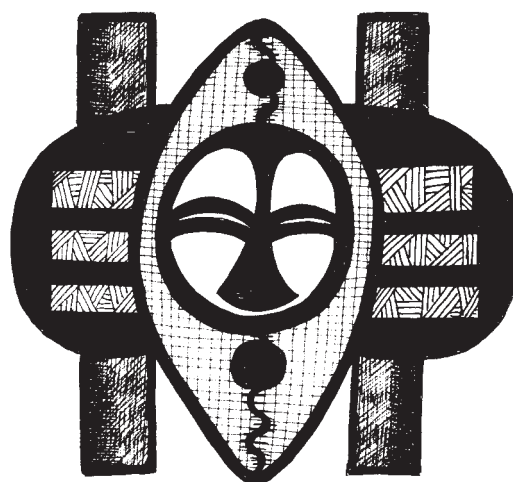
Morris, M, R Kaplinsky and D Kaplan. 2011. *A Conceptual Overview to Understand Commodities, Linkages and Industrial Development in Africa*. Africa Export Import Bank. November. oro.open.ac.uk/30534/1/MMCP_Afreximbank_Paper.doc

South African Mining Development Association (SAMDA). 2012. *Extracting the Country's Resources for the Benefit of South Africa: South Africa First! SAMDA'S Response to the SIMS Summary Document*. Johannesburg

Solomon, M. 2012. "The Rise of Resource Nationalism: A Resurgence of State Control in an Era of Free Markets or the Legitimate Search for a new Equilibrium?" Southern African Institute of Mining and Metallurgy www.saimm.co.za/Conferences/ResourceNationalism/ResourceNationalism-20120601.pdf

UNECA/African Union (AU). 2011. *Minerals and Africa's Development: An Overview of the Report of the International Study Group on Africa's Mineral Regime*. http://new.uneca.org/Portals/15/CrossArticle/1/Documents/ISG_Report_eng.pdf

United Nations Industrial Development Organisation (UNIDO). 2012. *Promoting Industrial Diversification in Resource Intensive Economies: The Experiences of Sub-Saharan Africa and Central Asia Regions*. www.unido.org/Data1/Statistics/Utilities/docnew.cfm?id=1&i=1



Military Veterans Medals Parade

6 December 2012



Working together to restore dignity and empower
military veterans for nation building



military veterans

Department:
Military Veterans
REPUBLIC OF SOUTH AFRICA



Experts' consultation on mineral beneficiation convened

On 16 October 2012, the United Nations Economic Commission for Africa (UNECA), the Industrial Development Corporation (IDC) and the Institute for African Alternatives (IFAA) convened an experts' consultation on mineral beneficiation in Johannesburg. Beneficiation has been sporadically debated in the South African media, with people from various spheres expressing conflicting views about the mineral resources value chain.

The meeting brought together experts from mining, manufacturing, government, labour and academia in the fields of mining, metallurgy, engineering, finance and economic policy formulation so as to contribute to the development of a systematic and common view based on experience and knowledge.

Part of a research programme on "Reaping the benefits of value addition" for UNECA's *Economic Report on Africa 2013*, the consultation aimed to identify salient opportunities and key constraints and to determine the extent to which beneficiation can be effected domestically. It also examined the anomaly of a country with rich resources and a relatively small degree of downstream beneficiation.

THE PRESENTATIONS

Dr Molefi Motuku of the Council for Scientific and Industrial Research (CSIR) focussed on the importance of innovation in "Realities and myths of beneficiation in South Africa".

Dr Paul Jourdan's presentation, "Practical beneficiation strategies for South Africa", began by setting out the key themes of South Africa's mineral policy. It is the policy of the department of mineral resources (DMR) that:

- minerals in the ground belong to the people as a whole: "Mineral and petroleum resources are the common heritage of the people of South Africa and the state is the custodian thereof for the benefit of all South Africans" (MPRD Act, 2002)
- the exploitation of minerals must optimise the developmental impact, especially job creation, across the economy
- the state must capture the mineral resource rents and deploy them in long-term physical and human infrastructure (inter-generational equity)

- mining must catalyse broader industrialisation through the realisation of all the potential backward and forward linkages
- mining should create safe and decent work
- minerals development should not compromise local communities or the environment.

