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NEW AGENDA

SOUTH AFRICAN JOURNAL OF SOCIAL AND ECONOMIC POLICY

THE ROLE OF THE MILITARY IN POLITICS

SAVIOURS OR OPPORTUNISTS?

WHEN GENERALS SEIZE POWER

INTERVIEW WITH
GENERAL SIPHIWE NYANDA

ISSUE 51 THIRD QUARTER 2013

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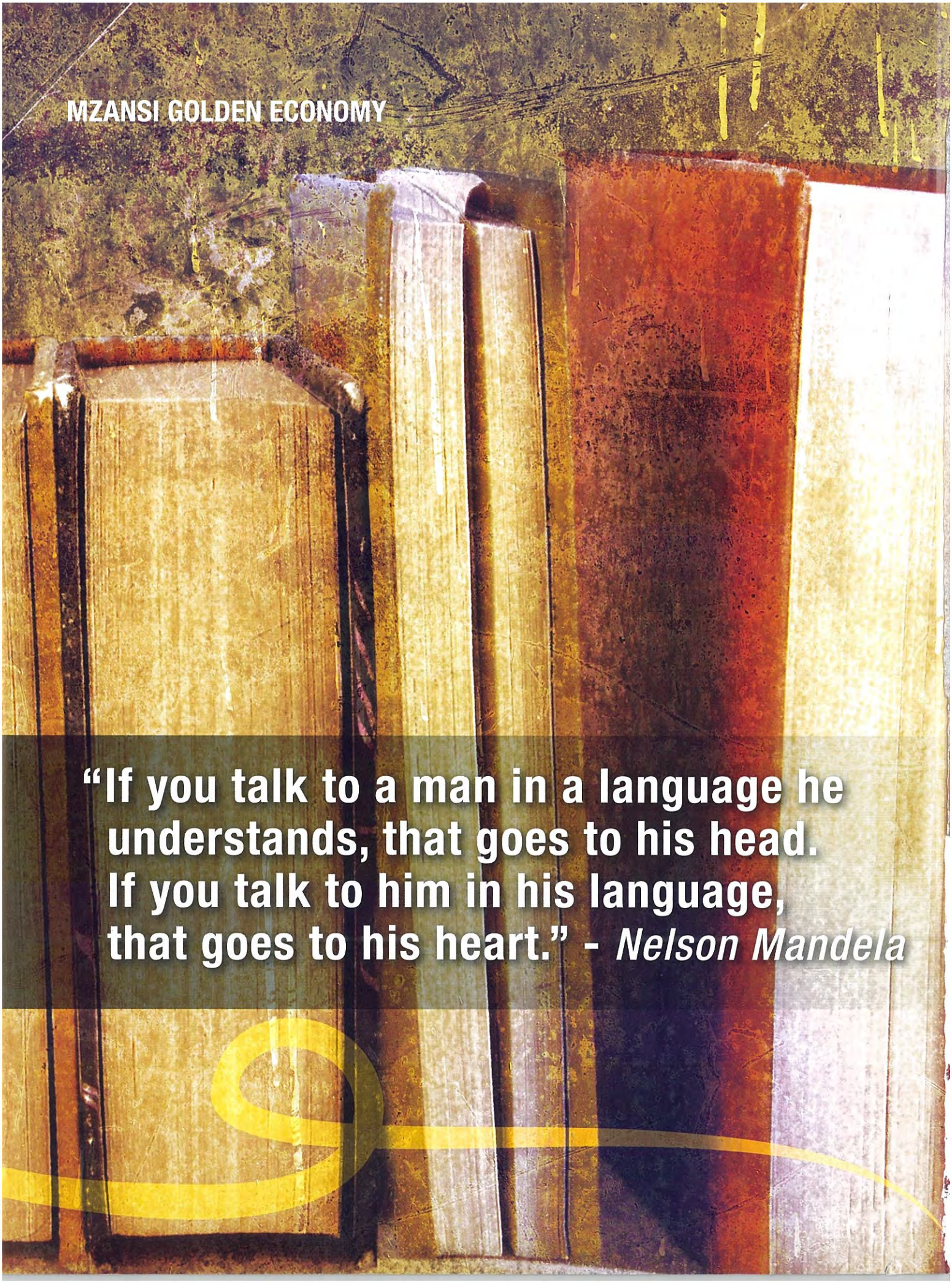

"If you talk to a man in a language he understands, that goes to his head. If you talk to him in his language, that goes to his heart." - *Nelson Mandela*

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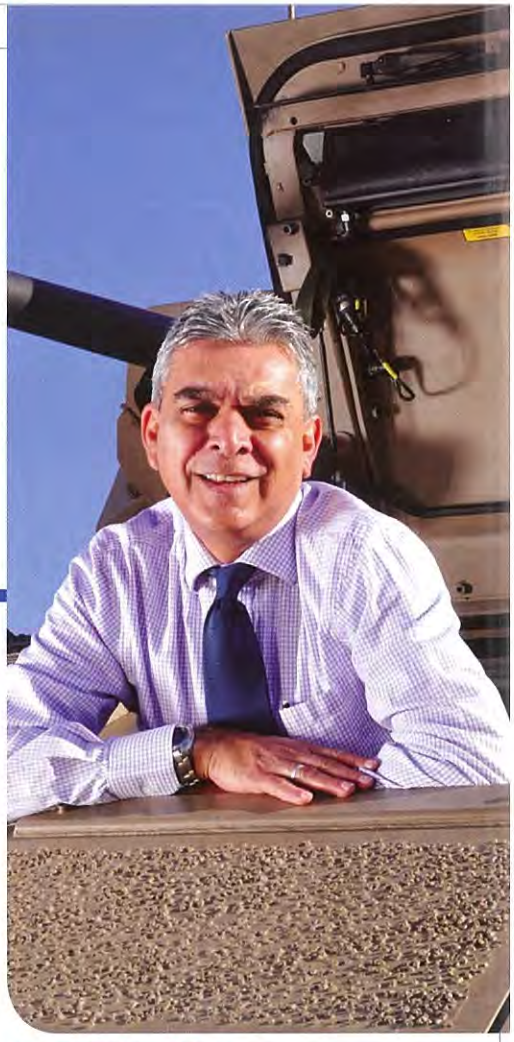
THE SKY'S THE LIMIT FOR ROBUST DENEL

After the launch of a new space engineering unit in September, Denel is reaching for the stars with its innovative new products and bold expansion plans. *New Agenda* caught up with Group CEO Riaz Saloojee.



Group CEO Riaz Saloojee

Tell us about the new space engineering unit that you launched?

Spaceteq was launched as a new business unit within Denel to strengthen our position as a leader in innovative and advanced aerospace systems and technology. The government has identified space as one of the country's 'five grand challenges' and we will work closely with the SA National Space Agency.

One of the objectives is to place a local earth observation satellite in orbit within the next four years. Such a satellite can provide the country with important data which can be used to plan for future food security, human settlements, weather services and disaster management.

What work is Denel doing on the continent?

Africa is a priority market for Denel. We provide clients on the continent with products and technology solutions that are locally designed and developed, taking into account the specific circumstances regarding geography and climate.

A growing part of our business is in the maintenance and repair of helicopters and fixed wing aircraft, both civilian and military, flying on the continent. Through this service we are helping to make the African skies safer.

Denel Mechem is well known for its humanitarian demining services in support of African Union and UN peacekeeping operations. There are an estimated 44 million landmines planted in African soil and Denel is making a huge contribution to destroy these remnants of conflict and educate local communities about the dangers.

What are some of the company's successes, challenges and plans going forward?

Denel is no longer merely a defence company. In recent years it has grown into a technology powerhouse that is now responsible for advanced manufacturing processes, the design, industrialisation and manufacturing of complex aerostructures, space science and unmanned aerial vehicles that are used to combat rhino poaching, apprehend drug smugglers and keep our country's borders secure.

We are exceptionally proud of the contribution we are making towards meeting SA's developmental challenges through our investments in engineering, technology and higher education, our efforts to improve maths and science teaching and our commitment to employment equity and broad-based BEE.

How would you describe Denel's financial performance over the past three years?

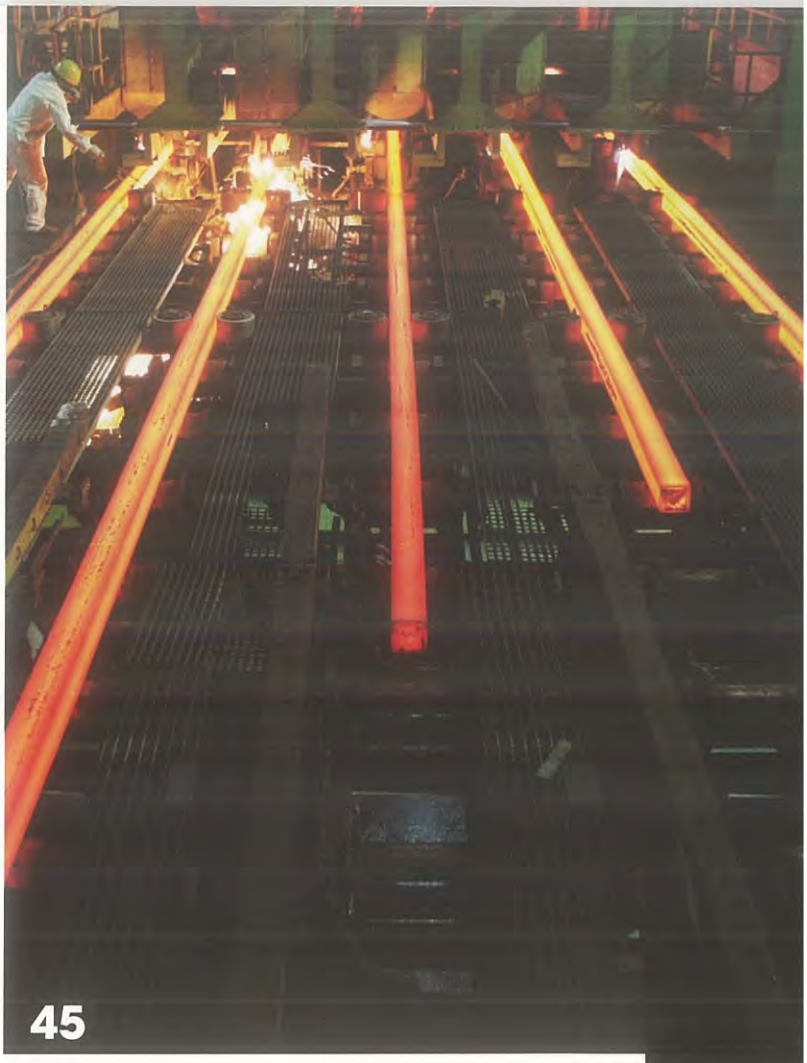
As a business Denel has turned the corner, posting modest profits for the past three years running. Despite the global slowdown in the defence sector we are confident of the future with a significant order pipeline and confirmed contracts to the value of more than R20 billion to be executed over the next seven to 10 years.

Although we aim to run a profitable and successful business, Denel is equally aware of its mandate as a state-owned company to deliver on the country's broader developmental challenges relating to skills development, job creation and poverty alleviation.

How do you plan to maintain your competitive edge to ensure future growth?

Research and development (R&D) is the lifeblood of a high-tech company such as Denel. The changing nature of the global defence environment is driving demand for new technologies and Denel has responded to this by investing R528 million in R&D during the past year, including R142 million from its own funds. These investments will enable Denel to retain its competitive edge and provide the foundation for future growth.

DENEL



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NEW AGENDA

The political role of the military

By **Ben Turok**

The brutal conduct of the Egyptian military, following the removal of elected President Mohamed Morsi and abrogation of the constitution, raises many difficult questions, not only about the Egyptian military but also about the military elsewhere in Africa. It would be naïve to think that the military believes that its role is simply to fight wars against foreign enemies. There should be no doubt about its equal concern with domestic issues, as we see in Egypt.

Historically, the Egyptian military has played a progressive role at times. In 1953, a group of young officers removed the feudal hierarchy of King Farouk. Gamal Abdel Nasser, one of its leaders, became president and brought Egypt into the anti-imperialist and Afro-Asian solidarity movements of the 1950s. Even when the military became corrupt in later decades, it retained a degree of popular support. Hence the extraordinary scenes in Tahrir Square in July this year, when tens of thousands enthusiastically greeted army helicopters after the overthrow of Morsi. Perhaps they are not so enthusiastic now.

It is rare for militaries to use their force so blatantly, which is not to say that they have no interest in political outcomes. Indeed, military intervention against oppressive rulers has been crucial in many countries. We have in mind the Workers and Soldiers Soviets in the 1917 October Revolution in Russia. In 1974, the military was critical in Portugal's Carnation Revolution, which overthrew the fascist Salazar regime – so called because the masses in the streets gave carnations to the soldiers to put on their uniforms and into the barrels of their rifles. In Africa, coup leaders have been cheered for removing particularly unpopular dictators by the gun, be they top generals or lower ranked officers.

In the absence of political process, the door is open for the military to take power, and it often stays in office long after.

To examine the role of the military, we interview General Siphiwe Nyanda, whose career moved from chief of staff of Umkhonto we Sizwe (MK), fighting to overthrow the apartheid regime, to become chief of the South African National Defence Force (SANDF), which was created under the new Constitution "to defend and protect the Republic, its territorial integrity and its people in accordance with the Constitution and the principles of international law regulating the use of force".

We also reprint extracts from our 2008 interview with Maj-Gen Mugisha Muntu, former commander of the Ugandan armed forces. He believes that the military has to intervene domestically when the stability of a country is endangered. However, their task is to stabilise the situation and create conditions for an elected government to come into power. Can we trust the military to hand back power? Should not the destiny of a country be determined by the will of its people? And if a government is willing to manipulate the political process, by hook or by crook, to stay in power forever? These are not simple issues and call for deep consideration.

Setting it straight

Re: "Integration in South Africa: A clash of generations" by Cherrel Africa (*New Agenda 50*). In her original article, Dr Africa wrote: "I resolved to set up a meeting with the school principal". In the editing process, this was changed to: "I met with the school principal". This is incorrect as she did not meet with him. We apologise for the error and any embarrassment caused.

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Saviours or opportunists?

When generals seize power

An interview with **Siphiwe Nyanda**

Nyanda is former chief of staff of Umkhonto we Sizwe (MK) and former chief of the South African National Defence Force (SANDF)

Ben Turok: What is the role of the military in a democracy?
Siphiwe Nyanda: The role of the military in a properly functioning democracy is to support the democracy, to be the bulwark of the democracy. The ultimate upholder of the constitution of any democratic country is the military.

BT: You said a "functioning" democracy, but many democracies don't function all that well. What does the military do in such cases?
SN: In democracies in general, the military has to try to stabilise situations. Some democracies don't function well because of instabilities, because of undermining of democratic principles by certain governments who ascend to authority. Militaries, generally, have got to ensure that the constitution is upheld. They are there to be the ultimate guarantors of the constitution of the country.

BT: Do you think that the military should have seats in parliament, as is the case in Uganda, so that they are also upholding democracy in that way?
SN: I think the militaries have got no role in parliament, but of course the role of the military in any country is informed by its history, by its political circumstances, by the conditions that exist in the country, whether the country is in conflict with itself, or is in conflict with others.

In cases of national wars, militaries do tend to have an increased influence on the politics of the country, in the running of the country. Because if the country is involved in war, it results in a huge drain of the resources of the country, which are diverted to the militia, because the country then focuses on that war. The military tends to increase its influence in the political sphere when the democratic state becomes dependent somehow on the military to achieve its aims.

BT: So it becomes an active power?
SN: It does. That is why you find that militaries in countries where there is instability are more influential than militaries in countries where the systems are working, where there is complete democracy, where there is freedom. Where there is no instability, militaries tend to have less influence in the political sphere. If a country is involved in a war, the military is going to become more influential, even in the domestic political sphere.

BT: How does it exercise that influence? It's not in government. It's not in power.
SN: That influence arises out of the massive concentration of resources that the military receives, and that the country has to give focus to, in terms of the campaigns of that military. The military will be in parliament, now and again, addressing the concerns of the elected representatives about things that they do. So they become more visible, more influential and more topical, because they are on the scene. It's inevitable: when a country is in conflict, the military gets prominence.

BT: They want more money from the Treasury, they go to parliament, and the people cannot ignore them?
SN: Generally, they get that money.

BT: In most of Africa, the governments are not so strong. What is the role of the military in a weak situation? Or take Zimbabwe. We know that the military has been active before the election, but what is its role where there's a balance of power between the ruling party and the opposition?
SN: The military generally should not be involved with the politics of the country where democracy is functioning or supposed to function. If we talk specifically of Zimbabwe, the military of course has been influential in society, because of the internal situation in Zimbabwe.

The military also participated in the external situation during the war in the Democratic Republic of the Congo (DRC). Zimbabwe was one the main countries to intervene in that war. So it's not as if the military has not been engaged in any external activity.

It has had a prominence in Zimbabwean politics. The military was also involved internally in the suppression of dissent. It is subordinate to the politics, but it has great influence there. So, even where there are functioning democracies, it depends on the situation internally and the way in which the military is used in that internal situation. In the period preceding the last election, the military was a concern for everybody when it was expressing itself against the possibility of a victory by other than the party that is in power.

BT: In that case, they went beyond their mandate.
SN: I think so.

BT: Do you agree then with what Major-General Muntu said in his interview: "The military can't completely divorce from political, economic and social life"?
SN: In the first place, the military is part of society. In many cases, it is a unifying force. In countries like India where there are many nationalities – even in Africa, in single countries where there are many nationalities – it is the institution where you find a unity of these nationalities. So it plays a role in national life in ensuring stability. In South Africa, it's the same thing.

MILITARY TAKEOVERS

BT: Muntu also suggests the military only comes in when there's a power vacuum.
SN: Not necessarily. If you look at the situation in Africa, the militaries have not intervened only when there was a power vacuum. In fact, they intervened mostly when there was excessive use of power by unelected politicians, or by politicians who decided to remain in power forever and subverted democratic principles or decided to ditch the constitution of the country and their original mandate. In most of the countries in West Africa where the militaries took over, we've seen political dictatorships by those who were put into power by the people – perhaps through elections, perhaps through popular revolt and revolution against colonial powers – and decided to perpetuate themselves there in power. The result has been that other political parties were banned, less freedoms for people, general disenchantment with those office bearers, corruption, and so on. And the military became the de facto power because those regimes could not sustain themselves without their support. So, the military was virtually in control of the suppression, and that's what led to most of the coups d'états in Africa.

BT: It's a huge responsibility for military leaders, to make a judgement as to when to intervene in order to create stability.

SN: Most times it's just opportunistic. They realise they are in virtual power and they can depose these unpopular dictators and assume power for themselves.

BT: So that's an abuse of power by the military.
SN: There's been abuse of power by politicians, and the military decides to dispose of the politicians and entrench themselves in power.

BT: And they're hard to remove.
SN: Of course, they're very hard to remove.

BT: I am very interested in what recently happened in Egypt. It seems to me that there was an enormous mass protest movement against President Mohammed Morsi and the military then said, "There's instability, so we're coming in." They abolish the constitution in order to "create stability". That's what they said. The military in Africa often comes in similarly as the "saviour". Sometimes they just abuse the word – but was the military intervention in Egypt legitimate?
SN: I think there are a few basic factors that can considered in the situation in Egypt and the military intervention there. The first is that the military has been very, very influential in Egypt for a very long time. The second is the conflict with Israel: that there has always been a potential conflict with Israel. Many Egyptians are not happy even with the present posture of the Egyptian government – particularly the military – with respect to their relations with Israel, because they're too friendly to Israel.

BT: The military are actually in collusion with Israel?
SN: That's the perception of their people – without taking into account, of course, the geo-political reality and the fact that, after all, Egypt fought with Israel and ended up losing.

The military has always been very influential in Egypt: in the economy, socially and politically. Hosni Mubarak, the former leader and military commander, took over after the death of Anwar Sadat. The real popular uprising [in 2011] was against Mubarak, because it involved all sectors of society. Of course, there were elections following that, and the military was party to ensuring that [Mubarak would survive]. Only when they realised the extent of this

popular uprising did they get rid of Mubarak – but otherwise, he was their man.

When Mubarak was deposed, the country was forced to go into elections. The result of that was, I think, that the party that was not perhaps very favoured by the military won: the Muslim Brotherhood. I say this advisedly, because when this party came into office, there were no rumblings from the military. Morsi was the elected president of Egypt. The rumblings only began when Morsi himself wanted to impose certain policies that were unpopular with many of the Egyptians.

BT: You see, that's my point. The military often acts opportunistically for its own power, because it's already got power, but in this case there's a link between the mass mood and the military intervention. Is there a relationship there?

SN: I just hope. The military is very strong. It gets funding from the United States and a lot of resources from Egypt itself. It's a massive force. Now, here is a government that comes into office through an election, with a popular mandate. But then it begins to institute policies that are unpopular with a large section of the population and they rise against it. It's not the majority of the people, but it's a significant section that rises against this person who has been popularly elected in a democratic election.

The first uprising was a popular uprising, involving all sectors. This one was a sectoral uprising, by mainly secularists and Christians, against an imposition by Morsi of policies which seemed to be favoured by only a section of the people. In fact, he was sectional in his application of the law, taking advantage of his ascendance to power, and there were popular protests. One does not know whether the military itself... but one hopes that the military was not involved in this popular uprising, because the military [is supposed to] safeguard stability. I think, personally, that the military was too hasty to get involved. Whether it was because they panicked, because they sensed instability, is something I do not know – but I would venture rather that the military got in there opportunistically.

BT: And you would want them to pull back now.

SN: Well, I don't know what happens now, if they pull back. But I think that, when they got in there, it was rather hasty and I think opportunistic. They gave Morsi 48 hours to address the problems. I think they realised that he couldn't and they just wanted an opportunity to intervene.

POPULAR COUPS

BT: I remember the downfall of the Portuguese dictator António Salazar in 1974, [brought about] by military officers who opposed his regime. People put flowers in the soldiers' guns, and they were seen to be the liberators. They were acclaimed by the masses. You can't call that a coup – or would you? I'm just trying to unpack this idea that a coup is always something done from the top, by generals who want to seize power for themselves. It seems to me that there have been occasions in history, maybe very few, where the lower ranks have worked with the people against a dictatorship in order to introduce democracy.