Using rankings based on 2009 production figures, Jourdan noted that South Africa is first in the world in reserves of alumino-silicates, chromium ore, PGMs (platinum group metals), vanadium and vermiculite. South Africa has large reserves of many other minerals, including iron ore and gold. The mining industry has the potential for a very long life.

Turning to beneficiation, there are five kinds of linkages:

- fiscal linkages, e.g. capture of resource rent and its use for investment in infrastructure
- knowledge linkages, e.g. human resources, technological research and development (R&D)
- backward linkages, e.g. inputs such as capital goods, services, consumables
- forward linkages, e.g. value addition, beneficiation
- spatial linkages, e.g. infrastructure, such as transport and energy, to stimulate development.

Jordan argued that the "resource curse" associated with mining economies can be avoided through the development of industries to provide resource inputs and outputs and the associated capability in resource technology.

Interestingly, he said that Africa has become the largest market for South Africa's manufactured exports.

Finally, he spoke of the potential of using principal mineral-based feedstocks for rapid job creation, energy, infrastructure, agriculture, and producer power. He argued that South Africa has ample resources for the cost-effective production of almost all of these critical feedstocks for downstream job creation.

There were case study presentations on beneficiation in different mineral sectors:

- platinum group metals (by Ms Anthea Bath, Mitochondria Energy, and Mr Mashudu Ramano, Terracotta Resources)



“Humanity longs for the time
when the great powers
of the world will become great at heart
and curb their ambitions, and
pave the way for the settling
of their differences in a statesman-like manner
and so remove the threat of war”.

- Chief Albert Luthuli in his Nobel Prize speech in 1961

THE LUTHULI MUSEUM

OPENING TIMES

Monday to Saturday 08h30 to 16h00, Sunday and Public Holidays 11h00 to 15h00.
The Luthuli Museum is closed on Good Friday, Christmas Day and New Year's Day.

3233 Nokukhanya Luthuli Street
Groutville, KwaDukuza
Tel: +27 32 559 6822
Fax: +27 559 6806
www.luthulimuseum.org.za



- ferrous metals (by Mr Kevin Hodges of the IDC)
- chrome (by Mr Rakesh Harribhai, representing the South African ferrochrome industry)

Dr Iraj Abedian (Pan-African Advisory Services, Capital Holdings) began his presentation on “An integrated economic approach to mineral beneficiation” by looking at current trends in manufacturing. Noting that there has been an increase in manufacturing output but a decrease in its contribution to the GDP, Abedian argued for an integrated approach, as opposed to a narrow mining perspective. The role of the financial sector and the contribution of commodity exchanges are two critical components for maximising the socio-economic impact of mineral beneficiation, factors which must work within an overlapping generation framework. His crucial point: minerals beneficiation and re-industrialisation are inseparable.

What are the policy implications of an integrated economic approach?

- South Africa has the potential to re-industrialise at a scale larger than the 1950s and 1960s.
- If left to the market forces, South Africa’s mineral beneficiation and re-industrialisation are unlikely to materialise.
- Successful re-industrialisation and mineral beneficiation require inspired and sustained leadership in both business and government.
- South Africa is set to achieve sustainable growth of 10 percent in mineral beneficiation and manufacturing output with significant impacts on employment, real wages and other macro-economic variables.
- This requires
 - o the urgent removal of infrastructural bottlenecks in energy, water and other regulatory fields
 - o an appropriate financing framework for the required infrastructure
 - o a “multi-stakeholder implementation co-ordination forum” to ensure a binding roadmap for synchronised action.

THE RESPONSES

Beneficiation cannot be seen as a purely technical matter. The social consequences cannot be ignored.

The term “beneficiation” is not helpful. “Value addition” and “linkages” may be better terms for differentiation and measurement, thus allowing interventions that are clear, concrete and specific. To simplify discussion of the various processing stages, the following terminology was suggested:

1. exploration
2. extraction, e.g. ore

3. processing, e.g. smelting, refining
4. beneficiation, e.g. combining minerals into an alloy
5. semi-fabrication, e.g. long and flat steel
6. fabrication, e.g. final product.

Minerals beneficiation and re-industrialisation are inseparable.

The meeting focused on stages 4 and 5, as they need to be seen in tandem.