SN: I think this accords with what I said earlier. You have some coups that are popular, even those that are instigated by generals, where generals take over power. In many instances, those coups are welcomed by the general masses because of the unpopularity of the incumbents: the dictators who sat on power, abused power, abused resources, entrenched corruption in their countries, stifled debates, stifled freedom of expression, and so on.

They are supported [by the people], but after some time, [it turns out that] those generals have not come in order to address the ills, but just take advantage of their popularity. Some coups have taken place against rulers who were [originally] military and then became presidents, changed the constitution and set up sham elections. Some coups – popular coups – have taken place against those people.

It is possible for popular coups to take place when the masses realise that one of the institutions they have to work with, in order to make their revolutions or their uprisings successful, is the military. They can work with security forces in order to undermine an existing dictatorship.

MILITARY AS CIVIL SERVANTS

BT: To come back to a normal situation: you said you don't want to see the army sitting in parliament, but you don't object to soldiers voting.

SN: There are two systems internationally. One is where the soldiers don't vote – but where they don't vote, they don't pay taxes. If you pay taxes, your responsibilities and duties are those of any citizen and you have every right to cast your vote. But the issue is how you exercise that vote [as a member of the military], because your posture in public cannot be like any other citizen who can declare a preference or a political affiliation.

BT: Is a soldier allowed to be a member of a poli-tical party?

SN: Yes.

BT: Is that soldier allowed to have a branch of that party in the army?

SN: No.

BT: So no organised political activity?
SN: No. There can't be organised political activity in the military. If somebody wants to engage in politics, they must do so in such a way that it does not affect their role as officers and soldiers. You need to ensure that – as a commander or as a member of the military – you don't serve any particular political party: you serve the people.

BT: So no commander can hold a mass meeting in a camp and say who to vote for...
SN: Or wear a T-shirt bearing the face of any politician.

BT: In Zimbabwe, at times it seems the military did get involved rather heavily.
SN: One gets a sense of that, where you get expressions like "I will never salute Tsvangirai if he wins a popular election". I think that can't be correct, because you are supposed to serve the constitution. As the military, you are supposed to serve the country. You are supposed to be subordinate to the politics of the country.

I think that should go for every public servant, not just the military. If you're a public servant, you serve the people, and you don't serve any political party. That is the ethos I learned when I studied public administration at the Civil Service College in Britain. When you get to government as an official, not as a politician, you serve the general public.

BT: When the president appoints a commander of the army, does he take into account the maturity and wisdom of this person? It's not just a soldier who salutes and shoots a gun.
SN: The president has the prerogative to appoint anybody who is in the military. I suppose that, in a mature democracy, people who get up to the level of general are people who can be trusted with that authority, people who have gone to school, who have studied strategy, who have gone through military colleges where all these things are taught. Basically, that the military is subordinate to the political authority in a democracy, and that they've got to be professional, and offer professional advice without fear or favour to the politicians, because they're experts in their field. That is their role generally: to give advice and to carry out the orders of the commander-in-chief, who is the president. The military is responsible not for [declaring] war, but for the warfare, the conduct of that war. They understand what resources are going to be used, and that is placed in front of the people who make decisions about war, the politicians.

BT: But it's also advice about the internal [situation]. If the military senses that an insurrection is brewing in the country, in a democracy, they would have to advise the president and that advice would have to be very objective and based on good evidence.

SN: Civilian intelligence is supposed to be responsible for that.

BT: Like the NIA [National Intelligence Agency] in South Africa?
SN: Yes. Military intelligence is supposed to focus on the external enemy, and internally only insofar as the military is active internally. For instance, we have our military deployed on border duty, because it is the role of the military to ensure territorial integrity of the country, that nobody violates it, that no aircraft fly in undetected, that no people come and bulldoze themselves in. That intelligence is the responsibility of the military intelligence.

TRANSITIONAL FORCE

BT: In 1994, the South African National Defence Force integrated the apartheid military structures and the former liberation forces under the command of General Georg Meiring. That marked a change in the role of the military in South Africa.
SN: President Mandela came to the Defence Staff Council. I don't know if any other president has gone to a Defence Staff Council, but I think it was understood why he was there. The military in South Africa also had been very strong, because of the role they played trying to stem the tide of revolution, and Meiring and the other generals had been part of this war in Angola, in Namibia, and so on.

So Mandela came to a Defence Staff Council after the integration of the forces. I was then Gen. Meiring's chief of staff. Mandela told them, you know, this democracy has been hard fought for. We fought hard for this democracy, and people have shed their blood in order to realise this democracy. Nobody is going to undermine this democracy. And if people think that they can roll tanks into the townships, the masses are going to smash them with their bare fists. There is a popular feeling out there now, that this freedom that we have won will never be undermined by anybody, any gunboat or tank.

He was saying then that [the country] had no doubt in our democracy, that this is how the military is going to be, subordinated to the political. Politics will reign supreme, but the military is going to be there and work in accordance with how militaries should work in advanced democracies. Like the United States, like Britain, and other democracies. And we would uphold that, as the military in South Africa. Because our people would never tolerate the ascendance of a military in their country while there was a thriving democracy that they had fought for, had sacrificed so much for. ✻

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When is military intervention justified?

An interview with Mugisha Muntu

Major-General (Ret.) Muntu is the former commander of the Uganda People's Defence Forces. In November 2012, he was elected president of the Ugandan opposition party Forum for Democratic Change (FDC). This is an edited version of an interview first published in *New Agenda* in 2008. Events in Egypt have again highlighted the relevance of this topic

Ben Turok: You were head of the defence force in Uganda from 1989 to 1998. When did you leave the army?

Mugisha Muntu: I resigned as commander in 1998, but retired from the army in 2005.

BT: What were you doing between 1998 and 2005?

MM: I was a representative of Uganda People's Defence Forces (UPDF) in the Ugandan parliament, one of ten.

BT: This is a unique arrangement in any parliament in the world, as far as I know.

MM: Tanzania used to have [military] representatives in their parliament. When Tanzania adopted a multi-party system of governance, this ceased be the case. In Uganda, that's what we hoped to have happen as well. Unfortunately, it has not happened. It had been done as a transition, because of the history of Ugandan politics. We believed that the army would completely pull out [of parliament] when the

situation stabilised at some point. Most times, the military representatives would only take positions that would not be controversial. It was expected of us to express the concerns of the military or to explain in committees where there were issues that concerned the defence affairs of the country.

In Uganda, we've had so many changes of government since independence in 1962, and all of them through violence. We've never had a peaceful transition from one president to another through an electoral process. In 1986, the National Resistance Movement (NRM) – Yoweri Museveni's movement – toppled the military junta of Tito Okello and took power. There were no parties; it was a mass movement and there was a military wing, the National Resistance Army.

During the constitution-making processes, we changed the name to Uganda People's Defence Forces. We focused on professionalising it, anticipating a period when we would evolve into a multiparty system of government. We were working to ensure that the army remained neutral in the politics of the country. If other parties emerged and contested for power and won, then the military would ensure that the party that won would get into power and govern, because that would be the will of the people.

So we were looking at the participation of the military [in parliament] during the transitional period as it disengaged from the political processes, as it disengaged from being part from the armed struggle. We were trying for a process that would create a change in mindsets, because that is one of the biggest problems that we have in African politics: political mindsets, the political culture.

A SYMPTOM OF WEAKNESS

In my own assessment, military intervention should be seen as a symptom of a larger problem. It's a symptom of weakness within the political sphere. It can't hold its role and, therefore, there's external intervention. "External" in the sense that what shouldn't be participating directly in politics now is sucked into that political process.

The president is the commander-in-chief of the Ugandan army now, as in most countries, and it is the chief who gives the commands, through quite a number of processes. The country has a developed defence policy, and the ministry of defence represents defence issues in cabinet and in parliament.

Because of the nature of the struggle, because we were a political military force, we were part and parcel of the political process. When it was a people's war, the military was key in sending commissaries to build the political networks, the committees, the civilian support for the military, and ultimately in mobilising the population and explaining to them why the war was necessary, and ensuring that the civil–military relations were good. As guerrillas, if you don't have civilian support, you're like fish out of water: you just perish. The military was involved deeply in all of that.

However, we realised in 1986 that the military had to completely move back. We had to work consciously towards that. But, you know, to operate in a country where there are weak political institutions, where at times there are individuals in the political process who develop a vested interest – this can become an impediment in the smooth withdrawal of the military from participating directly in politics.

We have undergone a lot of phases of development in Africa. Look at the post-independence years. In the 1960s, 1970s and the beginning of the 1980s, possibly half of the continent was led by the military. I've seen the tail end of that and – going back to my earlier observation – I think that was a symptom of the weakness of the political culture that existed. New governments came in. They didn't have experience. They didn't know how to exercise power democratically or observe the separation of powers. The levels of intolerance were quite high. The thinking of most of the people who took over power after independence – most of them were used to an authoritarian advantage.

Where the armies pull back from politics and move into the professional role, the police become the key players – which is also changing the character of the police in some countries. We would like to see the transformation of the police, but more so to see the political structures take the central role in stabilising security within a country. Then the military is not seen in the civic sectors. Again, a transition. In some cases in Africa, we've seen significant steps in that direction. It is not always the case.

I would like to say it is not always the military that wants to stick itself into politics. It's a two-way process. Some parties in Uganda seem to see the military as part of getting them into power. When they start losing political support, they want to create an image – psychologically, within the population – that the country cannot survive unless they stay around. They want to create the impression that they are the only ones who can manage the military. More or less, they take the country hostage. But it's not sustainable, as we've seen in our proud history.

ELECTION FACTOR

This is another issue we are confronting. I am part of the opposition in Uganda. We are looking at how the military ceases to be a factor in the electoral processes in the country. It's an issue that we are

actively engaged in and even sending signals to the military. But they themselves must play a proactive role to become a stabilising factor in transitional and electoral processes, to ensure that the military observes the will of the people, once that has been determined through the electoral process. It's a key area, and one that, up to now, has not been well observed by the military. But we would still want to give them the benefit of the doubt.

We move towards the transition. [Every five years], we have an election. The military take part, they can vote, but they should not interfere in the political processes. This is not only good for the country but also good for the military because, at the end of the day, they should not see themselves as part of a regime. A regime comes and goes but the military stays.

We would like to see a situation, for example, like what happened in Ukraine [in 2008]. There was a crisis within the political factions, but part of the military played a big role behind the scenes, making it very clear that no part of the military should intervene and whatever the population desired is what should happen. I believe similar actions have taken place in some African countries. In Kenya, in the first transition between the Moi and Kibaki governments, the military also played a key role.

BT: There was a military coup in Mauritania in 2008, and maybe that was a positive development.
MM: At some point it was inevitable. The military simply came into a power vacuum, but it was never a solution. It can never be a solution. You can only give what you have and you cannot give what you don't have. The military, by its nature, by the way it operates, is not democratic. For such an institution to run a country on a democratic basis is very difficult. The only case when a military intervenes is to stabilise the situation, to create a conducive atmosphere for an election to take place and let the politicians run government.

Right now, there are so many other dynamics within the political processes in Africa. You can see countries where situations look desperate politically, but political parties are able to take over power. It is best for the military to maintain stability in the country and let the political processes evolve to a level where there will be responsible government.

There are exceptions, I think. There are countries where the situation becomes so desperate that nobody knows what the solution can be and, in such cases, the military simply intervenes. But that kind of intervention is, again, a symptom of a fundamental weakness within the political fabric of that country.

MILITARY INTELLIGENCE

I think we are also observing a transformation in the quality of military personnel, which is significant. Immediately after independence, officers and men in the militaries were largely not that well educated. In a number of countries in Africa now, you find officers at a graduate level. Officers need to develop a high-level political consciousness. I don't think you can completely divorce the military from the political, economic and social life of the country. Even when they don't participate directly in politics, they act politically in terms of stabilising the country and giving advice to leaders. And they should be informed in their advice. For example, when politicians are trying to manipulate the political process, the military should formally advise them that the direction they are taking is likely to have a negative impact on the political order within the country.

BT: And there should be no link between civilian and military intelligence?
MM: No, except where there is danger to the country. Where opposition political parties are engaged in mobilising public support, that is a legitimate activity. The only area where the military has to intervene is extra-political activity, where maybe there is sabotage or terrorism that will create chaos and undermine stability in the country.

But for that to happen, something is going wrong in the way the country is governed. That's why I was saying that, in a case where the military realises that the political processes are being compromised – for example, if the military picks up information that the sitting regime is in the process of rigging an election – in my view, it should formally advise the sitting government not to do that. Intervention becomes a bigger problem. If you intervene, you now bring the military into politics. It's a very tricky situation.

I think that we can succeed in the metamorphoses our societies have been going through from independence to now. There was a time when we were groping in the dark. There were so many factors at play – for example, the East–West conflict. We never developed our own internal capabilities to manage power. I can see we are now evolving through those phases. I can see successes in some countries. The situation is not as desperate as some people seem to think, but it's still a process. Yes, there are impediments, but generally we're moving in a positive direction.

I hope and believe that we are seeing the tail end of the instability that we've experienced in Africa, that the way countries are governed is going to stabilise, and we can enjoy the richness of our continent.

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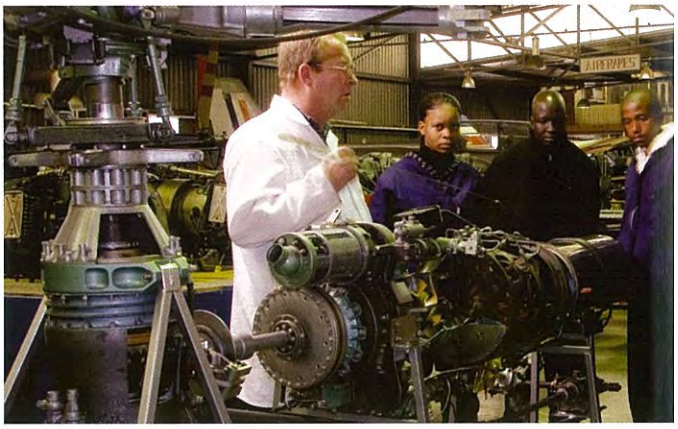

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In search of independence for African waters

By **Chika Ezeanya**

The author is a researcher, teacher and writer who blogs at www.chikaforafrica.com. This article was published in *Pambazuka News* Issue 614, 23 January 2013

The African Union is at the conclusive stages of fashioning an African cabotage regime that will ensure that only vessels owned by Africans will trade within the continent's coastal waters.

The legislation when in force will be a much needed, though daring move to liberate African coastal waters from age-long dominance by overseas entities, and a significant step towards the march to a more unified continent.

The history of maritime trading within African coastal waters, particularly south of the Sahara, is a study in foreign domination and exploitation. For over four centuries, European vessels traversed African coastal waters, hauling human cargo in millions from Africa to Europe and the Americas. With the abolition of the slave trade, 19th century West Africa saw vessels belonging to the Royal Niger Company and others strutting the upper and lower Niger River on behalf of the British Empire. The reigning trade was the exchange of mostly factory damages and trash from Europe for palm oil, rubber, cotton and other commodities.

In southern Africa, the Dutch East Indian Company set several trading vessels to sail along the rocky shoreline of the Cape in the 17th century. The huge profits from the trade, coupled with the excellent weather of the area, turned what started out as a trading mission into a permanent settlement. What followed were years of brutal oppression of African natives, culminating in the apartheid era.

In late 19th century East Africa, the Congo River played host to numerous vessels belonging to the International African Society, a private holding company of King Leopold of Belgium. The company enslaved the entire Congolese population, maiming and killing men, women and children, for ivory and rubber destined for European markets.

In the 21st century, not much has changed in terms of the companies sailing on African coastal waters and the products traded. African commodities and raw materials are still freighted aboard foreign vessels and exchanged for oftentimes sub-standard, overpriced finished goods from the rest of the world. Africa's coastal waters remain largely unregulated and any shipping vessel from any part of the world is, for the most part, free to sail from one coast of the continent to another. African countries are grossly disadvantaged – economically and otherwise – under this enduring and tolerated imperial arrangement.

Contrast the African situation with what obtains in other parts of the world where there are regulations governing the carriage of cargo from one point to another by a vessel registered in another country. Known as cabotage, these laws comprise strict rules to be adhered to, and the necessary permissions that must be secured before one country can operate transportation services within another's territory.

> In the United States, a federal law demands that all "goods transported by water between US ports should be carried in US-flagged ships, constructed in the US, possessed by US citizens, and crewed by US citizens (75 percent at least)".

In the People's Republic of China, cabotage is addressed by the Article 4 of the Maritime Code, which states that "shipping and towage services between the ports of the People's Republic of China shall be undertaken by ships flying the national flag of the People's Republic of China". Other related laws mandate that "foreign invested enterprises and Sino-foreign joint-ventures" are not allowed to engage in coastal and inland waterway transport in China, without due clearance from the authorities.

In the United States, a federal law that regulates maritime trading between US ports demands that all "goods transported by water between US ports should

be carried in US-flagged ships, constructed in the US, possessed by US citizens, and crewed by US citizens (75 percent at least)". India's cabotage regulations demand that coastal trade is strictly restricted to Indian flag-bearing vessels. This is in recognition of the fact that coastal transportation of bulk and oil cargo through cost-effective, secure and fast moving vessels "contributes significantly to India's economic growth". Africa is a continent, but the sum total of its economic production and related transactions does not equal that of the individual examples given.

The African Union is at the conclusive stages of fashioning an African cabotage regime that will ensure that only vessels owned by Africans will trade within the continent's coastal waters.

Africa's maritime economy has been estimated at US$1 trillion a year, a figure that represents over 90 percent of the region's entire commerce. Thirty-eight out of Africa's 54 countries have coastal lands or are island nations. Since independence in the 1960s, African countries have foregone enormous economic advantages by allowing foreigners unfettered access to the continent's coastal waters. Although a few individual African countries such as Nigeria have cabotage laws in place, these are more or less pretentious attempts at legislation. Individual African countries face dire challenges to effective implementation of cabotage laws, owing to inadequate infrastructure, lack of skilled manpower and high operating costs, even for a "wealthy" country like Nigeria.

The advantages of a unified African cabotage law, championed by the African Union, are numerous. African maritime industry will be injected with huge native capital that will circulate to the local population and attract more funds from within and outside the continent. African maritime practitioners will gain more skills, and employment will also be created. African countries can pool human and material resources to ensure effective implementation. Further, African countries will have greater control over maritime security, and can co-operate in protecting the continent's coastal waters from piracy, bunkering, illegal fishing and other such acts. Very importantly, also, the often-undocumented human rights abuses encountered by African nationals working on foreign vessels that ply the continent's coastal waters will be highly reduced. Other longer term benefits for the continent include the growth of a strong shipbuilding and operating sector, reduction of the security risks incurred as a result of exposing the continent's coastal waters to foreign exploitative vessels, and the growth of a strong financial services sector.

But beyond the euphoria of the AU's declaration of independence for African coastal waters, there are sobering points that must be noted and immediately addressed for a successful take-off of the African cabotage regime. Issues of capacity come to the fore: of the world's cargo-carrying fleet of 55 138 (as at 2011), African countries combined own less than 5 percent. Questions of operating costs and adequate infrastructure come into sharp focus. It is also very important that implementation strategies be duly thought through and strong enforcement mechanisms instituted well before take-off.

The African Union should study other cabotage laws, but be wary of copying them. Africa has been in the habit of copying other nations to its detriment. It could be tempting to copy the Indian model, for instance, where foreign shipping companies can own 100 percent of Indian subsidiaries and be allowed to fly Indian flags and ply the country's coastal waters. There are several disadvantages and loopholes in this approach and it might prove unmanageable for Africa.

Essentially, thus, the impending African cabotage law is a giant leap towards the actual economic independence of Africa. When it takes off, it will prove to be a major factor in the continent's drive towards a more united economic and geopolitical bloc. As the next economic frontier for the world to conquer, Africa can no longer afford to enthrone and celebrate the colonial divisions that have chiefly served the purpose of empowering other continents. Only when African countries unite will they collectively stand up against the impending scramble for the continent's resources by the rest of the world.

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Nelson Mandela:
A leader bigger than divisions
By Nicholas Haysom

The author was legal adviser to Mandela during his presidency and now serves as the deputy special representative of the UN secretary-general in Afghanistan. This article was first published in the Sunday Times, 14 July 2013

Like many other South Africans, I have recently been considering the vast debt that South Africa – and the world – owes to Nelson Mandela. Here in Kabul, Afghanistan, where I am now based, his health is closely followed. International diplomats, politicians and ordinary Afghans, frequently ask me about his recovery, with real concern. It is a reminder that Madiba holds a special place in the hearts and minds of people all over the world.

I have also been thinking about Madiba because war-torn Afghanistan is preparing for a presidential election, its first democratic transfer of power. There has been intense debate regarding the attributes of a candidate capable of leading this divided country through its transition. More than a few Afghans have confided that "our problem is we have no Mandela".

This has been a common lament in other conflict-afflicted countries in which I have worked – Sudan, Sri Lanka, Iraq and Burundi. They mean that they lack a leader who is bigger than the divisions that have torn their communities apart. They need a "Mandela", someone who is uniquely capable of speaking for those who demand change and simultaneously addressing those who fear it.

This has brought home to me a real appreciation of the national asset that Mandela constitutes. His varied and lifelong contribution to the emancipation of South Africa from apartheid is well recorded. His transformation from political prisoner to the country's first democratically elected leader is remarkable. What is extraordinary is that he has become our universally beloved national icon, a condition for healing our bitter divisions and even, perhaps, a collective father figure. Although he certainly left his mark on the stage of international politics, his universally acclaimed stature derives from his inspirational role as the political leader in South Africa who endured 27 years of imprisonment and emerged without rancour to become its first democratically elected president.

I am only qualified to share insights into this great South African gained while he was president. The particular challenge he faced during that time was to create from his divided country a united non-racial democracy. This challenge reminds me of the statement erroneously attributed to Italian nationalist Giuseppe Garibaldi after the final battlefield victory

that unified Italy: "Now that we have created Italy, let us create Italians."

If this understanding – that sharing a geographical space does not create a nation – applied in a country that had a common race, language, history and religion, imagine then the task facing Mandela of creating "South Africans". Failure might have meant a debilitating civil war, or the steady erosion of the country's material and social capital. Throughout his tenure, Mandela insisted that the policies of the government respect that the country belonged to all who lived in it. I remember being collectively chided by him for not singing the last two verses of the national anthem ("Die Stem"). Nothing gave him as much satisfaction as seeing South Africans in their full diversity brought together in common purpose. This did not mean he was not pained by the obvious disparity between rich and poor – the visible conditions of poverty many black South Africans continue to live in. He believed that its comprehensive treatment would require a concerted national effort that would take time and sacrifice and outlast his period as president. Although he dedicated considerable personal time and money towards educational and related philanthropic projects, his task as president was to put South Africa in the best possible position to take on this challenge.

In service of his broader goal, Madiba would bring a single-minded determination, conviction and self-discipline to bear. His ability to put behind him the indignities and humiliations of racist practices that black South Africans had endured was not because he did not remember them, or often trenchantly relate them to me with full moral disgust. His commitment to reconciliation is all the more remarkable once one grasps that Madiba imposed on himself this discipline: to forge a non-racial democratic South Africa, he would refuse himself the licence to be bitter. Determination and discipline would make him learn Afrikaans in prison so that, at the right place and time, he would be better equipped to negotiate a transition to a non-racial democracy. He would impose on himself a punishing social and political schedule. He was fastidiously punctual. Self-discipline informed his daily habits. In the years following his release from prison, Mandela would rise at 5 a.m. or earlier. He would make his bed as neatly as any soldier at boot camp – a phenomenon that quite disturbed the housekeeping staff at many of the world's leading hotels – and exercise before indulging in reading his many newspapers. Madiba employed his gracious charm in service of his higher goal.

He treated all who came into contact with him with equal and generous attentiveness and appreciation. It came easily to him. He was comfortable with people, whether one-on-one or in a crowd. His insistence on personally greeting the staff who served him at hotels, banquets and restaurants took precedence over the demands of protocol. He preferred informality and was uncomfortable with protocol and ostentatious motorcades. Madiba's starting point was to believe in the integrity of all those he engaged with. This was not naiveté. He was, I believe, aware that it brought out the best in his allies, foes and colleagues. The downside of starting with the "glass full" was his disappointment should one fall short of the trust he had given.

Madiba could be a flagrant public charmer. He could win over hardened politicians, flatter celebrities, joke with giggling schoolchildren. He told the Spice Girls when he met them that he had been so beside himself with excitement that he had not been able to sleep the night before – and they believed him. None of this is to suggest that Madiba be viewed simply as a kindly uncle figure. He was capable of a resolute, steely toughness – as many found out. He shared with me that toughness was a necessary part of leadership and unless one was prepared to be "brutally tough" in service of one's convictions, one should not aspire to leadership.

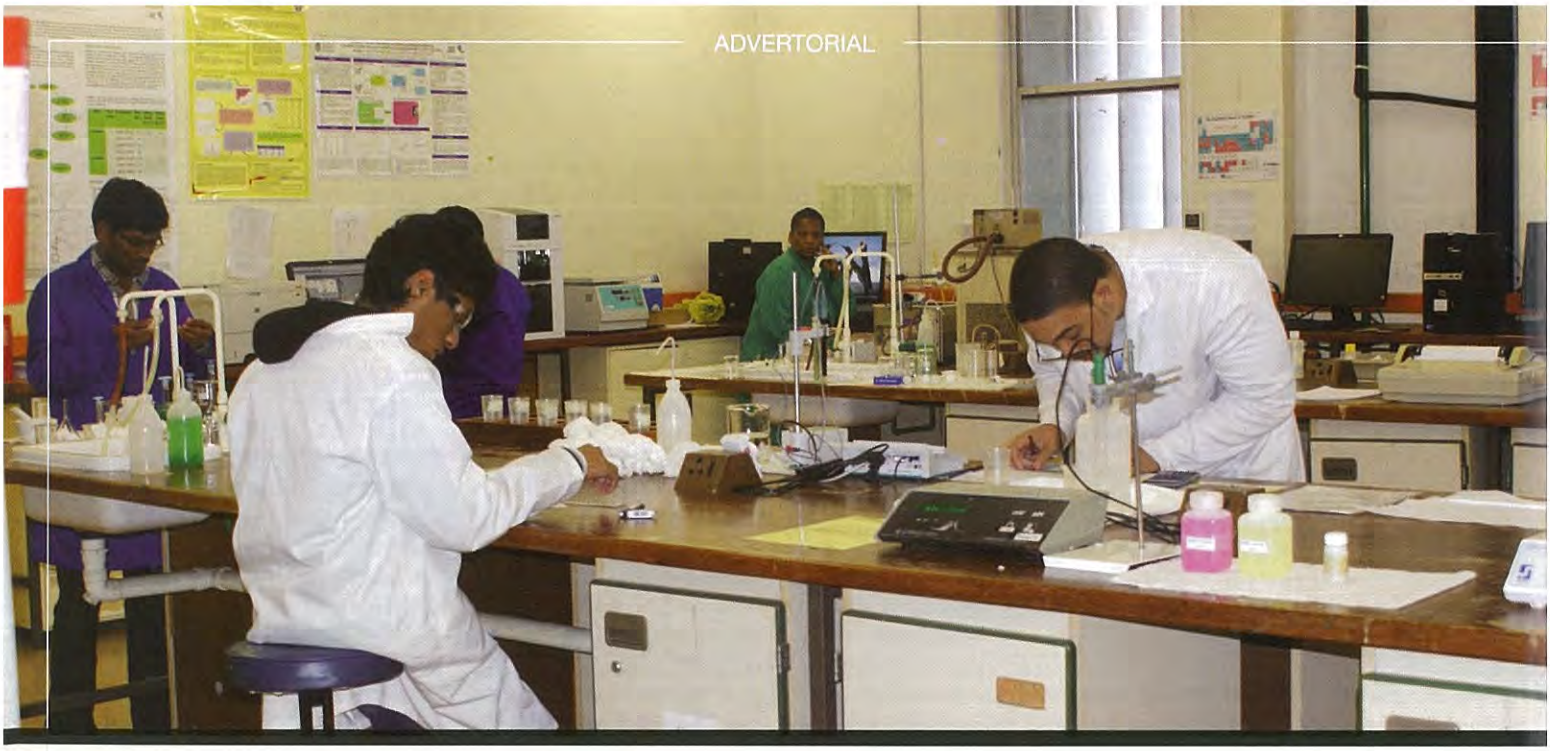
In spite of his aristocratic origins, Madiba was inherently a democrat and it showed in his political actions and his practice of leadership. He readily accepted that he was not bigger than his own party, the ANC. He would insist on robust intra-party democracy, and this indeed was the text of his final presidential address to his party's congress. When he stepped down in 1999, despite pleas to remain, he was responding to one of his most strongly held beliefs – presidents should not stay in office for long. Beyond one, perhaps two terms, cronyism would become entrenched.

Mandela himself would display that rare political virtue – a willingness to admit a mistake, even publicly apologise to an adversary. In his case, it seemed to increase his stature. Mandela's instinctual desire to level himself was evident in his style of leadership. He often referred to his mistakes to illustrate a better way of doing things. He still refuses to accept accolades showered on him as the man responsible for South Africa's peaceful transition. On introducing my then boss, UN Secretary-General Ban Ki-moon, to my previous boss, Mandela, Ban quite naturally began to express his appreciation for Mandela's contribution not only to South Africa but, by his example, to the world. Madiba interrupted twice to insist that he had a small part in the drama – that the transition was the work of "millions of men and women, South African and non-South African".

As president, Madiba was keenly aware of the example he needed to set to promote a culture of democracy and respect for the rule of law. He was quick to publicise his intention to respect court rulings that overturned his government's decisions. He is the only head of state I know who, while in office, agreed to submit himself to aggressive cross-examination in a court of law regarding a political (discretionary) decision. He surprised his cabinet by referring a law passed by parliament to the Constitutional Court to confirm its constitutionality before signing it. Even though he supported the law, it was the higher duty of the president to ensure that doubts regarding constitutionality be clarified.

Despite his sensitivity to democratic practice, Madiba argued that leaders had to lead. On important issues he took an active, even forceful, role in debates in his party and in the cabinet. He would sometimes fail to carry the floor – and would always accept the result. One such issue, on which history should record the correctness of his position, was the strong stand he took against the Nigerian military junta after the execution of Ken Saro-Wiwa. Another issue on which he would lead – the use of sport to unify the nation, specifically his support for the 1995 World Cup Springboks – demonstrated not only leadership, but political savvy. The donning of the No. 6 jersey at the finals would be his most effective evisceration of the white right wing, a political masterstroke.

The five years that Madiba was president have been referred to as the "Camelot " period. To be sure, he enjoyed the benefit of a national spirit of renewal and huge international encouragement. When he stood down, he had stocked the country with a reservoir of goodwill both internally and externally. This was social capital it could draw upon as it faced new and difficult challenges – the mountains ahead that Mandela refers to in the last pages of his biography, *No Easy Walk to Freedom*. Only history can judge whether we have used that capital well.



Platforms for development of high end skills

The development of human capital with the technical skills is critical if South Africa is to position itself strategically within the global knowledge economy. By providing platforms for effective research in key areas to post-graduates and research fellows, the country will be able to leverage knowledge creation to its advantage.

The Professional Development Programme (PDP)

The Professional Development Programme (PDP) is one of a range of Department of Science and Technology (DST) and National Research Foundation (NRF) human capital development interventions. The programme was initiated by the DST in 2006 and in 2008 it was transferred to the NRF. The programme supports South African citizens and permanent residents studying or conducting research on a full-time basis, to gain and obtain research exposure and experience in various fields, aligned to selected host research programmes and projects.

The DST has made additional financial investment into the programme to support recent doctoral candidates and postdoctoral research fellows. This is intended to allow fellows to obtain and expand on their research experience and skills through research work done at host research institutions such as science councils, national facilities and other public research institutions.

Objectives

The objectives of the PDP programme are:

- to contribute towards the increase in the number and quality of South African researchers in South Africa;
- to leverage innovation and research within host institutions that is linked to skills development;
- expose masters and doctoral graduates to research environments that will enhance their employability within the NSI; and
- to attract and retain young scientists and professionals of the highest calibre, in order to complement senior researchers influence on current science and technology research systems.

Senior researchers from the Science Councils, National Facilities and Public Research Institutions can apply to the funding programme to host doctoral or postdoctoral research fellows within their institutions. Research projects must be aligned with national priorities such as the DST 10-Year Innovation Plan and the National Research and Development Strategy (NRDS) in any academic discipline within the priority research areas for South Africa. This includes all fields of Science and Technology, Engineering and Mathematical Sciences, including the Social Sciences and Humanities (SSH).

Eligibility for Hosting Research Institutions

- The supervisor must hold a doctoral degree and have adequate supervision experience to host and mentor research fellows.
- Research projects must be aligned to South Africa's national priorities.
- Sufficient detail about the research project must be provided in the application form in order for it to be considered for support.
- Eligibility criteria for research fellowships
- Research positions are open to South African citizens and permanent residents for full-time research at institutions in South Africa.
- The nominated doctoral and postdoctoral research fellows must not be employed in a permanent position within the host institution prior to being nominated for the award.
- The nominated research fellow must be employed on a three-year contract for the duration of the award. The host will have to submit an annual progress report in order for the NRF to release the funds on an annual basis.

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National Research Foundation

- Host institutions are under no obligation to provide a permanent position to the research fellows after completion of the degree/ research study.
- The award should be held as primary funding for the research study.
- The award cannot be held concurrently with an award from other government departments, the NRF or NRF-administered source.
- Research fellows are allowed to hold non-binding supplementary grants up to the institutional capped value for that position.

In line with the national imperative of equity and redress, the programme prioritises support for appropriately qualified blacks, women and disabled students. Without sacrificing quality, the programme will strive for equity targets of 80% black and 60%women.

Participating public institutions

- Agricultural Research Council (ARC)
- Agricultural Research Council – Infruitec-Nietvoorbij
  Agricultural Research Council – Small Grain Institute
- Council for Scientific and Industrial Research (CSIR)
- iThemba Laboratory for Accelerator Based Sciences
- Mintek National Health Laboratory Service
- National Zoological Gardens of South Africa
- Nuclear Energy Corporation of South Africa
- SANSA Space Science
- South African Environmental Observation Network
- South African Institute for Aquatic Biodiversity
- South African Medical Research Council

Grants totaling R31 504 424 were awarded to the participating public research institutions. There has been a good uptake of the funding. Out of the 99 allocations in 2012/13, there have been 91 renewals. A total of 91 PDP fellows are continuing into 2013. In addition, 63 new allocations have been made for 2013. This means that a total 154 PDP fellows are in the programme in 2013.

Research Career Advancement Fellowship

The idea of these investments into the Professional Development Programme is to ensure that there are platforms to address high-end skills needs. Also important is the subject of career pathing for emerging researchers; in particular postdoctoral researchers have been receiving a great degree of attention over the past decade. In most developed economies, and in some emerging economy countries, the attention is in response to reduced academic employment opportunities for postdoctoral fellows as an outcome of the rise in numbers of doctoral and postdoctoral fellows without the corresponding rise in the number of available academic positions. In South Africa, the situation is exacerbated by the dearth of research positions for emerging researchers and limited number of academics who can serve as mentors within the South African research environment. The Research Career Advancement Fellowship is adding to the PDP and other platforms to create a critical mass at these skills levels.

The South African government is committed to the transformation of the research cohort, both in terms of the training of highly skilled individuals and improving the demographic profile of academics at higher education institutions, with respect to age, race, gender and persons with disabilities. The Department of Science and Technology (DST) has made available funding for Research Career Advancement Fellowships in order to strengthen research capacity and scientific research leadership in Science, Engineering and Technology. This will be done by creating positions for senior postdoctoral fellows who have shown interest in furthering careers in research and academia and have demonstrated the potential and ability for research leadership.

The Research Career Advancement Fellowships are aimed at providing support for the training of individuals for research leadership in all areas of Science, Engineering, Technology and Mathematical Sciences (STEM) at public universities. The Fellowship may be held in partnership with a public research institution such as a science council, a national research facility or an academic health complex.

The Fellowships are not pre-allocated to institutions. These applications must bear the endorsement of the university Deputy Vice Chancellor (DVC) for research, or equivalent, at the university or institution. Preference will be given to those fellows who have obtained postdoctoral research experience outside the university where the doctoral degree was granted. The call for applications for this funding is currently open until end of October 2013. Individual candidates must submit applications to the NRF

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The meaning of Marikana

By **Sam Ashman** and **Ben Fine**

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The mining core of South Africa's economy saw, in 2012, the most explosive and significant strike wave since the defeat of apartheid, challenging the terms of settlement in the industry and the low wage regime on which it rests. At Marikana, it involved the killing of 34 Lonmin strikers by police on 16 August. These events, and the response to them by the Tripartite Alliance of the African National Congress (ANC), the Congress of South African Trade Unions (COSATU) and the South African Communist Party (SACP), starkly reveal the economic and social issues in South Africa today, highlighting how many features of the apartheid system have not been so much preserved as reproduced, and even intensified.

The strike wave also threw the labour movement into acute crisis. Many strike leaders were members of the National Union of Mineworkers (NUM), rejecting the union's politically powerful but industrially conservative leadership. Many workers had joined the Association of Mining and Construction Workers' Union (AMCU), the rival union formed in 1999. Further, most notably at Lonmin and elsewhere, workers sought to negotiate with employers directly, and not through any of their union representatives. "Fear" of industrial unrest in the mining sector and worries about weakening economic growth continued to dominate the business headlines in early 2013.

These events have drawn attention to the scale of South Africa's mineral wealth and the industry's continuing dependence on cheap, black, and often migrant, labour. In April 2010, a Citigroup report identified South Africa as the world's richest country in terms of its mineral reserves, valued at US$2 500 billion. Platinum group metals constituted $2 300 billion, with the bulk of this resource located in the bushveld igneous complex (BIC), a geological formation spreading across Gauteng, the North West and Limpopo provinces. This area also contains the world's largest chromium and vanadium reserves and produces ferrochrome, nickel and other minerals.

Platinum is one of a family of six chemically similar elements that make up the platinum group metals (PGMs). South Africa is estimated to hold 87 percent of the world's PGM reserves and accounted for 76 percent of world platinum production in 2009. Since the early 1990s, platinum has been the fastest growing sub-sector within the mining industry and, consequently, the BIC area has been the fastest-growing South African region – exceeding 15 percent in some years. After significant restructuring of firms, the sector is dominated by Anglo American Platinum (80 percent owned by Anglo American) and Impala Platinum, which also dominated the sector during apartheid, together with the third largest producer, Lonmin. These firms have successfully converted their old-order mining rights and have retained control over a large part of BIC platinum production by entering into joint-venture partnerships with domestic black capital.

The latter were black economic empowerment (BEE) beneficiaries of the process by which the state effectively nationalised privately held mineral rights through the enactment of the Minerals and Petroleum Resources Development Act. The MPRDA required incumbents to convert their rights under the new Act. At the same time, emerging black capital put pressure on the post-apartheid state to leverage economic space for them, much as the National Party did for Afrikaner capitalists in the decades following 1948. The state has done so through favourable MPRDA mineral rights allocation, as well as through the support of state institutions like the Industrial Development Corporation (IDC).

A larger proportion of merger and acquisition activity in South Africa has, however, been financed by the country's financial sector. Existing communities that owned BIC mineral rights under bantustan legislation

have also acquired ownership stakes in the old and new mines. The Bafokeng, for example, own a significant share of Impala Platinum and have listed their assets, Royal Bafokeng Holdings, on the Johannesburg Stock Exchange. The joint ventures with emerging black capital tend to shoulder a disproportionate share of the risks, and are often first to reduce output so as not to depress commodity prices further. The scale and pace of growth has also increased the sector's systemic dependence on migrant labour from other areas of South Africa, and the region more widely.

Against this backdrop, we suggest that there are four systemic factors underpinning events at Marikana.

THE MINERALS-ENERGY COMPLEX

The first is the nature of South Africa's extractive economy, highlighted by the notion of the minerals-energy complex (MEC).

The MEC refers to the evolution and interaction of a core set of heavy industries, powerful vested interests and institutions involved in minerals extraction and processing, which created a distinctive system of accumulation whose dynamics and linkages have long determined South Africa's pattern of industrialisation. Critical actors in the MEC were the six mining houses that grew out of the minerals revolution in the late nineteenth century; established the migrant labour system; fused with Afrikaner finance capital in the 1960s; and diversified ownership out of the minerals and energy core; so that, by the 1970s and 1980s, they dominated the whole economy.

The concentration of industrial and money capital in the MEC rested on two pillars: state support for key sectors, particularly through parastatals and tariff and pricing policies, and the extreme exploitation and political oppression of the black majority.

The political settlement of 1994 protected white capital, despite more radical demands of parts of the liberation movement. Since 1996, the ANC has reduced capital and exchange controls and allowed conglomerates to move their primary listings abroad, which they have combined with intensive unbundling at home. This has involved selling some of their (often less productive) assets to the aspirant black bourgeoisie, which was regarded by many as an strategic buffer against more extensive attacks through wealth redistribution and other far-reaching progressive policies.

These developments have both reproduced and transformed the MEC's determining influence across the economy. The foreign listings and unbundling of the big productive capitals have meant a (domestic) focus on their productive, mining core *and* an emphasis on the internationalisation (and financialisation) of their operations. Simultaneously, this unbundling has led to the emergence of distinctively financial corporate groupings with an increasing amount of domestic power as the financialisation of the economy has intensified.

It could be said that the post-apartheid economy has been dominated by the "three Fs" of capital – *flight*, *finance*, and *foreign* ownership – albeit served with a side order of BEE.

In platinum, capital's restructuring created the Anglo American Platinum Corporation (Amplats), formed as Anglo broke up its old JCI holdings into JCI Ltd (gold, ferrochrome, base metals), Johnnic (industrial holdings), and Anglo Platinum, which was amalgamated with Anglo's Rustenberg Platinum Holdings. Amplats is listed in London and controls 40 percent of global output. In 2001, Amplats was the first South African company to make $1 billion profit.

Impala unbundled from Gencor and also listed in London, with Lonhro – renamed Lonmin in 1999 – divesting itself of non-core assets. Anglo-Swiss multinational Xstrata has a 25 percent stake in Lonmin. Xstrata is also one of South Africa's biggest coal producers and an important supplier to Eskom. Commodity giant Glencore and Xstrata were negotiating a merger throughout 2012.

The platinum industry starkly exhibits the central features of South Africa's political economy – monopolistic industry structures, tight corporate control and the co-option of emerging black capitalist interests. The evolution of platinum extraction also reflects the post-apartheid economy's continuing emphasis on exporting minerals over local beneficiation, the diversification of the economy and greater employment generation.

It appears that black capitalist interests fully supported the aggressive attempts of the firms and the state to break the strike at Lonmin. Evidence to the Farlam Commission of Inquiry revealed that Lonmin senior management had written to government ministers, requesting the sate to "bring its might to bear... using resources at its disposal, to resolutely bring the situation under control" (Ntsebeza et al, 2012). Emails from Cyril Ramaphosa – former NUM general-

secretary, now Lonmin executive – reveal how he used his position in the ANC to lobby the government for action in support of Lonmin, calling the strike "dastardly criminal acts" and demanding "concomitant action" be taken (Commission, 23 October: 220–21).

MIGRANT LABOUR SYSTEM

The second issue that Marikana reveals is that much remains of the century-old migrant labour system, despite nearly two decades of reform of the apartheid labour market system.

The mining industry remains wedded to its apartheid past in its dependence on cheap black labour. Lonmin workers were striking for a pay rise from around R4 000 to R12 500 per month. Pay scales are complex, particularly as labour brokers (formally banned under apartheid) now hire approximately one-third of the workforce across the mining sector, where employment has been increasingly casualised, particularly through the sub-contracting of "non-core" surface jobs.