Participants from the private sector raised concerns about interaction with the state, given the above issues, and identified the state’s lack of operations, co-ordination and integration as a weakness. The modalities of state intervention need to be examined, including the responsibilities of each department and their co-ordination. Both the department of trade and industry (DTI) and the DMR need to be more strategic and increase their alignment on the issue of beneficiation. The behaviour of the state can constitute a block on beneficiation and this should never happen.

Since a developmental state should prioritise R&D, treating Mintek, the CSIR and the DBSA (Development Bank of Southern Africa) as cost-recovering institutions is a fatal approach. Mintek has had to undertake consultancies in order to expand. Capital equipment that should be funded by the state is paid for by the private sector.

Mining companies take the view that they should not be asked to do beneficiation. This is not good enough. They have a broader responsibility to society and must undertake ventures that may not be justifiable purely on commercial grounds.

There must be more analysis and input from the manufacturing industry as to how they see their role and needs. They must develop an interface with mining.

On the question of capabilities and skills development: we need a document that gives a snapshot of South Africa’s capabilities. It is defeatist for people to say they cannot beneficiate because “there are no skills” rather than look at the economic and social imperatives of the country and make it happen. South Africa has ample skills and innovation. 🇿🇦

The Experts’ Consultation on Mineral Beneficiation was convened by Prof. Ben Turok, MP (IFAA) and Mr Jorge Maia (IDC), assisted by Christine Leibach



Rural development and land reform: Rebuilding relationships with the land



Deputy Minister Tsenoli being interviewed by Professor Ben Turok

An interview with Mr Lechesa Tsenoli, deputy minister of rural development and land reform

Ben Turok: There has been a lot of policy discussion about the rural areas, but it seems as if little has changed. What is your department's aim?

Lechesa Tsenoli: This department was created in 2009 following the ANC Polokwane resolutions. Initial policy focused on both rural development and land reform, but there were too many issues that required particular attention and therefore they were separated. Many of the institutional proposals on land reform have just gone through.

The Land Rights Management Board (LRMB), Land Management Commission (LMC) and a land valuer-general (LVG) are the proposed institutional structures to more effectively handle land reform issues. The LRMB, along with local Land Rights Management Committees (LRMCs), is a mechanism to manage the complex issue of rights that have been fragmented. There is a lot of insecurities here, and you need a structured way of handling them. The systems that exist now are not responsive and we are trying to bring some coherence.

BT: What powers will they have?

LT: They will be able to intervene in rights-related issues and find local resolutions. They'll report to the minister and the minister will take decisions. We are very sensitive to the issue of not further fragmenting

the state. Accountability and continual oversight must remain with the minister to ensure that these processes don't go overboard and take on a life of their own – which is often unaccountable and costly to the state.

BT: Is the minister going to be decisive?

LT: Absolutely. But we must also create an environment in which people can work on their own without waiting for the minister. Where there is no movement, he must be able to act.

BT: The LMC will be the key organ?

LT: It will be the apex, housing the database of all public and state-owned land. All these institutions will operate nationally. We are landlords in the rural areas that used to form the bantustans, but we are also responsible for spatial planning, which cuts across the entire country and goes beyond rural development.

BT: People say that we still follow apartheid spatial arrangements.

LT: When we assess the last 18 years, the saddest thing is that we have not impacted on apartheid spatial planning. This legislation is partly to ensure that we have a mechanism to address that, but also to include environmental protection and regeneration.

BT: Do you have powers over the provinces and

municipalities?

LT: The legislation is a national framework. Provinces and municipalities will have space in which to legislate, consistent with the national spatial framework.

BT: And if they don't?

LT: It's a requirement, not an option. We are navigating the complexity of this three-sphere planning process. Integrated development plans (IDPs) are planning tools for all levels of government. It is only with their effective implementation, with national and provincial input, that we will see a reversal of this fragmentation. Often what happens in those municipalities is because they don't have capacity and they have very little support. The Constitution requires both national and provincial governments to provide support to municipalities. We have not always done it. Where we have, it has been inadequate.

BT: What kind of support?

LT: Integrated public transport, including effective linkages between rural and urban areas, should be a key driver.

How cities and towns manage and deploy the resources they generate is crucial. I've seen fascinating spatial plans dealing with the municipal edge. You can't go beyond that, otherwise you increase costs to the poor and endanger the environment by allowing commercial interests to encroach on agricultural and protected lands.