The migrant labour system, as established by the mining houses at the end of the nineteenth century, entailed both racialised workplace organisation and a regional system of labour recruitment that drew in labour from across southern Africa. A damning feature of this system was the compounds where mineworkers were housed and which functioned as a key means of labour control. Workers' annual cycle only allowed for breaks at Christmas and Easter. The migrant labour system also meant the devastation of the "labour-sending" areas that were forced to rely on mineworkers' remittances. The Eastern Cape supplied labour to the gold mines of the Witwatersrand from the 1890s onwards, and the area remains today both one of the poorest regions of the country and a labour-sending area – particularly the villages of the former Transkei "homeland" around Lusikisiki, Bizana and Flagstaff, the origin of a number of the miners shot at Marikana. Measures such as building airstrips (which are common near game reserves) to shorten the length of time between mineworkers' home visits have not been taken.

The mining houses developed a strategy of stabilising the migrant workforce through a combination of repeated long-term contracts and more localised recruitment. In the 1980s, mine managers began to question the worth (to them) of the compound system, at least in part because hostels were becoming bases for union organisation. Anglo American, for example, argued that hostels were becoming unmanageable, that they were exploited by the National Union of Mineworkers (NUM) to "foment unrest", and that a policy of home ownership would have the greatest impact on "worker and social stability".

There has thus been a major decline in the number of migrants from outside South Africa. Of the 52 000 total workforce at AngloPlats in 2012, 45 000 were from South Africa, while 3 677 were from Mozambique, 1 600 from Lesotho and 280 from Swaziland. This change has combined with an increasing number of workers drawn from the areas closer to the mines, particularly so in platinum, where many workers originate from the North West province. Short distance migration has grown along with peri-urban settlement and further devastation in the rural labour-sending areas as employment opportunities have declined even further.

But while mining companies have abandoned the compounds, this has not resulted in affordable decent housing for mineworkers, whether state or company provided. Family accommodation schemes have been introduced for those who live near to the mines, but this often takes the form of a subsidy for a bond to purchase a house, which has only been taken up by a minority of better off workers. Despite pressure to deliver alternatives, the privatisation of housing provision has really amounted to workers being given a cash "living out allowance". Many workers simply use this to supplement their pay and live in the zinc "shack lands" that have sprung up around the mines. The appalling living conditions indicate that the social and labour plans of the MPRDA have been ineffective and reflect the failure of the government to enforce its own policies.

Former NUMSA official and industry consultant Gavin Hartford (2012) has argued:

> that the specific migratory and housing conditions of migrants have led to a double economic burden; that the collective bargaining processes and institutions failed dismally to hear the signs of discontent and address the causes; that the company leadership in human resources and the line management functions is complicit in this failure; and that the solutions require a radical re-think of the future of migrant labour, of collective bargaining, of the manager/employee interface at shaft and mine level.

LACK OF PLANNING

The third issue that Marikana exposes is the lack of adequate and co-ordinated planning in the development of such a large and important part of South Africa.

Local municipalities are responsible for dealing with local development, but haphazard and unplanned development of the built environment has been rampant. This comes at a time when Rustenberg, the largest municipality in the BIC, appears to have collapsed completely. Last year the auditor-general failed to complete its audit and auditors were unable to express an opinion on the municipality's accounts. In the previous five years, Rustenberg received five successive qualified audits. Amidst a myriad of uncertainties, including over land tenure, it would appear that one of the fastest growing parts of South Africa is not being served by anybody.

INFORMAL FINANCING

The fourth issue upon which Marikana has shone the spotlight is the informal financial sector and growing levels of unsecured debt.

The growth of micro-lending has been phenomenal recently – despite legislation such as the Usury Act aimed to protect the poor. According to the National Credit Regulator, South Africa's debt sits at R1.3 trillion, of which almost 10 percent is unsecured credit. Some 62 percent of unsecured credit agreements come from those earning less than R10 000 a month, and 22 percent are from those earning less than R15 000 a month. Moneyweb estimates that, for South Africans earning between R3 500 and R10 000 a month, as much as 40 percent of their income goes toward covering loan repayments. Of 19.6 million credit active consumers in 2012, 9.2 million of them are "impaired" (i.e. have three or more payments in arrears, or have an adverse listing or judgement or administrative order against their name). This often takes the form of garnishee orders, where courts order employers to deduct debt repayments directly from workers' salaries. Many mineworkers were striking for higher wages in part either because garnishee orders were leaving them with little on which to live or because they were indebted to the unsecured lenders operating outside the mines and in the cash loan shops. There are at least 13 "micro-lenders" in Marikana alone.

This growth in borrowing for consumption is a consequence of an amendment to the Usury Act passed in 1992 that removed price controls on small loans (those under R6 000 and with a duration of less than 36 months). In theory, this would allow small lenders to cater to the needs of small borrowers who were previously excluded from borrowing from the big banks. Having a ceiling on the interest rate, it was argued, was making it hard for micro-lenders to cover their costs. The National Credit Act of 2007 then capped the interest rate for unsecured loans at 31 percent in order to try to control this kind of lending, but it was arguably too little, and somewhat too late.

It is too early to predict the lasting effects of this crisis. Amplats announced 14 000 job losses in January 2013, the biggest in its history, blaming falling world market prices as demand from the European car market has fallen (and with it the demand for catalytic converters, which require platinum). But as the four shafts to be closed are to be kept under "care and maintenance", this tends to suggest that the company is taking the opportunity to increase profitability by limiting global supply and pushing prices back up, while at the same time trying to break the new militancy among workers. (In its own reports, the company recognises that the longer-term future for platinum is bright given the prospect of demand from China and India.) Nevertheless, the job losses threaten once more to turn a crisis of profitability into a social crisis for labour.

Is the tough stance of the government in the face of the strikes indicative of the future, as debate continues over the minerals sector? Of course, one possibility is that the ANC government will leave things as they are: a price- and market-determined future for the industry resting upon the same pillars as in the past. Another course that has been suggested would entail a greater degree of co-operation between the big producers over price and marketing, in order to stabilise prices and put the emphasis on MPRDA licensing to address social conditions.

But this omits the question of industrial diversification. Platinum in particular could be the basis of an industrial diversification strategy focused on keeping downstream secondary industries within the domestic economy by concentrating on catalytic converters (and hence creating socially useful "green jobs" helping to reduce greenhouse emissions), fuel cell technology and electricity generation. All of this is resoundingly absent from public discussion, and from the National Development Plan.

Much of the current discourse centres on the Farlam Commission of Inquiry established by President Zuma. From our perspective, while it is important to investigate the events around the Marikana massacre, the focus should be broadened to examine the four root causes outlined above.

Marikana is the epitome of today's minerals-energy complex, reflecting both the economic and social failings of post-apartheid development for the majority of South Africans. It reveals the continuing determining power of the MEC and white monopoly capital, the virtually unconditional support given to it by the ANC and its newly enriched black elite, the persistence – albeit in changing form – of migrant labour, the appalling pay, working and living conditions of mineworkers, and the confused and opportunistic complicity of sections of the labour movement to all of the above.

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C-BRTA: Facilitating cross-border links with the rest of Africa

At the heart of the Cross-Border Road Transport Agency (C-BRTA) is a proud history of providing a dedicated service to cross-border road transport operators in the form of cross-border permits issued, as well as the necessary support to the rapidly growing small and medium cross-border road transport businesses. The C-BRTA has remained the driving force behind the cross-border business focus, regardless of the challenges it has faced over the past 15 years.

There is still a lot more that can, and must, be expected from the Cross-Border Road Transport Agency. Following the recent adoption of its Changing Gears Strategy, the Agency is now positively positioned, more than ever before, to aid the South African economy by facilitating the movement of greater numbers of goods and people, thus increasing the value of trade between South Africa and its neighbours – the SADC community.

Established by the Cross-border Road Transport Act 4 of 1998, the C-BRTA caters for the co-operative and co-ordinated provision of advice, regulation, facilitation and law enforcement in respect of cross-border road transport by the public and private sectors. This is underpinned by the Agency's wholehearted belief in its mission of spearheading social and economic development within the SADC (Southern African Development Community) region through facilitating unimpeded cross-border road transport movements.

In essence, the C-BRTA is on track to deliver on the public value promise that informed the establishment of the Agency. Adding value to the lives of cross-border road transport operators and budding SMMEs in the industry is a distinctive feature of C-BRTA's goal.

The C-BRTA has carved a significant role for itself as a partner of choice to both the public and private sector through its willingness to take the necessary risks to achieve the feats that it has for a growing database of cross-border road transport operators. This is in line with the C-BRTA's mandate of consistently improvingthe flow of passengers and freight by road transport to ensure sustainable growth in the in the SADC region's economy.

Transport, the Heartbeat of Economic Growth and Social Development, is the pay-off line of the Department of Transport: this assertion derives from an understanding of the critical role of transport in advancing economic growth and reducing historic inequalities by driving social development. Working closely with the Department of Transport and other role-players in the industry, the C-BRTA is well positioned to champion the regional transport strategic agenda, in the process advancing economic growth and social development.

The C-BRTA has no doubt that by touching the lives of cross-border road transport operators in a profound manner, it will not only be helping them, but it will be enabling SADC and eventually the rest of Africa to attain its economic development imperatives. The C-BRTA's ultimate goal is the transformation of the lives of all South Africa's people.

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ADM PARTNERS WITH ELIDZ TO EMPOWER DISTRICT SMMEs

By Sisa Sityata-Soga

(L): Thirty-five Small Micro Medium Enterprise Beneficiaries of the ELIDZ and ADM Contractors' Incubator Programme seen here with ADM Mayor Nomasikizi Konza, Acting Municipal Manager Nathi Soga, ELIDZ CFO Nelisa Madyibi, Land & Housing Portfolio Head Pendulwa Finca, Community Liaison and Participation Portfolio Head Thembisa Xundu-Kubukeli.
(R): The MasakheSonke brand which was revealed on the day of the launch to seal the partnership between the Amathole District Municipality and East London Industrial Development Zone.

Photo taken by Sisa Sityata-Soga

Amathole District Municipality (ADM) in partnership with the East London Industrial Development Zone (ELIDZ) officially launched the Targeted Small, Medium and Micro Enterprise (SMME) programme aimed at facilitating growth of businesses with a Construction Industry Development Board (CIDB) grading designation of 2 up to 7.

With ADM being one of the most rural of muncipalites twinned with a high rate of unemployment, Executive Mayor Nomasikizi Konza regards the partnership between the two institutions as nothing short of a deserved break.

"This project for us, as the ADM, represents a window of opportunity and as such responds to the core challenge that our people are constantly subjected to, that is, the issue of socio-economic transformation.

Furthermore, this partnership is one other way by which we can respond to these core challenges, as well as taking the necessary steps towards enabling our emerging contractors a chance to compete on a bigger platform.

As this year has been declared as that of unity towards giving socio-economic freedom, we are not apologetic when it comes to confronting the triple colonial challenge of poverty, inequality and unemployment.
It is from this view that we boldly embrace the ammunition that this project is affording us," deemed Executive Mayor Konza.

In the construction industry, SMME's owned by Black Women, Youth and People with Disability constitute a greater percentage of the lowest contractor grades in terms of the CIDB grading and for this reason preference is given to the empowerment of construction enterprises owned by this population group.

Left: Amathole District Municipality Nomasikizi Konza and speaking to journalist at the launch of the Small Micro Medium Enterprise Incubator Programme for grades 2 to 7 contractors from all seven local municipalities under the ADM jurisdiction.

Photos taken by Sisa Sityata-Soga

"The primary objective of the programme is to provide an operational environment and growth opportunities for SMMEs with CIDB grading designations two (2) to seven (7) in the General Building and the Civil Engineering classes of construction works. The programme is aimed at developing the construction capacity and also facilitating growth for SMMEs in the construction industry," ELIDZ CEO Simphiwe Kondlo explained.

According to Kondlo, the programme also seeks to provide an operational environment and facilitate growth for its participants and further grant support to learner contractors in a form of training.

"Since the programme will be implemented within the Amathole District Municipality's area of jurisdiction, the participating contractors have been sourced from the seven local municipalities of the district. This will ensure that there is a geographic equity between the various local municipalities," he said.

Citing benefits of the partnership, Kondlo believe the initiative as but one other way to address the employment challenge facing the region.

"The upward shift in the number of jobs created in the region can only be recognised if we provide the necessary platform and support to SMMEs, particularly those operating in the construction sector. This, in fact is the main reason why we have embarked on this joint venture with the ADM," he said.

The programme is also set to afford SMMEs an opportunity to participate in the mainstream economy.

A pool of 35 contractors will be developed to be able to move two levels up in the CIDB grading and to acquire construction qualifications at NQF Level 4 while within the programme.
In addition, contractors will be developed to be able to compete in the open market by the time of exiting the programme.

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Vision: Committed towards selfless, excellent and sustainable service to all our communities

Pro-active policies needed:

The OECD Economic Survey and SA's growth challenges

By **Simon Roberts**

Simon Roberts is a visiting professor at the University of Johannesburg

The OECD's latest survey of South Africa highlights the relatively weak growth performance and recommends a rethink on economic policy. This reflects the widespread agreement on the major problems in South Africa's current development trajectory and the need to change key economic policies. However, the OECD survey is also representative of the confusion in mainstream debates, which does not understand how the outcomes result from the structural features of the economy and the lack of concrete steps to change it. While the OECD also examines education and green economy concerns, I focus on their overall survey of the economy.

The survey notes the very low levels of employment but risks simply repeating market fundamentalist mantras about inefficient labour markets. In a similar vein, it discusses inequality, but fails to recognise the implications of the finding of Bhorat and Van der Westhuizen (2012) that the white population in the top 20 percent by expenditure has benefited the most from the country's growth. This is a truly dysfunctional labour market, *as part of the economy as a whole*, and is not due to restrictions on hiring and firing. Indeed, the OECD's own assessment finds that South Africa has one of the most "liberal" (that is, uncontrolled) employment regimes in the world, fifth out of 40 countries, following only the United States, Canada, the United Kingdom and New Zealand. In addition, over half of those in formal employment in South Africa earn less than R3 000 per month.

Instead of individual policies, we need to look at the overall policy position. The OECD diagnosis notes a macro-economic policy mix that is unsupportive of growth, especially in monetary and exchange rate policy, such that the output gap from the economy's potential has widened. It also highlights weak competition in product markets, dysfunctional labour markets and state-owned enterprises dominating network industries as factors militating against long-term higher growth.

The OECD survey recommends that policies to prevent overvaluation of the exchange rate be considered, such as more aggressive reserve accumulation and "market-based disincentives to short-term capital inflows". This, together with more expansive monetary policies and fiscal policy geared to investment, is urgently required, given that economic activity on several measures has not even recovered yet to levels achieved before the 2008 financial crisis.

It is also necessary to recognise the longer-term effect the exchange rate has had on the structure of the economy. The real effective exchange rate (that is, after taking inflation into account) in 2012 was at the same level as 12 years previously. But this has been underpinned by resource exports, subsidised electricity, and portfolio capital inflows attracted by high real interests and corporate profits. The economy has remained skewed to heavy energy and capital-intensive activities, and has effectively de-industrialised. Over this period the exchange rate should have adjusted to a level more appropriate to the development of diversified productive capabilities. This requires it to reflect the poor educational outcomes and the weaknesses in the manufacturing base.

BITE THE BULLET

The more than doubling of electricity prices over the past three years merely serves to emphasise how big the effective subsidy has been to large energy-intensive businesses, which have received particularly low prices. Even with the increases, South African electricity prices are relatively low by international comparison.

What is not generally appreciated is that the change in electricity prices implies an exchange rate adjustment. This adjustment could and should have

happened in anticipation of the electricity price changes, incentivising investments in less energy-intensive tradable activities. If the adjustments are not to happen in a contractionary environment, then monetary policy also needs to accommodate somewhat higher overall inflation levels. With higher average increases in prices, adaptation to the higher electricity prices across the economy is possible through different rates of price increases, depending on where these are the biggest cost drivers, rather than forcing price reductions on some sectors.

Adjustment is painful, as decisions based on inappropriate prices are unwound, even while it represents a desirable move away from an industry structure based on cheap energy. The more significant point is that changing the economy's structure to a more labour-absorbing one requires a deliberate bias in the opposite direction in order to overcome the grooved rut of path dependencies. The historically large investment in capital-intensive industries cannot simply be moved to more labour-absorbing activities, so that the economy remains skewed. The heavy industries are also very influential and will lobby hard to protect their positions, including their privileged access to energy.

GREATER PARTICIPATION

Similarly in the area of competition policy, more competitive outcomes as part of rapid and inclusive growth require proactive policies to enable increased participation in the economy. The entrenched advantages of incumbent firms mean that the economic structure will persist unless the policy agenda focuses more deliberately on constraining the power of such firms and on supporting entrants and smaller firms. Incumbents have benefited from provision of infrastructure, past incentives and have secured access to key inputs and built distribution networks and brands. They can continue to invest out of retained earnings while new entrants have to struggle to raise finance and to establish the base required to be effective competitors. Only through measures that open up markets to greater participation will competitive outcomes be attained. This requires a more active role for the state and public institutions in terms of economic regulation, competition enforcement, the provision of development finance and appropriate infrastructure provision and skills development.

The financial sector – and how funds flow to investment – is critical to the shape of the economy. The OECD notes that South African corporates have continued to increase profits even through the economic downturn. Although interest rates were lowered to make borrowing more affordable for investment, private investment shrank and remains weak. This raises serious concerns about the orientation of the very large financial sector in South Africa, which has not supported finance for investment in productive capacity, despite the high corporate profit levels being recorded. It is part of a wider issue that needs to be addressed: a short-term focus on profits that takes precedence over generating returns from longer-term investment in developing productive activities.

The dramatic increase in the importance of portfolio shareholders, who do not look to hold stocks for any length of time, has changed the orientation of firms. Termed "financialisation", the shareholder value movement has shifted the focus of corporate management towards increasing share prices and dividends in the next quarter. At the national level, this short-termism is matched by the country's reliance on portfolio capital inflows to finance a trade deficit. This is then used to rationalise keeping interest rates and short-term profits high in order to continue to attract the portfolio flows, rather than recognising that this continues the process of de-industrialisation. At the same time, debt-driven consumption growth, coupled with the increasing incomes of those at the wealthiest levels of society, continues to drive the demand side.

Financial capital has also turned to commodities, making prices much more volatile through speculative trading. Prices jump one day and fall the next, based on news stories, without any change in the underlying fundamentals. This volatility affects the ability of producers, whether farmers or firms, to raise finance to invest in their business.

The OECD survey thus reflects a growing consensus on the poor performance of the South African economy and the need to adopt a different policy mix. However, the further challenge is to adopt policies that anticipate the adjustments required. Crucially, this means recognising what is needed to change the structure of the economy for genuinely inclusive growth. Macroeconomic and exchange rate policies should be linked with industrial policy to build productive capacity in diversified industrial activities and achieve more competitive outcomes through increased economic participation.

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WESTERN CAPE
COMMUNITY CHEST

Moving from Charity to Intentional Development: Understanding Collective Impact

One of the great challenges of our time is the need to understand the true cost of what it will take to impact the vast education, health and employment challenges we have in our society. We are all aware of the burgeoning pressures these issues are placing on our economic survival.

The lack of skilled citizens and those who are in a state of poor general health do not create the opportunities for stimulating the high end of economic development. Thus, the prospects of successful development die a slow death – and so too do the hopes of the children who are born into such a society.

The Community Chest, over eight decades, has seen this devastating reality from the front lines.

We know that by just being charitable alone we cannot solve problems. Because solving our social challenges is not just about a series of outcomes – it's about the impact. For too long philanthropic initiatives have been about two things only: size and numbers. The biggest charities get the largest funding and help the most people. After 20 years of democracy we know the foolishness of that level of thinking: Size and numbers do not change anything.

Therefore we, as Community Chest have asked ourselves serious questions. We call it the 8 I's Process: Initiative, Intention, Intelligence, Innovation, Intervention, Influence, Impact, and Integrity are key words in describing our approach to collective impact.

1. In shifting from a culture of poverty to a culture of prosperity, which INITIATIVES are strategic to focus on?
2. What is our declared INTENTION with our strategy and areas of engagement? Do we invest money, people and time with a clear strategic intent?
3. Who and what is influencing our INTERVENTION? Who writes the agenda?
4. In designing strategies how do we address the power vs INFLUENCE challenge that often strangles development? We must have influence at a number of levels to effect change.
5. What new INTELLIGENCE informs our solutions? Action that is not based on intelligence is dangerous. We need to develop new intelligence all the time to address the issues of our day.
6. Are we being INNOVATIVE with what we are doing? What are we doing that is based on our own contextual realities and not a "one size fits all solution"?
7. How do we the measure the IMPACT of our intervention designs? Do we have the required skill sets to monitor and evaluate these?
8. Can we speak with INTEGRITY to the donors and the community about what we are doing?

Therefore, the next decade of work will not just be about charity and size and money and numbers. It's about how we apply these 8 strategic areas of development to move from charity to intentional development. There are many people who simply want to do good. That's great. But what we need is the ability to transform innate "good" into high impact intervention.

The human spirit's need to do charitable work is an indomitable one. Our task as Community Chest is to take that spirit and turn it into the most impactful intervention possible. That is what we will do with your ideas, your money and your time: Charity that transforms itself into Intentional Development on a platform called Collective Impact.

Our country needs to see the 8 I's Process applied to its education, income generation and health challenges. Whilse many people intend to do their charitable good deeds, we MUST ask ourselves: how can our good deeds lead to maximum impact? THAT is the beginning of Intentional Development.

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The budget stance is sound

By **Kuben Naidoo**

The author is advisor to the governor of the South African Reserve Bank. This article was first published on www.econ3x3.org, 25 March 2013

Many economists have claimed that the government's fiscal stance in the National Budget is verging on the risky. This article argues that the fiscal stance is both correct and prudent, and puts the budget in a broader developmental context, highlighting its contribution to long-term growth and development and to tackling poverty and inequality.

That the Budget presented by Finance Minister Pravin Gordhan on 27 February was a difficult balancing act is unquestionable. On the one hand, slow domestic growth, low levels of private investment and weak global growth, especially among South Africa's major trading partners, put revenue under pressure. On the other hand, the minister has been under pressure from bond markets and ratings agencies to reduce the budget deficit by reducing government expenditure. In the light of these pressures and constraints, I believe that the fiscal stance in the Budget was both correct and prudent.