Secondly, there are problems of capacity and we work with the department of co-operative governance and traditional affairs, which provides support to municipalities. Developing strategies for equitable resource redistribution inside a municipal area is the municipality's responsibility. Of course, we will support it nationally. There shouldn't be interference. The language of the Constitution is very systemic: we are interconnected, yet distinct. It acknowledges the areas where municipalities can tell us to go jump, but mostly we have to co-operate.

RURAL DEVELOPMENT

BT: What is the strategic approach to rural development?

LT: At an overarching level, we have to drive other departments into the poorest areas. In 23 districts, we are working with municipalities and traditional leaders to identify strategic projects to unlock economic potential.

The municipalities themselves identify these projects. We help them mobilise their own resources and national and provincial resources. If water is a critical issue and there's a proposal for bulk infrastructure, which is a district responsibility, then we help them to find resources to do that. Other strategic trusts provide support for animal and veld management. Rural people require basic stuff such as dipping tanks and fencing – implements, as the Freedom Charter requires. It's that kind of support, until you revive economic activity.

BT: How is your department's budget directed towards providing resources and facilities?

LT: The bulk of our money goes to land acquisition and to recapitalisation and development. This is what people complained about in our previous efforts: people receive their land back, but they don't get support. We have to rebuild people's relationships with their land, and recapitalisation and development comes in to support that.

BT: Recapitalisation goes to small farmers, people with assets. What about poor rural peasants?

LT: The majority of people asking for land in the restitution process are poor – and the majority of them are rural women. Some of the irrigation schemes service the poor. Sometimes we buy animals. There are people who have claimed land who are not poor, but their claims are legitimate and the state has to support even those people. So there are different categories, but mostly these resources are actually going to the poor.

BT: The task is huge. How does one begin to effect or measure success?

LT: I've been to a number of farms that are successful and linked to markets. There are other people who just want subsistence: they want to live and eat from the farm, use their animals, and they not interested in going beyond that. This is where success must be measured: people's own initiatives. The problem would come if we imposed our solutions.

BT: This is people-led development?

LT: Absolutely! We need to reorient the public service towards an asset-based approach when working with communities.

BT: Do you think it will stop migration to the cities?

LT: Where we build infrastructure and revive small towns, you are likely to see people staying in those areas. When people see the irrigation schemes are back in operation, they'll come back. People must see resources that enable them to pursue economic activity.

Contact Details: 0800 007 095



rural development & land reform

Department:
Rural Development and Land Reform
REPUBLIC OF SOUTH AFRICA

Governing and harnessing natural resources for Africa's development

By the **African Development Forum**

The Economic Commission for Africa (ECA), the African Union (AU) and the African Development Bank (AfDB) are collaborating to develop new economic policies for the continent. Among these collaborations is the African Development Forum which meets every few years. The following extracts are from the Draft Consensus Statement adopted unanimously at ADF-VIII.

PREAMBLE

We, participants at the Eighth African Development Forum (ADF-VIII) on the theme "Governing and Harnessing Natural Resources for Africa's Development", representing stakeholders from across the African continent, including governments, academia, civil society, traditional rulers, the private sector, the United Nations family and development partners, met in Addis Ababa, Ethiopia, from 23 to 25 October 2012, at the invitation of the African Union Commission (AUC), the United Nations Economic Commission for Africa (ECA) and the African Development Bank (AfDB);

cognisant of the vast natural resource endowments that the African continent enjoys in the form of land, minerals, fisheries, and forests;

aware of the significant role which the natural resource endowments of the continent can and should play in the structural transformation of the economies of African countries and the all-round improvement in the lives of the citizenry;

conscious of the unwholesome history of natural resource exploitation on the continent and determined to put an end to that history so that Africa's endowments can become a source of developmental transformation that benefits its peoples;

welcome the adoption of the Africa Mining Vision (AMV) by African leaders in 2009 as the overarching continental framework for a more development-centred and equitable management of the natural resource wealth of the continent.

MINERAL RESOURCES FOR AFRICA'S DEVELOPMENT

Africa's considerable mineral wealth endowment ranks the continent first or second in known world reserves of bauxite, chromites, cobalt, industrial diamond, manganese, phosphate rock, platinum group metals, soda ash, vermiculite and zirconium. The continent is also a major global producer of these and other minerals. These mineral resources represent a considerable asset base and an opportunity for broad-based economic development. Yet Africa continues to suffer from a high incidence of poverty and underdevelopment even as the full potential of its mineral wealth endowment remains largely untapped due to structural and institutional challenges.