Beyond its macro-economic fiscal stance, a national budget is also a tool of micro-economic and structural reform. It helps shape the distribution of income in society, allocates resources for key priorities, and can contribute towards the better utilisation of resources in both public and private sectors. The 2013 Budget continues to prioritise the social wage as the main instrument in fighting poverty as well as in building the capabilities that will drive longer-term growth and productivity – including education, infrastructure and a diversified industrial capacity.

GROWTH AND CYCLICAL STRATEGIES

The budget covers a single year in detail – or three years at a stretch. However, it should also contribute towards a longer-term growth strategy, informed by the National Development Plan. The strategy is to invest in our human and physical capital, to lower the cost of living for the poor, to improve competitiveness, to raise exports, and to form a collaborative partnership with the private sector and labour for investment, employment and growth. Within this context, macro-economic policy should create a strong foundation for growth through an orientation to the future. Micro-economic reforms should address the distribution of rents in the economy, create incentives for productivity growth and reduce inequality in society.

Most economists from across the spectrum support counter-cyclical fiscal policy. This means that when times are good, government should reduce debt through smaller budget deficits, and in bad times, it should increase spending to help support the economy. During the good years in South Africa, between 2001 and 2008, government steadily reduced the level of public debt by running either smaller budget deficits, or even surpluses. The debt-to-GDP ratio fell from over 50 percent in the mid-1990s to a low of 22 percent in 2007/08. In an upswing period that lasted several years, government was able to pursue a counter-cyclical policy, creating the fiscal space to respond to a future downturn (which occurred from 2008 onwards). Today, five years into a major global economic slowdown, our debt-to-GDP ratio is still

Pravin Gordhan presenting the budget to the nation.

below 40 percent and is projected to peak at only about 45 percent in 2017.

The global recession did come, with a vengeance. The world is experiencing its slowest period of growth in 80 years. South Africa too is experiencing a long and unprecedented slowdown. In a downturn, demand growth slows as a result of several factors, which often reinforce each other, such as lower household consumption, lower private investment and slower export growth. Slower household consumption reduces corporate investment.

During a period of slower growth, households pay off debt and corporations either reduce their debt or hold cash because the returns on cash are better than on other investment opportunities.

Under these circumstances, the correct policy stance is to maintain government spending and to borrow to finance the growing deficit that results from the revenue shortfall due to slow growth. This is exactly what government has done.

Nevertheless, it is true that counter-cyclical fiscal policy comes under strain when the period of slow growth is prolonged. There are limits to government's ability to borrow to support demand. These restrictions are mainly determined by the willingness of private and corporate investors who buy government debt to do so (and thus finance government debt) at a reasonable price. This price of debt – the cost of debt to government–will rise when other investments are available that yield better returns to investors than government debt. When that happens, government had better reduce its borrowings because debt service costs may rise quickly.

All the signals from the bond market, the financial markets and the real economy suggest that this is

not the case. Inflation is not a major threat, bond yields are still low by historical standards and government is able to finance its deficit with ease. By all standard economic measures, the South African government deficit is not crowding out private investment.

The alternative would be to reduce government spending. This would have had the effect of reducing consumption growth. We can have endless debates about the efficiency (or lack thereof) of public spending. However, the economics is quite straightforward: lower government spending will further depress the economy in the short term. The evidence from abroad – from Greece, Spain and the UK – reinforces this argument. Government could also raise taxes to reduce the deficit. This would reduce private investment. While there may be arguments for higher taxes, it is not sensible to raise taxes when the economy is weak.

Those who advocate austerity in a crisis – the "austerians" – argue that if government reduced its deficit, it would send a signal of confidence to the private sector, which would kick-start spending and stimulate the economy. This is wishful thinking. There is not a single country in which this is happening.

> Under these circumstances, the correct policy stance is to maintain government spending and to borrow to finance the growing deficit that results from the revenue shortfall due to slow growth. This is exactly what government has done.

LONG-TERM SOCIAL AND STRUCTURAL CONSIDERATIONS

At least part of the problem in South Africa is that investors are concerned about the economic policy trajectory and the capacity of government to manage the long-term social strains in society. South Africa has deep structural weaknesses in areas ranging from education to spatial patterns and the labour market. Government must deal with these structural challenges by means of a long-term reform programme. The National Development Plan sets out how these structural challenges can be overcome in order to reduce poverty and inequality.

The government has already tried to provide greater certainty to investors on major policy issues (such as nationalisation), but it is accepted that more can be done. At the same time, it can be said that government and the private sector have a long way to go to repair their relationship with each other, which is presently characterised by a high degree of mistrust and sometimes misunderstanding. However, the simple economic truth is that, even if government were to do these good things (and it should), it will not change the short-term growth outlook that drives much of corporate investment decision-making.

A budget has an impact on the distribution of resources in an economy. In this regard, the Budget continues to strike a balance between broadening the social wage – which is well targeted to help the poor – and investing in the capabilities required to support longer-term growth and create employment. These capabilities include the education and health systems as well as economic and social infrastructure.

A new focus in the Budget is on city planning, creating infrastructure for municipal transport and managing the transition to a low-carbon future. The announced procurement reforms target value-for-money, reducing wastage and tackling corruption. It should, however, be recognised that a budget is a weak instrument for improving efficiency in the public service. A much broader set of instruments and approaches is required, including giving citizens a greater voice in determining how public institutions, such as schools, are managed.

CONCLUSION

The government's budgetary stance is a balanced package that aims to continue the pursuit of sound fiscal policy (counter-cyclical fiscal policy that supports demand), to continue broadening the social wage to help fight poverty and inequality, to deal with inefficiencies in public spending, to take steps to assure investors of the long-term policy trajectory and repair the relationship with the private sector. We need all segments of society to help fight corruption and hold government institutions accountable. We also need private investment to take advantage of opportunities, both locally and on the African continent.

Economists call for sound economic policy. Sound policy is based on good theory and the best available evidence. The balance of current budgetary policies pursued by government is informed by both sound economic theory and the best international evidence.

South Africa on THE SLIPPERY SLOPE

In my career I have witnessed many governments come and go. As a former head of the Transkei Military Government, I have had an overview of what the Apartheid Government and the Bantustans had done, in comparison with what the current government is doing.

The previous regime's policies and abuse of human rights is well documented, including: some homelands.

Although I was heading this discredited institution, I was able to forge close links with all the liberation movements, when we ascended to power, as my government lent a shoulder in fighting for the freedom of all South Africans.

One of the reasons why we supported the struggle was that we were hopeful that the new government would address the backlogs and imbalances of the past, especially in the townships and homelands.

Indeed, when the African National Congress (ANC) ascended to power in 1994 we can say that they started well. They made much progress in areas such as electrification, access to water and providing homes for the poor in the cities.

However, what shocked South Africans is the poor quality of the infrastructure they were given. Electricity is not reliable; water projects are launched only to break down after a few months and the RDP houses are worse than those built for blacks by the Apartheid government. Many towns have become slums because of the poor maintenance of infrastructure across the country.

Where they had failed completely was on the question of employment. We see stark differences between the economic policies of the partners in the ruling alliance and in the past twenty years they have spent much energy vacillating between which routes to follow.

Unemployment and poverty are a direct contradiction of freedom. Real freedom – political, social and economic - provides dignity to a nation. On the other hand, unemployment and poverty undermines it.

South Africans are suspicious and mistrust government because of perceptions that it is not equitably distributing the resources of the country. A new privileged political elite exclusively enjoys the resources.

There is no consensus on a macro-economic policy that can transform the economy in a manner that could create and spread wealth wider and improve the lot of the disadvantaged majority. There are in particular concerns about the inadequacies and contradictions of the fiscal and industrial policies.

Our economy suffers from jobless growth due to the confusion created by an ambivalent tripartite alliance. This ruling clique preaches elimination of unemployment in the streets and legislates retrenchments and greater unemployment in Parliament.

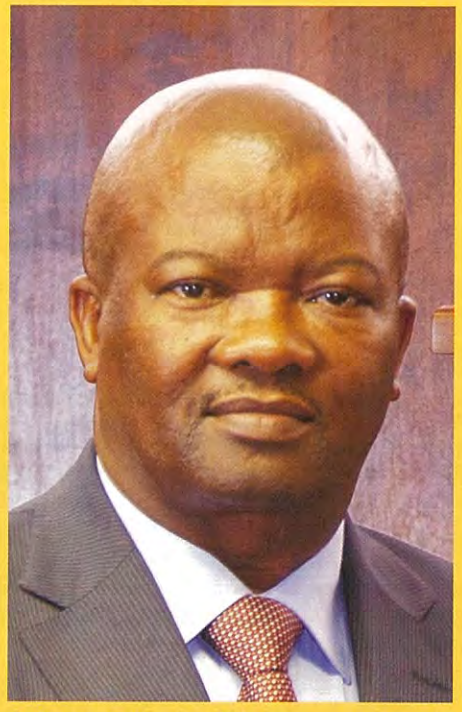
In the past 16 years, the United Democratic Movement (UDM) has been calling for GOVERNMENT TO DO MORE!

Government has a responsibility to intervene and protect the South African economy and South African jobs when necessary. Whilst Free Market Capitalism is the best economic system developed by humanity, it is still fraught with weaknesses and failures that must be actively managed.

The situation in South Africa is compounded by high levels of corruption.

The UDM has over the years been involved in exposing many of these scandals. We have the resolve and commitment to fight corruption, and take on any party, no matter its history or power, to ensure that South Africans have the ethical governance that they deserve.

These are but some examples of the UDM's active role in national politics and the further consolidation of South Africa's democracy. As our actions and words have proved, the UDM is a viable, trustworthy and reliable opposition party.



Mr Bantu Holomisa, MP

I am sure that everyone will agree with me: the fact that the leadership of the Country, including the heads of the various institutions, have been fingered in corruption does not auger well for our country's future. This is borne out by the drop in the various ratings South Africa has experienced of late; we cannot help but feel that South Africa is on a slippery slope.

Bantu Holomisa, MP
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UNITED DEMOCRATIC MOVEMENT

Capturing the gains:
Industrial growth and trade

By **Rob Davies**

The author is the minister of trade and industry in South Africa. This is an edited version of his keynote address to the global summit, "Capturing the Gains in Value Chains", which took place in Cape Town, 3–5 December 2012

The South African government has been looking to bring about some very fundamental and important structural changes in our economy over the course of this administration, in the context of the worst global economic crisis at any time since the 1930s.

We have been seeking these structural changes because the South African growth path, up until 2008 and the onset of the recession, was characterised by growth in the consumption-driven sectors (such as retail and financial services) at twice the rate of the production-driven sectors. This led to a growing deficit in the balance of trade/current account, which is now reaching record levels, and weak performance by our value-added sectors. All of this has meant that we have been unable to sufficiently address key social challenges in South Africa – mainly to reduce unemployment.

And so, we have committed ourselves to structural change, as outlined in the New Growth Path (NGP) and the Industrial Policy Action Plan (IPAP) that were introduced in this administration. We are well aware that there are important and significant changes in the global economic environment. These changes have created positive opportunities for us – I want to emphasise regional integration in particular – but have also brought a number of challenges, in particular because the epicentre of the crisis has hit a number of our developed-country trading partners.

REGIONAL INTEGRATION A PRIORITY

Our trade policy, adopted in 2010, is shaped by the needs of our industrial policy and is subordinate to it. We want to adopt a strategic approach to tariff setting. We have no *a priori* view of whether tariffs should go up or down: that depends on the evidence presented and the needs of particular sectors. We do seek to defend our policy space in terms of international rules, and our priority is to strengthen and deepen regional integration.

The focus on regional integration is due to Africa's emergence as the next growth frontier. The average rate of growth on the African continent this year is about 5 or 5.5 percent, which is ahead of Latin America and second only to Asia. There are four main factors driving growth in Africa:

- a mineral products boom due to industrialisation in Asia and their demand for raw materials. Some analysts find that this is responsible for 25 percent of Africa's growth
- a consumption-driven component of new growth, particularly around technologies like cell phones and information and communications technology (ICT). This has also spawned new service industries in countries like Kenya, for example
- Africa has not been subjected to a systemic financial crisis or a sovereign debt crisis
- some investment in infrastructure.

However, the next decade is not going to be the same as the last, and there is a general recognition that there must be some shifts if we want to grow and develop. In particular, we cannot rely any longer on a mineral products boom. We hear an increasing number of African leaders talking about a need to industrialise. African trade ministers have identified three broad directions that can shape industrial development:

- adding value to our mineral products (mineral beneficiation)
- adding value to agricultural products (agro-processing)
- pharmaceuticals, based on the recognition that many of the diseases affecting Africa will not be catered for in the research and development agendas of pharmaceutical industries based in the global North.

If we look at other emerging economies – China, for example – their next phase of growth will be to draw on the domestic market. Africa has the disadvantage that colonialism divided us into 54 different countries, which individually have populations and resource bases too small to sustain industrial development. But if we look across the continent, we start to hit the

numbers that make sense. So at this moment South Africa is prioritising our engagement in a project to broaden regional integration across the existing regional economic communities: SADC [Southern African Development Community], COMESA [Common Market for Eastern and Southern Africa] and the EAC [East African Community].

These Tripartite Free Trade Area (TFTA) negotiations are seeking a free trade agreement across 26 countries on the African continent with a combined population of between 600 and 700 million people and a combined GDP of over US$1 trillion. That starts to give us a basis for industrial development in the next decade or so. Our approach is to address real factors and real constraints, not to set in place some ideal regional trade arrangement. The agreement will principally cover relations between countries that are not covered by existing FTAs. In other words, we are not going to reopen the SADC FTA; the EAC is not going to reopen its own FTA.

But we also need to recognise that the biggest barriers to intra-regional trade are not tariff regimes. They have much more to do with inadequate infrastructure: infrastructure that does not connect our economies one to another; infrastructure we have inherited that largely carries raw materials from their source to a port and then away from the region. The second point is that we do not have adequate productive capacity. Therefore we need to co-operate and support the development of regional industries emerging in different parts of that large region.

The AU has raised the obvious question: where is West Africa in all this? And so, following the TFTA, the AU has announced the ambition to negotiate a continental FTA. That will take us into the realm of more than 1 billion people and a combined GDP of about US$2.65 trillion – a sizeable and significant base for industrialisation.

VALUE CHAINS

In the Southern African Customs Union (SACU, which includes South Africa, Botswana, Lesotho, Swaziland and Namibia), we find value chains of different sorts that are also integrated into global and other regional value chains. Given the fact that they happen to be in a union with the most industrialised country in Africa, how can the smaller economies identify ways to link up through these value chains? How can this create a more equitable industrial development pattern? This work is on-going and there is a similar set of propositions at the level of SADC.

There is a huge debate around global value chains (GVCs), which started, to some degree, in research done for the World Trade Organisation (WTO). GVCs are apparently changing in character: the biggest proportion of global trade is now characterised by

This train has just passed the Wintervogel siding and in the original image some 33 wagons carrying anthracite coal for the smelters at Saldanha can be counted. This photo courtesy *Elna Conradie*.

intermediate unfinished products, and the distinction between trade in goods and services is collapsing. The so-called "new narrative on trade" is not confined to analysis but also comes into the realm of policy prescription. This prescription says that import and export promotion is now blurred, and we should not just focus on trying to promote our own export trade but also be open to more imports. That there should be more liberalisation – particularly by developing countries, which should facilitate cross-border trade through an ambitious advance on trade facilitation – and there should be liberalisation also of trade in services.

This is mirrored in plurilateral negotiations that are being supported within the WTO to set a new agenda for trade in services, one that is more ambitious than the architecture agreed in the Uruguay Round and then taken into the Doha Round. The other priority is to negotiate a trade facilitation agreement with binding commitments on different partners. All of this is overshadowing the agenda of the Doha Round, where the needs and interests of developing countries, including issues like subsidies and high tariffs on agriculture trade, were in the forefront.

While it is an interesting observation that the character of international trade is changing, the policy prescriptions are quite problematic. Fundamentally, the challenge for us in South Africa and Africa is not just to integrate ourselves in to the global value chains. We are already integrated, largely as producers and exporters of primary products. We produce and export dirt out of the ground that goes to support industrial development somewhere else. We produce and export unprocessed agricultural products, which go into agro-processing industries located elsewhere. The challenge that we face is to raise our position in those GVCs.

We think that a lot of the policy prescription actually serves the needs and interests of the multinational corporations at the head of these chains. I have no doubt that they would like to see easier entry and exit into any market they choose and they would like services available to them, on and off. But the problem for developing countries is to move higher up the value chain and industrialise our economies.

Again, we do not object to the policy prescriptions *per se*. In South Africa, we could meet the obligations; it is not a problem for us. We don't object to

trade facilitation and improved border procedures – provided that the needs and interests of developing countries are addressed and the required resources are made available to poorer countries. But we think that the agenda is not taking account of our needs and our industrial development. We want to emphasise that our fundamental requirement is the policy space to support industrial development. The fundamental issue is South Africa's ability to maintain and adopt a developmental approach to trade policy, to tariff setting, to have the space to prioritise the regional integration that I've talked about.

To get back to the point I made at the beginning: we need to find a pattern of integration into value chains that supports and sustains improved living conditions for working people, improved developments for our communities, improved employment opportunities and so on. We increasingly need to occupy a space in international trade as producers and exporters of products produced under adequate social conditions: where there are rights for workers to organise and engage in collective bargaining, where the benefits of participation in international trade are shared visibly by our communities. That is the challenge confronting us right now – in the farm strikes in the Boland, that's what it is about.

Our approach will continue to be shaped by the need to promote industrial development. It will be shaped by looking to our export sectors to visibly demonstrate that they are sharing the benefits and also that there is an adequate floor of basic social conditions. For example, research into value chains in our fruit industry is telling us that a large percentage of the benefit goes to supermarkets located in other countries. This is a huge story. These are challenges we have to confront. We are going to have to struggle to make sure that more of the fruits of the value chain are located in our countries. We should move up the value chain through industrialisation, thereby sharing the benefits with working class people and communities across our country.

The other side of that is the question: how do we beneficiate? The need to beneficiate is absolutely manifest. If we think we can keep digging dirt out of the ground and flogging it to China, we are living in a fool's paradise. We might be able to do that, but it will not be getting the same premium prices it has been. In any case, do we really want our resources to go out just as dirt out of the ground? You can go to Saldanha and look at an engineering marvel: the largest train in the world brings iron ore down from Sishen, it's loaded on boats and sent away. That's it. South Africa provided 38 percent of China's imports from Africa last year. We are the largest supplier of things like iron ore, manganese and chrome.

There are a number of things that have to come together. This includes a change in the way we award licences. We will have to insist that a proportion of the mineral resources are made available at discounted prices to support local industrial development. That is a battle we have been going through in the iron and steel industry – not with a great amount of success. But wait and see. Later this week there could be a communication from cabinet about our approach going forward.

We need to negotiate with our customers, to say, "You want our product, you can have it – but these are the terms and conditions." Brazil, for example, negotiated an iron and steel investment plant against a long-term iron ore supply contract with China. We can do this a lot better as a bloc than as individual countries and that is the way we need to go.

Here is one example that I often use. There is a project that will eventually go into Saldanha to turn mineral sands into products like titanium and zirconium. The pre-feasibility study indicated that we received US$440/ton for raw mineral sands exports. But if we turn the sands into titanium alloy – this is not making aircraft parts, just processing the raw material – we can get over US$100 000/ton. There are several thousand tons of sand, but that value is going into other economies, creating jobs elsewhere that we need to capture ourselves. This is a very fundamental challenge for South Africa.

South Africa is no longer able to offer what we used to offer as a competitive advantage for manufacturing: cheap electricity. Electricity in fact is a disadvantage now. The only long-term advantage that we have to offer is this access to raw materials – but that does not mean you can have it at an import parity price or the London Metal Exchange (LME) price. There has to be a value chain that supports manufacturing value addition in our own economy. This is not going to be easy to achieve, but it is the direction.

In the mining technologies, we face the problem that mines are importing technology and knocking out our productive capacity. We can respond to that: the engineering and capital goods industries are potential growth sectors in South African manufacturing. That is also linked very much to infrastructure development programmes, where the acquisition of railway equipment, building ports, railway lines, etc. can generate a significant demand for engineering products. We have said that the government will procure from South African operators according to certain percentages, and that can spin off into mining technology. We are engaging with the Chamber of Mines on some of these issues.

We must not neglect local industry and let it go down as it has, because it is critical to South Africa. We need commitments from other social players, including the private sector, to adopt social procurement policies to support local industry.

Quality is the NHBRC'S priority

The National Home Builders Registration Council's (NHBRC) mandate is guided by the Housing Consumers Measures Act, 1998 (Act No. 95 of 1988) (as amended) whose objectives, inter alia, are to regulate the home building industry, provide protection to housing consumers in respect of the failure of home builders to comply with their obligations in terms of the Act, to provide warranty cover against defined structural defects in new homes, to establish and promote ethical, quality and technical standards in the home building industry and in so doing protect the interests of housing consumers.

> "By law all new home builds have to be registered with the NHBRC irrespective of the value of the planned house development."

Need to be registered

In terms of the Act, any person in the business of building homes must register with the NHBRC. Registration with the NHBRC provides a licence and a right to build homes. To qualify as a registered NHBRC home builder, applicants are assessed on their technical, construction and financial capability.

By law all new home builds have to be registered with the NHBRC irrespective of the value of the planned house development. This ensures that the home build has warranty cover against defined defects and that through the comprehensive NHBRC inspection process, the construction is structurally sound and meets NHBRC technical standards.

In instances where builders do not meet their obligations (as stipulated by the Act) and where poor workmanship has been uncovered, the NHBRC has a complaint and remedial procedure to resolve such cases.

Home consumer protected

The NHBRC may suspend a home builder's registration and/or right to enrol homes where it has information that the builder has failed to rectify reported defects by either the consumer or the NHBRC inspector and/or where the NHBRC considers that immediate intervention is in the best interest of the home consumer.

Subsidy housing

At the onset, the mandate of the NHBRC did not cover the low cost housing (subsidy) sector. Unregulated, a number of builds in this sector did not meet technical and industry standards. In some instances the product delivered was of a substandard technical quality, inferior materials were used and substandard building practices were employed. Currently the majority of the houses that are to be demolished or are undergoing major repair were built pre 2002.