These constraints include

- the absence of an integrated planning and management framework
- the adverse impact of an improperly managed minerals sector boom on the rest of the economy
- the lack of forward and backward linkages
- the unequal sharing of the mineral resource rent across the value chain
- poor legal, fiscal and regulatory frameworks
- weak institutional capacity, including the capacity to negotiate beneficial mineral agreements
- financial benefits that are lost to Africa through transfer pricing, illicit transfers and other covert mechanisms



In its effort to overcome constraints and ensure that exploitation of its mineral wealth plays a greater role in its development, Africa can capitalise on the strategic and comparative advantages it enjoys. These include

- the much improved investor attractiveness of the continent
- increased competition for mineral acreage
- a rising demand for mineral commodities that has translated into booming global commodity prices
- improved domestic governance
- strong participation of civil society organisations in public affairs
- a more favourable political climate, including greater awareness of the important role which a properly anchored and structured developmental state could play
- strong interest in articulating and operationalising a more development-oriented policy framework for the minerals sector
- a much broader recognition of the imperatives of the social license to mine.

RECOMMENDATIONS

In seeking to imbue mining activities in Africa with a much greater developmental role, African countries should undertake all-round domestic policy reforms in the mining and other sectors to

- anchor the minerals sector in a broad development vision
- better align mineral, industrial and trade policies
- institutionalise inter-departmental collaboration within the governmental system
- expand local ownership, participation and control in the mining sector
- significantly increase local content
- boost mining revenue/taxation receipts while plugging financial leakages
- enhance the contribution of mining activities to various backward and forward linkages in the local economy throughout the entire mineral value chain, and overcome the phenomenon of enclave economies
- catalyse the emergence of domestic and regional economic corridors across the continent
- improve geological and geo-scientific knowledge
- promote environmental, social and material stewardship
- give attention to urban mining for the purpose of recycling extractable precious and base metals from e-waste
- break with past experience by assiduously implementing the AMV in order to achieve the much-needed paradigm shift in the African



mining sector that has eluded much of the continent for decades. To this end, efforts should be made to popularise the Vision across Africa among a multiplicity of stakeholders who could partner with governments to advance its goals towards full realisation.

LAND AND AFRICA'S DEVELOPMENT FUTURE

Africa has abundant agricultural land that can be harnessed to address its food security concerns and serve as a basis for a model of structural transformation to boost employment, income and livelihoods. The continent holds about 60 per cent of the world's total non-cultivated land area that is suitable for cropping and which lies in non-forested and non-protected areas with low population density. Land abundance on the continent has contributed to the recent upsurge of local and, in particular, international interest and investments in African land.

FOREST RESOURCES

Africa is endowed with enormous and diverse natural and plantation forest resources that cover 675 million hectares, or 23 percent of the land area of the continent. The continent accounts for 17 per cent of the world's forest cover and has a higher per capita forest cover of 0.8ha/person, compared to the global average of 0.6ha/person. This forest base supports the livelihoods of about 60 million people and contributes to about 6 per cent of the gross national product of African countries. This great wealth of forest resources is currently exploited and traded mostly in its raw form. Where initiatives have been made to add value, it is still at the lower end of the chain, compared to other continents. This is partly because of poor forest technologies and inadequate or limited processing capacity and skills. In fact, Africa's processed forest products account for only 2 to 3 per cent of the global value-added trade. Continuing exploitation of forests in this manner is unsustainable since it is wasteful and denies countries revenue and employment. Exporting Africa's raw round wood or semi-processed products is tantamount to exporting jobs from the continent at a time when massive unemployment, especially among the youth, is a big challenge. 🌳



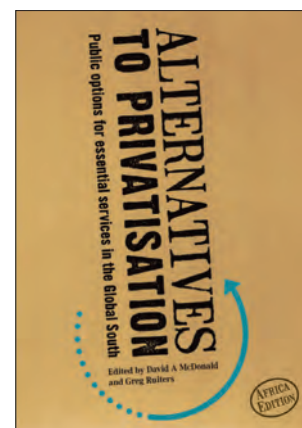
Alternatives to Privatisation:

Public options for essential services in the Global South

Reviewed by **Robert Schrire**
(Political Studies, UCT)

David A McDonald and Greg Ruiters (eds)

HSRC Press: Cape Town; Routledge: New York and London, 2012. 520 pp



One of the paradoxes of contemporary political debate has been the reality that, despite the unambiguous failures of neo-liberalism and the financial and economic crises which have inevitably accompanied hyper-globalisation, few theoretically sound alternatives have been developed. States such as China and Russia, which in the past were identified with the search for universal alternatives to the status quo, have now retreated to old-fashioned mercantilism. The general refrain today is that, whatever the flaws of economic liberalisation, “there are no alternatives”.

This volume is dedicated to the construction of alternatives to privatisation – one of the key policy initiatives of neo-liberalism. Are there methods of service delivery which are not exclusively based upon financial considerations? Can we imagine a more progressive future? While not claiming to provide answers to these important questions, the book seeks to contribute to the development of alternative models of policy and service delivery.

This book is part of an ambitious research project undertaken under the leadership of the editors. With a focus on water, sanitation, healthcare and electricity, scholars from Africa, Asia, Latin America and North America were asked to provide empirical case studies of service delivery in their areas of expertise. The editors provided the contributors with an analytic framework to structure their research and to make genuine comparisons possible. According to the framework, such an alternative would be “not directly linked to the private sector, not profit oriented in its operations, and that it be run by either a state or non-state entity operating with the express purpose of providing services in a non-profit manner” (22). The criteria for success include equity, participation, efficiency, quality, accountability, transparency, workplace quality, sustainability,

solidarity and public ethos. The results make up the core of *Alternatives to Privatisation*.

The volume has three sections. Section One provides a useful conceptual analysis and the framework for the empirical studies. Important contributions include a chapter by Ben Fine and David Hall that analyses critically the neo-liberal context in which service delivery takes place. It is clear that neo-liberalism is not simply a policy or set of policies but is deeply embedded in the core structures and beliefs of modern societies. Other chapters examine the roles played by labour, social movements and gender relationships.

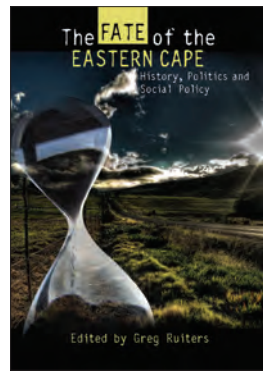
The second section provides a wealth of empirical material on service delivery issues and alternatives in Asia, Africa and Latin America. Section Three provides tentative conclusions from the case studies and maps out a future research agenda.

The editors are modest in their assessment of the research, with no dogma and a healthy scepticism about what can be generalised. They recognise the critical importance of context: what works in an Asian context like Singapore may not work in Peru or Nigeria. They stress the importance of thinking creatively beyond simple “state vs private” positions on service provision and discuss a range of possible alternatives including non-state and non-profit partnerships. They recognise that most of these public services were first introduced by the private sector, later nationalised because of their weaknesses, and then privatised because of state failures. In many regions, the state has re-emerged as a service provider, often with mixed results.

Alternatives to Privatisation is both a work in progress and an invitation to participate in an important debate. I await with keen interest future volumes in this important research project.



The Fate of the Eastern Cape: History, Politics and Social Policy



Reviewed by **Mary Turok**

Greg Ruiters (ed)
UKZN Press: Scottsville, 2011. 352 pp

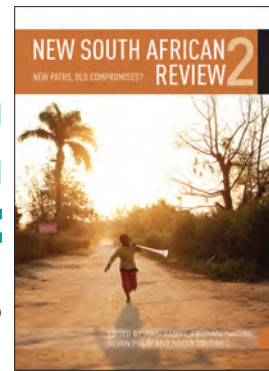
This book recognises that the history and future of the Eastern Cape are irrevocably part of South Africa as a whole. Many predicted that the formation of nine provinces in 1994 (based on PW Botha's 1981 plan for regional development) had no principled basis and would create problems for the incoming ANC. Evidence internationally shows that such devolution increases regional inequality.