In February 2002 the Honourable Minister of Housing announced that the NHBRC Warranty Scheme will apply in the housing subsidy sector. In the subsidy sector, the NHBRC has initiated remedial works of housing subsidy failures. The organisation enrols new housing builds, conducts geotechnical, civil and structural assessments required, inspects the builds and materials used and through its builder training programs empowers builders in respect of product and technical knowledge.

A winning partnership

Improving the lives of the South African people through the provision of quality homes is a collective responsibility. The NHBRC is in continuous engagement and consultation with provincial governments to sensitize them on the risks of utilizing unregistered builders. And partnerships with the private sector remains crucial to ensure that rules and regulations are followed, and standards in the building industry is maintained.

For more information, please contact the NHBRC:

- 0800 200 824 (Toll free)
- Or your provincial or satellite office nearest to you, or
- Go to www.nhbrc.org.za for more information

Prospects for manufacturing in SA's iron and steel industry

By **Mills Soko**, **Neil Balchin** and **Sello Mosai**

Soko is an associate professor of international political economy at the University of Cape Town's Graduate School of Business. Balchin is a doctoral candidate in the school of economics at UCT. Mosai is executive manager for value chains and competitiveness at Productivity South Africa. This article is based on a study on value chains in the South African mining sector, undertaken by the authors on behalf of Productivity South Africa

Discussions regarding the merits of promoting greater downstream beneficiation of mineral resources within South Africa are central to the broader debate on the country's future economic trajectory. For some time, South Africa's unbalanced trade profile has been the source of much chagrin. Many critics have pointed to the country's so-called "neo-colonial" pattern of trade – in which South Africa exports predominantly raw materials and imports finished products – as a constraint to employment generation, wealth creation and economic growth.

Mindful of this, the national government has placed increasing emphasis in its economic policy and strategic priorities on developing capacity for downstream processing and value addition. In the case of the mineral sector, the national department of mineral resources' 2011 *Beneficiation Strategy for the Minerals Industry of South Africa* has argued that, while "South Africa has steadily improved its ratio of beneficiated to primary products exported since the 1970s, these ratios are still well below the potential suggested by the quality and quantity of its mineral resources endowment" (DMR, 2011). The government has trumpeted the contribution that downstream mineral beneficiation can make to creating jobs, generating revenue and wealth, and driving the establishment of new firms. More broadly, it has highlighted the potential for poverty reduction. On this basis, the government has prioritised mineral beneficiation capacity. This has been grounded in efforts to promote the export of value-added products and, at the same time, reduce exports of raw materials and intermediate products.

Both the New Growth Path (NGP) and the latest Industrial Policy Action Plan (IPAP2) highlight the mining value chain and mineral beneficiation activities as priority growth nodes to support the government's ambitious target of creating five million jobs by 2020. Much of this focus has been directed towards developing metal fabrication – that is, the manufacture of machines or structures using metal. The NGP provides the policy framework for refocusing support towards fabrication of metals into final goods (stage four beneficiation), rather than capital- and energy-intensive smelting and refining processes. Similarly, the IPAP2 identifies metals fabrication among several qualitatively new areas of focus.

The DMR's beneficiation strategy names iron among ten strategic mineral commodities and includes iron and steel as one of five value chains that should take priority in initial efforts to promote local beneficiation of locally mined minerals.

The reasoning behind this is clear. Ferrous metals (such as manganese, chromium and iron ore), which are important for the production of steel and stainless steel products, are already mined in significant volumes in South Africa. The country's globally competitive iron-ore mining sector comfortably meets domestic demand for iron ore and is the world's fourth largest producer, behind Australia, Brazil and India. South Africa is also a major exporter of iron ore, ranking fifth among the world's largest exporters. Further downstream, the country is also home to a well-developed primary-steel manufacturing industry.

The government believes that the future of the iron and steel industry in South Africa lies in downstream manufacturing activities. While existing exports of surplus primary steel products already earn substantial foreign currency, there is scope for the surplus steel to be beneficiated locally and exported as finished products. According to the department of trade and industry (DTI), both value-addition and employment increase significantly at each successive stage of the iron and steel value chain.

This article examines the merits, prospects and challenges related to developing downstream manufacturing capacity in South Africa's iron and steel industry. The first section outlines the existing iron and steel value chain in South Africa. This is followed by an examination of the country's comparative advantages and competitive constraints and challenges. Thereafter, lessons are drawn from the development of the iron and steel industries in South Korea and China, two of the world's

leading downstream producers. The article concludes with a series of recommendations for the development of downstream manufacturing activities within the iron and steel value chain in South Africa.

SOUTH AFRICA'S IRON AND STEEL VALUE CHAIN

A typical iron and steel value chain has four stages:

- exploration and extraction (mining)
- mining beneficiation (processing ore)
- metallurgical beneficiation and shaping (refining)
- conversion, fabrication and manufacturing for end-user industries.

The employment creation impact is most pronounced at the beginning (mining) and end (fabrication) of the value chain, as these stages are characterised by the highest levels of labour intensity. In comparison, the intermediate stages of processing and refining (stages two and three) are highly capital-intensive with comparatively low levels of labour-intensive production. Many mining companies whose core operations are mineral extraction may only be involved in the baseline or second-stage levels of beneficiation, while the latter stages are the territory of manufacturing firms.

Some established mining companies have asserted that the development of South Africa's iron and steel industry should rather focus upstream, at the initial stages of the value chain. There are a number of iron ore producers in the country – including Kumba Iron Ore, Assmang, Evraz Highveld Steel and Vanadium, and Rio Tinto – with operations located primarily in the Northern Cape. In addition, there are a number of emerging black-owned mining companies, such as Sekoko, Motjoli and Burk. Previous studies have highlighted the potential to expand existing mines and develop iron ore mining hubs in the Northern Cape and Limpopo provinces, and to develop and commercialise iron-ore beneficiation technologies. Kumba Iron Ore, a key player in the upstream stages of the value chain, argues that South Africa should increase iron ore production to supply buyers in key emerging economies (particularly in East Asia), where demand is substantial and likely to rise.

Local intermediate-level beneficiation is also well established. Indeed, in terms of the number of producers and volume produced, South Africa's primary-steel manufacturing industry compares favourably with economies of similar size. Recent estimates suggest that around 80 percent of the steel used in South Africa is supplied by local producers (mostly located in Gauteng) using locally-mined iron ore, chrome, manganese and coking coal.

Historically, the industry has struggled with overcapacity, and local producers today have the capacity to satisfy close to double the overall domestic demand for steel. Much of this stems from the fact that the intensity of steel consumption in many downstream industries is actually quite low. According to one estimate, more than 85 percent of South Africa's steel is consumed in industries where its share in the final product value is usually very low, in some cases less than 5 percent[1]. In turn, less than 15 percent is utilised where the share in final value exceeds 50 percent.

Given this overcapacity, there is some merit to the argument for increased processing of primary steel products into finished steel products for export. In addition to improving prospects for employment creation, developing this capacity could be an effective means to boost foreign currency reserves. Ultimately, however, it hinges on both the country's comparative advantages and its ability to overcome existing constraints and challenges that affect downstream beneficiation within the industry.

COMPARATIVE ADVANTAGES

South Africa enjoys significant competitive advantage in the mining and production of iron ore (the initial stage of the value chain). The country is one of a very few countries blessed with large-scale, high-quality iron ore reserves. In addition, South Africa is well positioned, in comparison to its competitors in Australia and Brazil, for exports to most of the key iron-ore importing regions, such as Europe, the Middle East and Asia.

South Africa also possesses established infrastructure – in the form of existing primary steel mills – that could form the basis for a competitive downstream industry built on viable local primary steel production.

Furthermore, some industry experts believe that South Africa has an inherent competitive advantage in certain niche downstream sectors due to significant domestic demand. Kumba Iron Ore, for instance, has argued that support should be given for the manufacture of grinding media and haulage cable for export (which Scaw Metals produces for the domestic market), or long wall continuous mining and drilling equipment.

These factors together suggest that South Africa possesses a competitive edge at the initial levels of the iron and steel value chain. It is, however, less clear that the country enjoys the competitive advantages necessary to support beneficiation up to the final stages. In fact, a number of issues currently constrain the viability of undertaking globally competitive downstream manufacturing within the industry.

CONSTRAINTS AND CHALLENGES

High domestic input prices have hampered recent efforts to boost downstream beneficiation in the local iron and steel industry. The government has argued that local steel producers should be able to source iron ore at below market (cost-plus) price, rather than at import parity price, which would then allow lower steel prices and boost downstream manufacturing. In other words, a lower price for iron ore would lead to a lower price for finished steel products, which would, in turn, raise fabrication demand. In the DTI's view, this developmental pricing model would boost the volumes of downstream steel beneficiated in South Africa for

sale in both domestic and export markets, while also complying with the rules imposed by the World Trade Organisation on the South African steel industry.

The case of ArcellorMittal South Africa (AMSA) nicely illustrates the impact of high input prices. In the past, AMSA sourced iron ore from Kumba Iron Ore, in accordance with an iron-ore supply agreement from Sishen mine, at cost-plus-3-percent – a price lower than Kumba could get on world markets. AMSA was thus able to source cheap local ore for its production of finished flat and long steel products[2] to be sold at import parity prices (effectively, the world free market price). Then, in 2010, Kumba Iron Ore announced that it would no longer sell iron ore to AMSA at the "cost plus" price, because AMSA did not convert its old order mineral rights into new order mineral rights at Sishen. Instead, Kumba imposed import parity pricing for its ore. This had a significant knock-on effect, and the resulting high prices for locally manufactured steel products rendered local manufacturers uncompetitive. They can only export a small portion of their excess capacity.

Even in the absence of these cost factors, certain key stakeholders, including the Chamber of Mines, have asserted that the country does not possess many of the structural features needed to develop a globally competitive, export-oriented steel industry.

First, most of South Africa's steel mills are located inland and far from export markets. This means that steel for export must be transported to ports via rail, typically at high cost. This is exacerbated by the limitations of the country's existing rail and port infrastructure.

Second, South Africa is disadvantaged because it is located further from the main steel importing countries than other major producers, such as South Korea, Ukraine and China. The vast distance between South Africa and the world's main steel importers, coupled with the high costs associated with moving steel products, substantially reduces margins on exports of finished steel products.

Third, South Africa's steel production facilities are comparatively limited. The country's largest blast furnace (located at Vanderbijlpark in Gauteng), has a capacity of 3.5 million tonnes per annum (MTPA), well below the 5 MTPA or greater that is generally accepted as necessary to produce globally competitive steel. This is compounded by the low levels of capacity utilisation in steel manufacturing. A much larger steel export base is required in order to boost capacity utilisation in the industry.

Local steel production is also disadvantaged by the high cost of key input factors, particularly labour and energy. Countries such as Ukraine and Russia, which export substantial quantities of low-quality steel, enjoy significant advantages in these costs. Low levels of labour productivity and a volatile exchange rate further renders South Africa's export products uncompetitive. Skills shortages are another problem, most evident in the lack of metallurgical and other engineering skills.

LEARNING FROM COMPETITORS

In many cases, there is a clear distinction between the countries where raw materials are mined and those where beneficiation actually takes place. In fact, most downstream beneficiation is undertaken in countries that do not mine the raw materials. This suggests that countries such as South Africa, which are blessed with an abundance of raw materials, may not possess the structural conditions necessary to competitively beneficiate minerals up to the final stages of the value chain. Competitive advantage in downstream beneficiation lies in factors such as cost-competitive production, the availability of skills, access to domestic and foreign markets, market intelligence, low costs of doing business, low materials costs and appropriate and competitively priced infrastructure. This section examines the cases of two countries – South Korea and China – that possess many of these factors and have successfully developed downstream beneficiation capacity in the iron and steel industry and become major global producers of finished steel products.

South Korea

The rapid development of South Korea's iron and steel industry is remarkable. Despite lacking many of the initial conditions that typically underpin the establishment of downstream iron and steel production – including capital, technology, manpower and primary deposits of iron ore – South Korea has transformed from a predominantly agrarian economy in the early 1960s to one of the world's most industrialised nations. This occurred on the back of a gradual progression from less to more capital- and skill-intensive industries, facilitated through a process of compressed industrialisation. As a result, South Korea has emerged as a global leader in electronics, automobiles and other advanced industries.

The growth of the iron and steel industry played an influential role in the country's rapid industrial development. Development of the sector was underpinned by progressive movement towards higher value-added production, reflected in a value-added inducement ratio that continues to rise. The higher value-added steel products manufactured in South Korea are used as key inputs in a variety of globally competitive downstream industries. This has been facilitated through the presence of strong vertical linkages between the steel industry and the country's highly successful downstream industries. It has also generated notable spillover effects in the development of other key national industries as well as the broader competitiveness of the economy.

The policies and support of the South Korean government played a central role. State investments made a major contribution to improving the country's previously outdated and fragmented steelmaking capacity. This was backed by considerable investment in capital and human resources to develop advanced technologies and capabilities, facilitate technological innovation, and encourage research and development (R&D.

Technological advancements have helped to create a long-term competitive advantage for the iron and steel

industry in South Korea. For instance, local steel manufacturers got a jump on their global competitors with production technology that enables them to produce "green steel" that meets environmental standards.

China

Since the 1950s, the iron and steel industry has been the mainstay of the Chinese economy. Today, it boasts a vast, and highly fragmented, iron and steel industry, with some 800 steel mills, most of which are majority-owned by the Chinese government. In 2008, roughly one quarter of the steel produced in China was destined for overseas markets. In 2009, China was the number one crude steel producer in the world, producing 567.8 million metric tons to account for nearly half (46.3 percent) of total global production. At the same time, China has made good progress in boosting the production of high value-added steel products, such as cold-rolled sheet strip steel, plated sheet and electrical sheet steel, as well as finished steel products.

China has successfully improved its competitive strength through measures to raise the level of concentration in the industry. Domestic mergers and acquisitions have been central, serving to implement structural adjustments and technological upgrades within the industry. In this way, mergers and acquisitions have helped to reduce production costs and expand the global market share of Chinese steel enterprises, while also addressing outdated capacity and raising productivity. Extensive co-operation between Chinese steelmakers and key downstream industries – including the automotive, shipbuilding and machinery industries – has helped to strengthen vertical integration along the iron and steel value chain.

At the policy level, strategies for reforming and restructuring the local industry have been devised and implemented on a regional basis. This approach has effectively ensured that targeted policies and strategies are based on each region's unique circumstances.

CONCLUSION

Attracted by potentially significant gains in terms of employment creation and wealth and revenue generation, the South African government's current economic policy agenda prioritises the development of capacity for downstream beneficiation in the mineral sector. This includes the promotion of downstream fabrication of metals, with the iron and steel industry touted as an area with great potential.

South Africa already possesses a globally com-petitive iron-ore mining sector that is capable of supporting downstream activity in the iron and steel value chain. The country also boasts a well-developed steel manufacturing industry involved in beneficiation up to the primary steel stage (and currently has significant overcapacity in the production of primary steel).

However, South Africa's ability to undertake globally competitive manufacturing activities is less clear, with possibly crippling constraints including

- high prices for locally sourced iron ore, labour and energy
- inadequate rail and port infrastructure
- limited capacity in existing steel production facilities
- low levels of labour productivity
- skills shortages
- a disadvantaged geographical location for exports of finished steel products to major import destinations.

The cases of South Korea and China suggest that a South African initiative will require a gradual progression towards higher value-added production. The structural constraints currently hampering the local iron and steel value chain will need to be addressed at the outset, with proposals to locate any new primary steel mills in coastal areas to reduce the high costs and logistical problems associated with transportation from inland areas to export markets, and to expand local steel production facilities.

The government should partner with key industry players with a view to developing new technologies for enhanced and sustainable steel manufacturing capability, particularly in finished steel products. These efforts will need to be accompanied by initiatives to develop a base of critical skills, particularly in metallurgy and engineering.

Greater investment in R&D can boost efforts to develop new technologies, products and applications within South Africa – for example, in nascent technologies to replace coking coal (an expensive input) and to convert raw materials into direct reduced iron, pig iron and basic steel products.

Finally, the development of downstream sectors within South Africa needs to be promoted in order to stimulate domestic demand for locally produced steel. This requires a supportive environment – through, for instance, infrastructure upgrades, tax incentives and special investment vehicles – to facilitate large-scale investments in key steel consuming sectors.

NOTES

1 The building and construction and automotive industries collectively account for more than half of South Africa's local steel demand. The machinery, packaging, mining and electrical appliances industries are also key consumers of steel.
2 Flat steel is primarily used for manufacturing while long steel is typically used for infrastructure and construction purposes.

REFERENCE

Department of Mineral Resources (DMR). 2011. *A Beneficiation Strategy for the Minerals Industry of South Africa*. June. www.pmg.org.za/files/docs/110705beneficiation-strategy.pdf (Accessed 9 March 2012)

RHLF
RURAL HOUSING LOAN FUND

RURAL HOUSING LOAN FUND

THE FINANCIAL MUSCLE BEHIND INCREMENTAL RURAL HOUSING

What is the Rural Housing Loan Fund?

The Rural Housing Loan Fund (RHLF) is a South African Government-owned entity established in 1996 with the mandate to facilitate access to incremental housing finance by low income earners who want to improve their housing conditions in rural areas and small towns throughout the country.

RHLF Intermediary Delivery channels:

RHLF operates as a wholesale finance institution and facilitates access to housing finance nationally through a network of housing finance lenders. These intermediaries access funds from RHLF and on-lend to individual borrowers throughout the country. RHLF only works with:

- intermediary lenders that are NCR registered and who are serving the general public;
- stokvels, cooperatives, and/or community based organisations who lend to their members only.

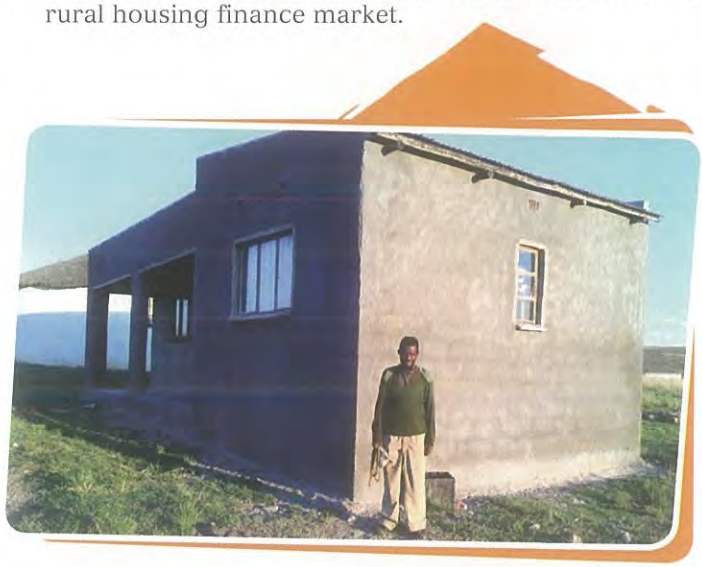
Borrowers use loans accessed from retail lenders for the following purposes:

- to build a new house,
- to improve the quality of their home,
- to extend their existing homes,
- to buy residential land,
- to connect to services, such as electricity and water,
- to improve sanitation conditions, and
- fence their homes – security.

Development Achievements:

Since establishment up to the end of March 2013, RHLF has:

- facilitated 370 524 loans for the low income earners to improve their living conditions in rural areas;
- disbursed more than R1.1 billion to the incremental rural housing finance market.



If you want more details on the RHLF, contact:

Postal address: P O BOX 645, Bruma 2026
Telephone: 011-621 2500
Email: mmothobi@rhlf.co.za | website: www.rhlf.co.za

MPAT – aiming for a well-managed public service

Introduced by the Department of Performance Monitoring and Evaluation in 2011, the Management Performance Assessment Tool (MPAT) is intended to build internal monitoring and self-evaluation within government, creating a performance-orientated state with higher levels of service delivery.

In January 2010, South Africa joined a small group of countries, including Australia, Canada and Germany, with a ministry dedicated to monitoring performance and evaluating public service standards. A year later MPAT was launched, a self-assessment tool which determines how optimally senior managers in government departments and provinces are functioning.

As Ismail Akhalwaya, programme manager of MPAT and deputy director general in the Presidency, explains: 'MPAT is a tool developed by the Department of Performance Monitoring and Evaluation (DPME), in collaboration with the Department of Public Service and Administration (DPSA), National Treasury and the Offices of the Premier from all nine provinces. It provides a snapshot of the state of management practices in national and provincial departments.'

Raising the standard

MPAT uses 29 standards to assesses the quality of management practices in government. Akhalwaya says that these standards fall under four main sections, namely strategic management, governance and accountability, human resource management and financial management, which entails supply chain and expenditure management. He says the two key pieces of legislation that underpin the evaluation are the Public Finance Management Act and the Public Service Act.

'Many senior managers in government don't see basic management as a strategic goal,' asserts Akhalwaya. 'If the management process in government departments is not efficient and effective, this has poor implications for service delivery in our country – for example, small businesses not being paid on time, medicine not being available in hospitals or textbooks not being delivered to schools. A better managed department can respond quicker to meeting the needs of the communities it serves.'

Minister Collins Chabane – Minister in The Presidency: Performance, Monitoring and Evaluation as well as Administration.

The process

How MPAT works is by requiring senior managers in government to undertake a self-assessment test by rating the performance of their department or province against each of the 29 management standards. As Akhalwaya explains, 'Rating is done on a four-level scale. At level one, the department does not comply with the legislative requirement; level two means partial compliance; level three is full compliance with the legislative prescripts; level four

means full compliance, plus the department is doing things smartly.'

The difference between level three and four, he says, is that the department is 'not just maliciously complying, but improving its management practices to enable more efficient, effective and accountable use of resources to deliver services'.

The assessments must also be supported by the submission of evidence to back up the department's self-assessment rating. They are completed on a web-based tool and the relevant evidence is uploaded. 'The DPME, working with DPSA, National Treasury and other officials who have the requisite management experience, then moderate the self-assessment by reviewing the evidence,' says Akhalwaya. 'This moderator feedback is provided to the departments and they are given a further opportunity to contest the findings of the moderator. After this interaction, the MPAT scores are finalised.'

'MPAT PROVIDES A SNAPSHOT OF THE STATE OF MANAGEMENT PRACTICES IN NATIONAL AND PROVINCIAL DEPARTMENTS.'

The results

The 2012/13 MPAT Report, the second of its kind, shows that while some departments have made strides, there has not yet been sufficient improvement in the level of compliance with regulatory frameworks and policies. Commenting on the findings in September, DPME Minister Collins Chabane said, 'The results point to weaknesses in human resource management in particular. There are also weaknesses in financial management and governance and accountability.'

For instance, 80% of departments are non-compliant in service delivery improvement requirements, including submitting service delivery improvement plans to the DPSA. Of equal concern is that 88% of departments are non-compliant with human resource planning requirements, which include submission of human resource plans and progress reports to the DPSA.

'In analysing the data, it is clear that the main challenge to building a capable and developmental state has been unevenness in capacity that leads to uneven performance,' stated Chabane. 'It further indicates that there needs to be a strong focus on improving human resource management across government and retaining senior managers for more than three years to ensure stability.'

The top three provinces in terms of management performance are the Western Cape, followed by Mpumalanga and the Free State. The top five departments based on the number of Level 4's are, Science and Technology, Trade and Industry, Environmental Affairs, National Treasury and GCIS.

Encouragingly, the minister noted that some departments are operating smartly at level four in each of the management standards. 'This indicates that it is possible for all departments to get to this level,' he said.

Continuous improvement

Because the 2011/12 MPAT results were not moderated, the 2012/13 results are seen as being more credible. 'The most recent moderated assessments are an important baseline on the state of management practices at national and provincial level,' asserts Akhalwaya. 'These assessments will be done annually to determine if management practices improve over time. The intent of the assessments is to encourage continuous incremental improvement.'

As Chabane said when the MPAT report was released, improving on this baseline is necessary to 'show to all South Africans that we are indeed on our way to building the capable and developmental state referred to in the National Development Plan'.

'The experience of the two assessments has enabled us to understand the challenges which the public administration is facing,' he said. 'Having understood the baseline information, we are confident that we will soon overcome these challenges.'

A new development is that MPAT has been used to assess some municipalities this year. 'The MPAT approach has been adapted for assessing the state of management practice and service delivery in municipalities. A customised tool for municipalities the municipal assessment tool (MAT) is currently being piloted for broader roll-out in 2014.'

For more information on the Department of Perfomance Monitoring and Evaluation in the Presidency, please contact:
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THE PRESIDENCY
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF PERFORMANCE MONITORING AND EVALUATION

Education in SA society

By **Luntu Sokutu** and **Sandile Dayi**

The authors are both students at the University of Cape Town. Sokutu is secretary of the UCT ANC Youth League branch and Dayi is secretary of the UCT branch of the Young Communist League

Now, in any society, ancient or modern, it is the duty of the older generation to prepare the young to take their place in the economic, intellectual and social life of the community. In modern times this duty falls largely to the State. It provides a system of education in keeping with the highly complex activities of man in an industrial age. The paramount importance of systematised education has long been recognised. For the future of a society is intimately bound up with and to a great extent dependent upon the way the youth are prepared for the task of maintaining that society. Any system of education, therefore, is concerned not only with the teaching of certain skills and professions, but with inculcating certain ideas which are basic to the society and necessary for its perpetuation. Education is carefully designed and organised so that the children imbibe those moral, cultural and intellectual attitudes that are the essence of that society.

For instance, in a socialist state, where a communist society is the aim, the children are surrounded with an atmosphere in which the common ownership of the means of production is the ideal. In such a country it is inconceivable that an educator would extol the virtues of private ownership of industries and the rest. (Tabata, 1979)

Education must impart particular values that a society wants to achieve and maintain. For instance, our education system must impart non-racialism, non-sexism, democratic values and human rights. In this light, this paper will focus on the history of education in South Africa and the challenges created. It will further illuminate on the response of the African National Congress (ANC) to these challenges, looking specifically at what went wrong, and finally, uncover the opportunities that are at the country's disposal to better the system for all those who live in it.

"NATIVE EDUCATION" IN SOUTH AFRICA

> It is mistaken, however, to understand that there was no pre-apartheid educational marginalisation of black South Africans. Long before the historic 1948 white elections that gave the Nationalist Party power, there was a system of segregated and unequal education in the country. While white schooling was free, compulsory and expanding, black education was sorely neglected. Before the introduction of Bantu Education, the Blacks were subjected to what was known as "Native Education". This meant inferior institutions, poor conditions and pitifully low allocations. Financial underprovision and an urban influx led to gravely insufficient schooling facilities, teachers and educational materials as well as student absenteeism or non-enrolment. A 1936 Inquiry identified problems, only to have almost nothing done about these needs. ("Bantu education policy")

In secondary school and at the university level, however, the syllabi were the same for blacks and whites. The racist regime resented even the few black students who managed to acquire university education despite all obstacles placed on their path. This stemmed from the fear that these students had been introduced to a system of education that extolled the concept of rights, equality and freedom – weapons that the capitalist bourgeoisie employed in its fight against feudalism. Using the concept of self-determinism, capitalism successfully defeated the feudal system but brought forth a new form of oppression. Please note the contradiction in this statement. The Bantu Education Act of 1953 thus reinforced the already existing inequalities in education.

As stated above, every society uses education to maintain particular values in society. Education in South Africa was divided in two: for the "servants" and for the "masters". The *Report of the Departmental Committee on Native Education (1935-6)* sums up this policy as follows: "The education of the White child prepares him for

the life in a dominant society and the education of the Black child for a subordinate society... The limits (of Native Education) form part of the social and economic structure of the country." (Tabata, 1978).

Without dwelling on Bantu education, it is important to understand its characteristics, which include reinforcing tribalism through the creation of tribal universities, belief in the inferiority of Africans, and the political, economic and social exclusion of Africans. Understanding this history, one would then take interest in what the liberation movement has done in response to the structural historic challenges.

THE RESPONSE OF THE ANC

As early as 1943, the ANC's "Africans' claims in South Africa" document declared that "[t]he education of the African is a matter of national importance requiring state effort for its proper realisation... The right of the African child to education like children of other sections must be recognised as a State duty and responsibility."

In 1955, the Freedom Charter envisaged that "the doors of learning and culture shall be opened for all... The aim of education shall be to teach the youth to love their people and their culture, to honour human brotherhood, liberty and peace."

"Ready to govern: ANC policy guidelines for a democratic South Africa", adopted by the 1992 ANC national conference, states that the "administration and management of education and the development of educational policy will be governed by the principle of democracy, within a unified national education and training system. The active participation of organs of civil society in both formal and non-formal education should include teachers, students, parents and workers."

Further:

> The ANC believes that there should be a national core curriculum which reflects the norms and values of a non-racial, non-sexist and democratic society and which is relevant to both the needs of the individual, as well as the social and economic needs of society. We are committed to a curriculum which is based on the principles of co-operation, critical thinking and social responsibility, and which empowers individuals to participate in all aspects of society. We believe that this can best be achieved by a national curriculum which provides a general education based on integrating academic and vocational skills.
>
> We believe that a general education, firstly, better prepares individuals to adapt to the needs of a changing and dynamic economy; and secondly, by not differentiating between different types of education, ensures equality of opportunity for all.
>
> We believe that a national core curriculum should encourage the development of a national democratic culture which accommodates cultural and regional diversity as long as this does not conflict with national goals.
>
> The national core curriculum will promote non-sexist values and attitudes and remove all gender stereotyping from the curriculum. The structure of the curriculum will also ensure that gender is not a criterion for access to any subject. Furthermore, special help should be available to female students to improve and extend their skills in areas from which they have been previously excluded.
>
> A national core curriculum should be complemented by a national accreditation and certification system for both formal and non-formal education and training. This would ensure that there is maximum flexibility for horizontal and vertical mobility between different levels of the education and training system, both formal and informal. (ANC, 1992)

The 2012 national conference in Mangaung noted that education is expensive and resolved that a "newly structured national student financial aid system must be introduced to enable fee-free education from 2014 onwards".

WHAT WENT WRONG?

With so many good policies and intentions, perhaps we should discuss how we got to where we are after the 1994 breakthrough. Through the struggle against apartheid and colonialism, the ANC realised it didn't want the same system of education that white people had. The late Zwelakhe Sisulu made this point when he asked:

> What we do mean when we want people's education? We are agreed that we don't want Bantu Education but we must be clear about what we want in its place. We must also be clear as to how we are going to achieve this. We are no longer demanding the same education as whites, since this is education for domination. People's education means education at the service of the people as a whole, education that liberates, education that puts the people in command of their lives. (Sisulu, 1986)

In the mid-1990s, the neo-liberal and unipolar world meant that advances and intentions of all progressives had to be shelved to appease the funders and donors. The introduction of structural adjustment programmes (SAPs) illustrates this point, since the International Monetary fund (IMF) and the World Bank made cutbacks on social development programmes – such as spending on education, healthcare and social grants – a condition for access to loans, due to the debt crisis of the 1970s.

SOLOMON MAHLANGU
SCHOLARSHIP FUND
AN NYDA INITIATIVE

The National Youth Development Agency (NYDA) in its quest to address the challenge of youth unemployment and access to education, among many others, recently changed its core business to focus on Education and Skills Development as the organisation's main priority. This move was informed by recent studies which suggested that salaries remained the main source of income for young South Africans.

In-line with this new focus on education, the NYDA recently launched **the Solomon Mahlangu Scholarship Fund** in partnership with the Department of Higher Education and Training and various institutions of higher learning. For 2014 the NYDA has committed R10 million towards the fund and welcomes the commitment by the National Skills Fund to contribute a further R10 million for critical and scarce skills.

The plan is to make the scholarship fund the biggest in the country, and therefore support and contribution is sought from donors, government as well as private sector institutions.

The fund is intended to avail financial support to youth to enable them to pursue quality education in an institution of higher learning with youth in rural areas as primary target.

It is designed to create an environment for affording the marginalized youth with excellent academic background, an opportunity to further their studies locally and abroad. Financial support will be provided to youth who pursue full time degrees that fall within the priority growth sectors, critical and scarce skills areas outlined in the labour planning frameworks of the country.

The following fields of study will be prioritised: ICT, Law, Tourism, Geology, Logistics, Pharmacy, Journalism, Agriculture, Engineering, Development Studies, Supply Chain Management

The fund will be accessible to deserving South African youth who meet the minimum entry requirements set by the NYDA - youth who have been admitted for study at credible Universities and Universities of Technology, local and international. International scholarships will be considered if they have been endorsed by a South African government department or a credible public or private agency.

Objectives of the scholarship fund:

- To provide financial support to youth in the form of scholarships to increase their chances of accessing quality higher education in their field of study
- To increase chances of employability or entrepreneurship based on the positive correlation between level of education and employability
- To establish the largest scholarship programme in the country, which will enable youth to study locally and abroad
- Empower the youth (14-35) with education to enable them to compete favourably in the labor market.
- Contribute to the development of critical and scarce skills

Let us all contribute to making education a priority and accessible to all our youth.

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Education was reduced to a commodity, which continues to identify, segregate and socialise the elite of the next generation. Our education does not create a new person, the visionaries or carpenters of the new order. What is this new order? It's a non-racial, non-sexist prosperous society for all those who live in it. If this is hard to believe, one should look at the top universities in the country. These are institutions of the elite that accommodate a few students from rural backgrounds. They sought to convert their students to become liberal and ahistorical. They are not transformative. Our education is far from becoming an instrument of economic engineering and social cohesion. Under African rule, education has continued to promote social structures inherited from colonialism and to enhance the economic advancement of a few privileged citizens.

Curriculum reform has played a significant role in shaping the challenges created in a post-apartheid South Africa, from Curriculum 2005 to outcomes-based education to the new national curriculum standards of the current education system. The challenges range from the reinforcement of inequalities to the very quality of basic education itself.

The post-apartheid administration was built on apartheid structures, which not only affected economic disparities within the country but education as well. We learn from the short rule of the Paris Commune, after the revolution that overthrew the French bourgeoisie, that indeed the working class could not use structures created by the bourgeoisie for its own purpose – as the preamble to the French edition of the Communist Manifesto explains. In other words, and in the case of South Africa: for majority rule to prosper, it would have to use its own structures rather than depend on structures created by an illegitimate minority rule.

It must be understood that, unlike other countries, democratic South Africa was a transitional nation, not a revolutionary nation that would dismantle all the structures of the previous regime for the creation of a new order. In transitional governments, a new order is created through a negotiated settlement. Such a settlement is marked by compromises, some fundamental and some not. The important factor to note is their influence in shaping the new society. Global dynamics have a strong influence in domestic affairs, particularly with transitional states. During the transition, the world was ruled by triumphant neo-liberalism, and South Africa's government of national unity (GNU) could not be seen to be against neo-liberalism, let alone its policies. For education to not be affected in that entire process would be nothing but a miracle from a supreme being. Understanding these deeply rooted and fundamental problems, one would but wonder whether there is any hope for the future of education in this country.

OPPORTUNITIES

Are there any opportunities at the disposal of the country? Indeed there are. For example, the National Development Plan (NDP), which primarily speaks of building a capable state by the year 2030, places education as a priority. This means that the NDP will address the fundamental challenge of creating of new structures and qualities, if it is implemented correctly, since a capable state is one that can deliver quality, accessible education for all. The NDP further plans to draw private sector energies from mere profit making at all costs to the realignment of social responsibility. This will prove good for education, should the private sector co-operate.

Another opportunity is the economic crisis facing the United States and Europe. Their economies are surviving through quantitative easing, a process where a country prints more money. This crisis translates to a global crisis and this presents an opportunity to increase social spending in South Africa. In the 2008 global crisis, growing economies such as China and India used the opportunity to embark on mass developmental programmes in education and healthcare. We too are on the eve of that opportunity.

Lastly, we have the development of the BRICS development bank. This will mean that loans can be made to developing economies without SAPs and conditions that hinder growth and development. South Africa ought to make use of these opportunities to better the lives of South Africans and to build a nation that benefits all those who live in it.

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UNIVERSITY OF LIMPOPO

Factions, fighting spirit and tribalism: Threats to organisational unity

By **Reatlehile Jankie**

The author was a member of the 2012 executive committee of the Cape Peninsula University of Technology (CPUT) branch of the South African Students Congress (SASCO). He chaired the political education committee

"It is better to die for an idea that will live than to live for an idea that will die." – Steve Biko

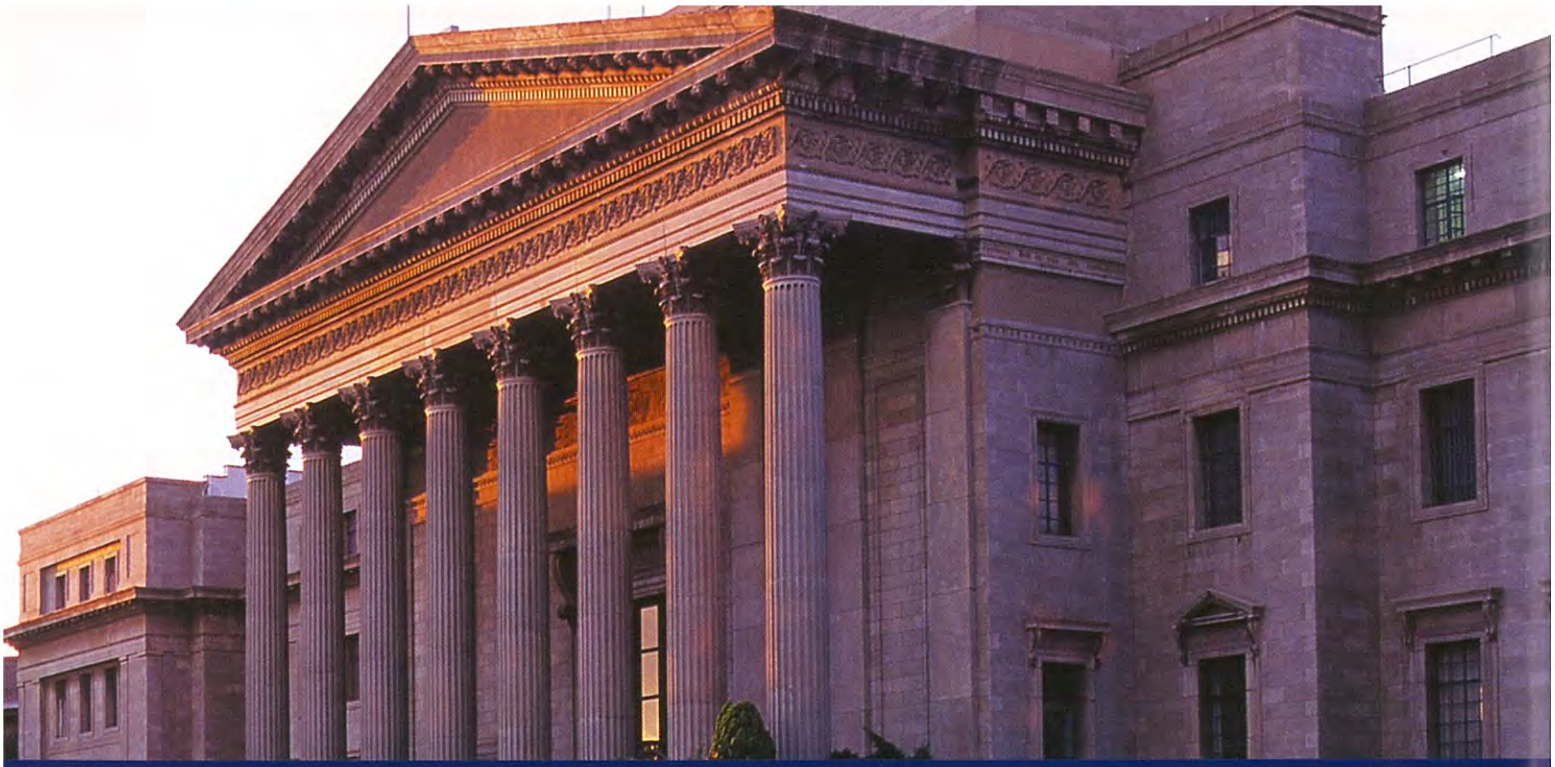
The responsibility of building and continually unifying our organisation lies with every member of SASCO, regardless of their role in the party. Unity steers our organisation forward, strengthens our revolution and makes it possible for the vanguard movement to cater to the needs of students effectively and efficiently.

THE DANGER OF FACTIONS

When the ANC was established in 1912, it was characterised by cohesion. At the grassroots level, it was able to mobilise all who wanted to partake in the revolution under the single banner of the ANC. It entrenched the power of unanimity among members and followers. This sentiment enhanced the effectiveness of the organisation to intensify its fight against imperialistic forces. There is however one disastrous threat to the unity of an organisation, and that is factionalism. Factionalism led to the establishment of the Pan Africanist Congress (PAC) as a powerful breakaway party in 1959, which had former ANC members being transformed into counter-ANC individuals. If factionalism had not led to the establishment of the PAC, the Pan Africanist Student Movement of Azania (PASMA) would not exist today as an opposition organisation. Their members would have been part of SASCO and that would have substantially increased our membership base.

Noting that PASMA is not to be underestimated in the landscape of student political organisations cannot weaken us as a party. No external force can make us deviate from our objectives, bring disorder, advocate anarchy, or drive SASCO into the ground. No external force has the power to break our organisation apart and leave us irrelevant to the student population. It is only if factionalism becomes rife within the organisation that these deviations can become possible. External forces cannot split a party but internal forces can: the unity of an organisation depends upon its members.

Factionalism is a problem because people become more loyal to their factions than the objectives of the party. They promote their agenda over that of the organisation. Factions tend to show high levels of intolerance to others within the organisation. By the time the organisation goes to war with the opposition,



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it is destined for failure because comrades who fight among themselves enter the battlefield with bruises, and that gives the opposition an advantage. The disease called factionalism is nourished by the over-eagerness of certain people to gain political power. Comrades need to understand that a true leader leads because the people are calling upon him/her to lead and not because he/she wants to lead regardless of the sentiments of the membership.

Undoubtedly, comrades will disagree on a range of policies, ideologies, views, leadership, organisational direction, the status of the revolution, and so on. These contradictory theories should not be viewed as justification for the establishment of groups within an organisation. Disagreements and differences between comrades should rather be catalysts to fuel debate, to discover the most suitable strategy to move the organisation forward. It is then also important for those comrades whose views were objectively defeated in the debate not to be resentful and sabotage those comrades who were able to win. To sabotage your comrade is to sabotage the organisation and that makes the organisation a laughing stock to students.

When organisational conflict and Shakespeare-like drama surface in the student population, the opposition celebrates. They can then put the credibility of the organisation in question with the students who are our sole electorate. How could an organisation lead them if it is in shambles, if its members are fighting with no end or compromise in sight? Students will conclude that an organisation that cannot unify itself will fail to unify them and that would inevitably result in our loss at election time. Although some may argue that SASCO does not exist to win positions on the student representative council (SRC), the reality is that occupying SRC seats is one of the most effective ways for the party to serve students, due to the abundance of resources.

The crux of the matter is that unity makes or breaks an organisation. In national politics, COPE is a practical example of how divisions and high levels of internal intolerance can destroy the lifespan of an organisation.

A LEGACY TO LIVE UP TO

Our generation is subject to a range of challenges, including poverty, HIV/AIDS, unemployment, crime, substance abuse, and exclusion from varsity. Many of these challenges are not created by the youth of today but are social problems, rooted within our communities. They are stumbling blocks in the road to the common goal of economic and social freedom.

The older generation has lost faith in us and has described us as "the lost generation". This description is based upon our challenges and not upon our abilities. None of us requested these challenges. They have been in existence since long before we were born, and the only way to escape is to fight them. That is a task we are undertaking, but our heroic fighting spirit has remained unacknowledged. It is honestly incorrect to describe us as the lost generation.

Those who are regarded as heroes and heroines today were the youngsters of the apartheid era who fought courageously against a system that refused their political freedom. They assembled and rebelled against their challenges and the oppressive system, regardless of the detrimental consequences (which frequently included bloodshed) of their radical actions. They did all this in the name of political freedom. Their rebellion was eventually successful because it was conducted on a national scale, it was intensified annually and it was revolutionary and radical – but most of all, because those youngsters did not compromise on their demands. Those revolutionists would rather extend their struggle than settle for an unsatisfactory agreement that would be unsustainable and have no rewards for the future generations. They did not fight only for their own interests, but for the grievances faced by the entire youth population.