Editor Greg Ruiters approached other scholars with a view to informing the public of the problems facing the Eastern Cape, and with the hope of helping to set an agenda for social-spatial justice for its people "who – despite 200 years of colonial dispossession, then serving as labour for the gold mines and sugar plantations, then suffering forced removals from the Western Cape and being subjected to Bantustan rule – still have a strong belief in and great hope for fundamental change."

This unique collection is the first interdisciplinary study of the Eastern Cape post-1994. The way forward is not stated explicitly by most authors, but some seem to agree with Chris Edwards that "the powers of the provincial government are circumscribed so that its actions are limited to 'three Cs' – namely, co-ordination, cluster-promotion of investment and, above all, cajoling or campaigning. It needs to campaign and put pressure on the highly centralised South African government to adopt more active pro-growth and pro-poor policies."

Ruiters' contrary view is that, while few today blindly advocate a central planned economy, states with a thriving mixed economy must act as coherent entities through national leadership and national energies. But the only way to break through the present impasse in the Eastern Cape and achieve universal standards of justice lies in "reconfiguring provinces – admittedly an expensive and disruptive operation".

New South African Review 2: New Paths, Old Compromises?



Reviewed by **Ndwakhulu Tshishonga**
(School of Built Environment & Development Studies, UKZN)

John Daniel, Prishani Naidoo, Devan Pillay and Roger Southall (eds)
Johannesburg: Wits University Press, 2011. 398 pp

New South African Review 2, contemporary issues in South African politics and the economy are explored by researchers interested in advancing robust intellectual debate in a diverse environment.

The first volume of this series, published in 2010, evaluated post-apartheid development pertaining to a wide range of issues such as service delivery, migration, HIV/AIDS, land reform and crime. This volume is dedicated to assessing the effectiveness and potential of South Africa's macro- and micro-economic policies and the socio-economic challenges that confront the country. National economic programmes such as GEAR, ASGISA and the New Growth Path (NGP) are interrogated, with special emphasis on the Zuma presidency since 2009. The accessible language accommodates both academics and interested laypeople.

The authors view South Africa as a contested society, politically polarised over the content of "the promise of liberation" and the possibilities of realising such promises (or com-promises) through these models – especially the NGP. Central to this book are investigations into growing inequality against the backdrop of the inadequacies and decline of black economic empowerment; "greening the economy" in view of bio-fuel; the crisis in childcare; the relationship that exists between the police and township communities; as well as issues of traditional leadership, land allocation, the ANC alliance and the nature of opposition political parties.

Engaging and groundbreaking, this collection poses provocative questions about whether the new set of policies can help to redress old injustices and deliberates about further possible alternatives to neo-liberal capitalist development in post-apartheid South Africa. I highly recommend this book for academics, policymakers and practitioners, and anyone interested in understanding political and economic issues and challenges in contemporary South Africa.



FOURTH QUARTER 12

NEW AGENDA



SHARE OUR VISION

S&S/446290/E/Share Our Vision

Since the introduction of our electricity-saving initiatives in 2003, the amount of electricity saved by South Africans would amount to 600 000 swimming pools of water, 21 million tonnes of CO₂ emissions, plus a mountain of coal – 11 million tonnes to be exact. That amounts to the annual energy output generated by one and a quarter coal-fired power stations. More importantly, saved power is the cleanest, cheapest and greenest power there is.



The need to provide cleaner energy that will minimise the carbon footprint of electricity generation is as high a priority to Eskom as the need for increasing access for all at an affordable price. By saving energy, as well as doing all we can to reduce environmental consequences, together we can power a better future, and make our vision a reality.



www.eskom.co.za



I am not looking for a job.
I create jobs

with help from the NEF.



The NEF has helped create and support over 31 000 jobs to date and we are always looking to fund black entrepreneurs looking for start-up or expansion capital of between **R250 000 and R75 million**. With more than R4.6 billion approved for black businesses to date, and the mentorship support that we provide to our investees, the NEF

means business. Come talk to us today regarding business loans for products ranging from start-ups, procurement, franchising, equity acquisition, rural and community development, expansion, new ventures, green-fields, feasibility studies for industrialisation purposes, to liquidity and warehousing needs. The NEF, your funder with a soul.

If you are a black South African and you have a business idea that needs funding, please call 0861 843 633 (THE NEF) or go to www.nefcorp.co.za www.nefbusinessplanner.co.za.