Most notably, they never allowed any external force to weaken their revolution, and all internal forces that acted as enemy agents were dealt with through expulsion and other harsh means. Their rebellious actions made them unpopular in the eyes of their parents and the apartheid system, but this was not a reason for discouragement. These comrades understood that they were not part of a populist movement but were part and parcel of a vanguard movement for students' rights. They comprehended that, to reach the point of being hailed as heroes, they first had to be rebellious and despised. That mentality gave them strength, even when all odds were against them. This sentiment of revolt against their circumstances eventually won them victory and they were described as the generation with direction. The fundamental question for us is this: have we adopted their behaviour as our own so that we may be saluted by future generations for paving their path to success?

When I look around, I see people who fight forcefully for education. The long queues of prospective students at varsities in January, eager to be accepted and pursue academic careers, are an indication of their fighting spirit. Even when a few of them make it into tertiary institutions, selfishness remains foreign to their human principles and they join SASCO to fight robustly for those who remain excluded. This revolution to broaden access to varsity has often taken the form of mass strike action, frustrating the government and the university management. These pro-education fighters of SASCO become unpopular in the eyes of counter-revolutionary forces, who present themselves in the form of learners from financially privileged homes, opposition parties, varsity management, and government and law enforcement authorities.

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Mr Moselane (CEO)

Ikageng Electrical Contractors is an electrical contracting company based in Bloemfontein in the Free State, established in 2005. The company is a proudly black-owned business, led by very experienced individuals with exceptional entrepreneurial expertise. Currently, Ikageng Electrical Contractors mainly operates in the Free State, and has previously worked in the Eastern Cape and the Northern Cape. The company's medium-term goal is to branch out to Gauteng and eventually the rest of Mzansi.

We offer electrical solutions derived from our niche, and strive to deliver a professional service owing to our skilled workforce. Amongst the best services we offer are the electrical construction, reticulation and maintenance of both residential and commercial structures. We are specialists in public lightning: a portfolio that includes erection, installation and maintenance of high masts. The services mentioned above give us a competitive advantage, as the company has been competently capable of delivering diverse projects simultaneously.

Electrification and reticulation of hospitals, municipal substations, RDP houses, Shopping malls and the erection, installation and maintenance of high masts are but a few of some of the big projects we have completed to date, details of which can be accessed from our website.

Our vision is to become the leading electrical contracting company in South Africa, through maximising our people's inherent technical abilities in a professional manner within and beyond the set industry standard. In order to achieve our business mission, we constantly strive towards delivering quality tailor-made service and after-care service.

It is vital to note that we could never have achieved any of our business goals in the absence of our most valued asset, our people. Being a 100% black empowerment company, we provide our skilled staff with continuous on-the-job training in order to sharpen their skills, which not only helps the company function effectively and efficiently, but empowers them as individuals. We recognise the rare skills needs of our country, hence we'll shortly be implementing a skills development plan which is going to improve our workforce's technical skills levels. This initiative will also help absorb a lot of young unemployed people, disadvantaged by the lack of skill and inability to school themselves. This we plan on carrying out through the introduction of learnerships and apprenticeships.

Ikageng Electrical Contractors supports community upliftment 100%, which is why we continue to work hand in hand with our communities. Our engagement with communities is in line with our country's job creation efforts on the Expanded Public Works Programme. We take pride in assisting as much as possible where we can, as our corporate social responsibility commitment.

In pursuit of supporting our government's BBBEE plan, we are looking in to developing the entrepreneurial spirit in our young people as far as possible. This we'll achieve through providing opportunities to subcontract on some of our other projects. Increased economic activity and a reduction in unemployment will be the result of this selfless effort. More jobs will be created in the process.

Our business success thus far is driven and lies deeply entrenched in company values, which we apply on a day-to-day basis during interaction with both our internal and external customers. Honesty, integrity, loyalty and transparency are the corner-stone of our business existence.

Visit our website (www.ikageng-electrical.co.za) for an update and insight into all our successfully completed projects, up-and-coming projects and our global journey as we look forward to penetrating the South African market by spreading our wings in all the country's provinces.

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This unpopularity has not bothered the youth, nor has it strained or weakened their uprising. They comprehend that they have not embarked on a popularity contest, but are championing the rights of those who cannot fend for themselves against the hostile economic and educational systems. This action is conducted on a national scale, it intensifies annually, it is revolutionary and radical – but most of all, the youth of today do not compromise on their demands for an outcome that is sustainable, inclusive of people from different backgrounds and cultures, and will benefit future generations. It is also their understanding that they need to emerge victorious from their challenges if they want to be saluted in the future. The "Right to Learn" campaign has happened every year because a sustainable and satisfactory result has not arisen and our generation will not give up. We are direct decendents of fighters and we have inherited that fighting spirit. It is only if the youth of today sustain and intensify this fight that they will surface triumphantly.

Hence, it is important to ask the question again: have we adopted the behaviour of the youth in the apartheid era as our own so that we will be saluted by future generations? It is correct to respond to this question by saying, "yes". Our effort has, however, remained unacknowledged and our elders describe us as lost. We must never think we are lost because that would make us behave like lost youngsters and endanger our sensible revolution against the hostile economic and educational environment. We must never allow this description to define us. We must reject it as it seeks to make us feel inferior. Let us walk with our heads high because we know that we are making a valid contribution towards making the community and society a better place today and tomorrow. We must not rest until we leave a permanent legacy for future generations.

TRIBALISM

The rotten fruits of tribalism that are evident in our organisation today cannot be abolished without a solid comprehension of its roots.

Tribalism is not only a SASCO problem. It is a social issue across the world. In Rwanda, over 800 000 people were cruelly murdered because of tribalism between the Hutus and the Tutsis. Germany's establishment of concentration camps is another example. There is also tribalism between white Afrikaners and the English that dates back to the Anglo-Boer/South African War. Both tribes have invented derogative terms for each other.

South Africans who are black have not been spared this social ill. The apartheid government tried by all means to limit the interactions of different ethnic groups and separated blacks into different underdeveloped Bantu states, while deceitfully trying to portray to the rest of the world that blacks were freely governing themselves in tribal segregation without any interference or any form of oppression from the apartheid government. This illusion did not convey the reality that these Bantu states were puppets of the apartheid government. Their black residents were not considered to be citizens of South Africa; the pass law is proof of that. The people who owned 100 percent of the land before the arrival of the colonialists were only allowed 13 percent of their own land. The worst and least arable land was allocated to the blacks and the apartheid government and its puppeteers neglected development of that land.

It is important to note that this blatant exploitation was done to not only to preserve white supremacy but also to ensure that blacks were separated by tribes. This would somehow prevent black people from realising that they faced the same challenges and that the government oppressed them on the basis of being black rather than being Zulu, Sotho, Tswana, Xhosa, Pedi or Venda. The apartheid government knew that the unity of the oppressed would pose a great danger to their laws and the unjust society they engineered. The ANC existed precisely to consolidate the minds of the different tribes and mobilise them against the common enemy, which was the apartheid government.

It is, quite frankly, clear and common knowledge that, as students at CPUT, we are oppressed by an institutional system that uses the financial circumstances of students to justify the academic exclusion of the poor. It is also crystal clear that this beloved institution of ours has deteriorated into a place that is meant to serve only the interests of those who can afford to pay. That is the complete opposite of what SASCO seeks to achieve in this institution. It has increased the vulnerability of students from the working class and the unemployed class and does not seek to lessen the economic inequality in South Africa, which is the biggest in the world.

SASCO's purpose, "to unify students of all races and nationalities", is similar to that of the ANC, which aimed to consolidate "natives" under one banner. However, this great intention that is enshrined in our constitution will be defeated and the organisation will be weakened as long as SASCO allows tribalism to be the order of the day. It is of utmost importance to avoid discussing which tribe should lead but rather to discuss which cadre is fit and able to build SASCO as a mass-based student movement.

Finally, in Steve Biko's words: "I wish to call upon all student leaders at the non-white institutions to put their weight solidity behind SASO [SASCO's forerunner, the South African Students' Organisation] and to guarantee the continued existence of the organisation, not only in name but also in effectiveness." ✵

Rea ba kena ka SASCO rea ba kena.

KARA HERITAGE INSTITUTE

WHAT IS THE PAST, PRESENT AND FUTURE OF THE PEOPLE OF AFRICAN DESCENT?

Dr Mathole Motshekga (MP)
B.Iuris, LLB (UNISA), LLM (Harvard), LLD (UNISA)
Prof. (hc) University of Pretoria
Executive Director: Kara Heritage Institute

The Meaning of Kara

Remarkable archeological research and findings on the African continent have brought to light the ancient African sacred books, whose influence can be seen to this day in our cultural beliefs and traditions. These books date back to Africa's early history and precede the mainstream Holy Scriptures such as the Bible, Koran and the Rig Veda. It is in these spiritual roots of Africa that we find the indigenous belief system known as Karaism.

As an organisation that is dedicated to reviving pride in our heritage and building a foundation for Pan Africanism and the African Renaissance, for the Kara Heritage Institute the name KARA is a fitting tribute to the indigenous knowledge that we have inherited from Karaism, the spiritual philosophy of light characterised by Ubuntu/Botho values and principles. This philosophy says: "I am because you are".

Background

The indigenous African peoples have a rich ancient history and cultural heritage which is at risk of being lost in the tide of contemporary global influences. By reigniting awareness of our proud heritage and reawakening our consciousness of Ubuntu/Botho values and principles that lie at the heart of the original spirituality of Africa, we recover the humanity of all South Africans and Africans and restore their self-knowledge, sense of self-worth and self-esteem, culture of self-help and self-reliance and the will for development and progress.

The recovery of the humanity of all, regardless of race, class and gender is a prerequisite for human, social and economic regeneration of Africa and her people. The declaration of 2013 as the year of Pan Africanism and the African Renaissance by the African Union has laid a lasting foundation for the holistic (i.e. both spiritual and material) development of the African humanity. It was for this noble purpose that the Kara Heritage Institute was first established in 1982.

The Institute has now attained the position as South Africa's and African's leading heritage organization. It offers a substantial resource and education centre in Pretoria's historic CDB, where beautiful new buildings will be opened from September 21 to 23, 2013.

Our Mission

The Kara Heritage Institute is committed to leveraging the knowledge and ethos of the African stream of history and cultural heritage to grow sustainable and empowered communities that have the freedom to shape their destiny with their own hands.

Our objectives

- To recover and promote Africa's heritage and its indigenous knowledge systems.
- To harness Africa's indigenous resources for the moral, social and economic development of disadvantaged and marginalised communities.
- To promote Pan Africanism and the African Cultural Renaissance.
- To overcome the legacies of our colonial and apartheid past and rebuild a culture of self-knowledge, self-esteem and self-worth, self-help and self-reliance in African society.
- To challenge the scourges of racism, abuse, bigotry, patriarchy and xenophobia.
- To mainstream the African alongside the Asian and European streams of history and cultural heritage.
- To equip South Africans and Africans with the necessary skills to harness their heritage and indigenous knowledge systems for development.

Our Partnerships

The Kara Heritage Institute welcomes collaborative initiatives with national, provincial and local government to search and roll out heritage education, cultural tourism, cultural industries, organic farming and entrepreneurship.

We are proud to be partnering with the following organisations:

- The Department of Arts and Culture to promote heritage education and indigenous knowledge systems;
- The South African Resources Agency (SAHRA) and the Department of Traditional Affairs to celebrate the lives and contributions of religious and traditional heroes and heroines of our struggle for freedom;
- CATHSETA, AgriSETA and others for skills development and empowerment of communities;
- The National Interfaith Council of South Africa (NICSA) for moral regeneration, spiritual and moral education.

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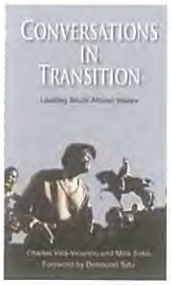
Charles Villa-Vicencio and Mills Soko
David Philip/New Africa Books: Cape Town, 2012. 301pp



Two decades ago, the ever-prolific Charles Villa-Vicencio authored a book of discussions with South Africans called *The Spirit of Hope: Conversations on Religion, Politics and Values* (Braamfontein: Skotaville, 1993). He has now teamed up with Mills Soko of UCT's Graduate School of Business to talk with 23 eminent South Africans, chosen with due regard to race and gender. Those interviewed include six politicians, two trade unionists, four people from the world of business (though the director of the Centre for Development and Enterprise only partially belongs here), three from the judiciary, four from the faith communities and four from a category the authors call "human rights and social commentary". Why these particular individuals were selected is not explained, but they do constitute a reasonable cross-section of leading South Africans, from Ann Bernstein to Helen Zille. The authors try to draw out common threads in a chapter called "A South African conversation", which ends with a call for "a second national conversation as pertinent as the conversation that resulted in the 1994 election" (35).

Though the dates of the interviews are not given, most concern South Africa's recent past and future prospects. Despite what Archbishop Tutu says in his Foreword, they do not, however, constitute a dialogue, for they do not speak to each other. Though the interviewees are fairly frank in talking of their hopes and fears, they naturally present themselves positively on the whole. There was perhaps scope for the interviewers to have been more critical and probing, say with regard to the allegations made against Ebrahim Rasool, now South Africa's ambassador to the United States, or the controversial speech on land reform made by Pieter Mulder of the Freedom Front Plus, or Moeletsi Mbeki's relations with his brother before, during and since his presidency. There are major gaps in these "conversations" – South Africa's role on the continent and in the wider world is one – and a few errors have crept into the text (perhaps the most glaring: the year 2000 given instead of 1990 (31)). But, as very few people will ever have the opportunity to hear these people speak, let alone to ask them questions, it is good to have their voices recorded for posterity.

Just Transitions

Explorations of Sustainability in an Unfair World

Reviewed by **Martin Lewis**
(South African Council for Planners)

Mark Swilling and Eve Annecke
UCT Press: Cape Town; United Nations University Press: Tokyo, 2012. 360 pp

Just Transitions provides an interesting narrative on change in communities. Based on strong academic foundation, it forces the reader to think about the future, reflect on the correct and be creative.

The authors consider transitions as the "co-evolution" of technology, consumption behaviour and insti-tutions. Such change is then further conceived as "multi-actor" long-term processes that are about to redefine and re-configure our institutional, organisational and societal environments. The key transitions discussed are "epochal, industrial, urban, agro-ecological and cultural".

Part I takes the reader on a journey through the general conceptual themes of complexity, sustainability and the dynamics of transition that challenge us to achieve sustainability. Reference is made to the "fear of change due to previous experiences and horrors of change". Seven globally significant themes are presented: eco-system degradation, global warming, peak oil, inequality, urban poverty, food insecurity and material flows.

Part 2 begins to rethink development. Arguing that the role of the state must be looked at, it asks whether a developmental state will take advantage of transition or re-enforce the current status quo. The second wave of urbanisation in its many forms – inclusive, splintered, slum and green urbanism – is described and located within the wider context of globalisation and information technology. A chapter on soils, land and food security sketches the challenges created by the price of food commodities and the growing extent of poverty and malnutrition.

Case studies from Sudan, South Africa and Cape Town are presented in the final section. Planners, managers and students in development studies will find much of benefit here.

Books available for review

The following books have recently been received

Interested reviewers should contact Helen Douglas at mwnewagenda@mweb.co.za

Abbott, John. *Green Infrastructuire for Sustainable Urban Development in Africa*. Earthscan: Oxon, 2012. 487 pp

Bennett, Jane and Charmaine Pereira (eds). *Jacketed Women: Qualitative Research Methodologies on Sexualities and Gender in Africa*. UCT Press: Cape Town; UNU Press: Tokyo, 2013. 198 pp

Bowles, Samuel. *The New Economics of Inequality and Redistribution*. Cambridge University Press: Cambridge, 2012.188 pp.

Cartwright, Anton, Susan Parnell, Gregg Oelefse and Sarah Ward (eds). *Climate Change at the City Scale: Impacts, Mitigation and Adaptation in Cape Town*. Earthscan: Oxon, 2012. 277 pp

Daniel, John, Prishani Naidoo, Devan Pillay and Roger Southall (eds). *New South Africa Review 3*. The Second Phase: Tragedy or Farce? Wits University Press: Johannesburg, 2013. 342 pp

Dietz, Rob and Dan O'Neill. *Enough is Enough: Building a Sustainable Economy in a World of Finite Resources*. Routledge: Abingdon, 2012. 237 pp

Dikeni, Leslie. *South African Development Perspectives in Question: The Conflicting Nature of People, Environment and Development*. Real Africa Publishers: Johannesburg, 2012. 155 pp

Dubin, Steven V. *Spear-heading Debate: Culture Wars and Uneasy Truces*. Jacana Media: Auckland Park, 2012. 329 pp

Fan, Joseph PH and Randall Morck (eds). *Capitalizing China*. University of Chicago Press: Chicago and London, 2013. 387 pp

Foster, Douglas. *After Mandela: The Struggle for Freedom in Post-Apartheid South Africa*. Liveright: New York; WW Norton, London, 2012. 598 pp

Lissoni, Arianna, Jon Soske, Natasha Erlank, Noor Nieftagodien and Omar Badsha (eds). *One Hundred Years of the ANC: Debating Liberation Histories Today*. Wits University Press: Johannesburg, 2012. 396 pp

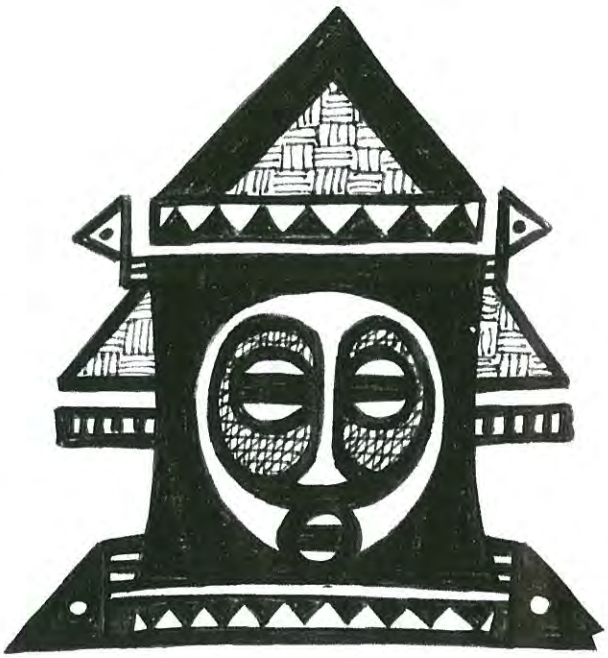
Martin, William G. *South Africa and the World Economy*. University of Rochester Press: Rochester NY; Boydell and Brewer: Suffolk, 2013. 271 pp

Roux, Theunis. *The Politics of Principle: The First South African Constitutional Court, 1995-2005*. Cambridge University Press: Cambridge and New York, 2013. 433 pp

Strasburg, Toni. *Fractured Lives*. Modjaji Books: Athlone, 2013. 311 pp

Taylor, Scott D. *Globalization and the Cultures of Business in Africa*. Indiana University Press: Bloomington, 2012. 247 pp

UNU-IHDP and UNEP. *Inclusive Wealth Report 2012: Measuring Progress toward Sustainability*. Cambridge University Press: Cambridge, 2012. 336 pp



PAN-AFRICAN PARLIAMENT

ONE AFRICA, ONE VOICE

Hon. Bethel Nnaemeka Amadi, President

Hon. Roger Nkodo Dang, 1st VP

Hon. Suilma Hay Emhamed Salen, 2nd VP

Hon. Loide Kasingo, 3rd VP

Hon. Juliana Katengwa, 4th VP

Adv Zwelethu Madasa, Clerk of PAP

OVERVIEW

The Pan-African Parliament (PAP) was inaugurated on 18 March 2004 at the African Union (AU) Headquarters in Addis Ababa, Ethiopia as one of the 10 Organs of the AU. It moved later to its current seat in Midrand – Johannesburg in South Africa. Membership is open to all AU Member States who ratify the PAP Protocol. Currently, membership stands at forty-nine (49). Each National Parliament designates five of its members to the PAP, at least one of whom should be a woman.

The ultimate aim of the establishment of the PAP is for it to evolve into an institution with full legislative powers, whose Members are elected by universal adult suffrage. At present, it exercises advisory and consultative powers.

Despite this restrictive mandate, the PAP is continuing to play a key role in promoting democratisation, good governance and the harmonisation of laws on the continent. This will lead to more stability, an important precondition for investment and consequently, development and prosperity for the peoples of Africa.

The objectives of the PAP are mainly to promote the principles of human rights, democracy, good governance, transparency, accountability, peace, security and stability in Africa. The PAP is also expected to promote collective self-reliance and economic recovery, in addition to facilitating co-operation and development in Africa. Furthermore, it is expected to strengthen continental solidarity and build a sense of common destiny among the peoples of Africa.

STRUCTURE

The authority of the PAP to make decisions is vested in the Plenary Session. However, the main work with results in the decisions is performed by the ten Permanent Committees, which also meet to oversee the work of the AU.

The Bureau of the PAP, which is responsible for the management of the Parliament, is composed of the President and four Vice-Presidents, who represent the five regions of Africa. The current President of the PAP is the Hon. Bethel Nnaemeka Amadi, from Nigeria. The First Vice President is the Hon. Roger Nkodo Dang from Cameroon, The Second Vice President is Hon. Suilma Hay Emhamed Saleh from Saharawi, the Third Vice President is the Hon. Loide Kasingo from Namibia and the Fourth Vice President is the Hon. Juliana Kantengwa from Rwanda.

The Bureau is supported by a secretariat of permanent staff members who are headed by the Clerk of Parliament, Adv. Zwelethu Madasa from South Africa.

TRANSFORMATION

The PAP is currently undergoing a review process that is hoped to culminate in awarding it some legislative functions to make model laws that would contribute to the harmonisation of policies across the continent. This is seen as the first step in the full transformation of the PAP into the legislative body of the African continent.

PAN-AFRICAN PARLIAMENT
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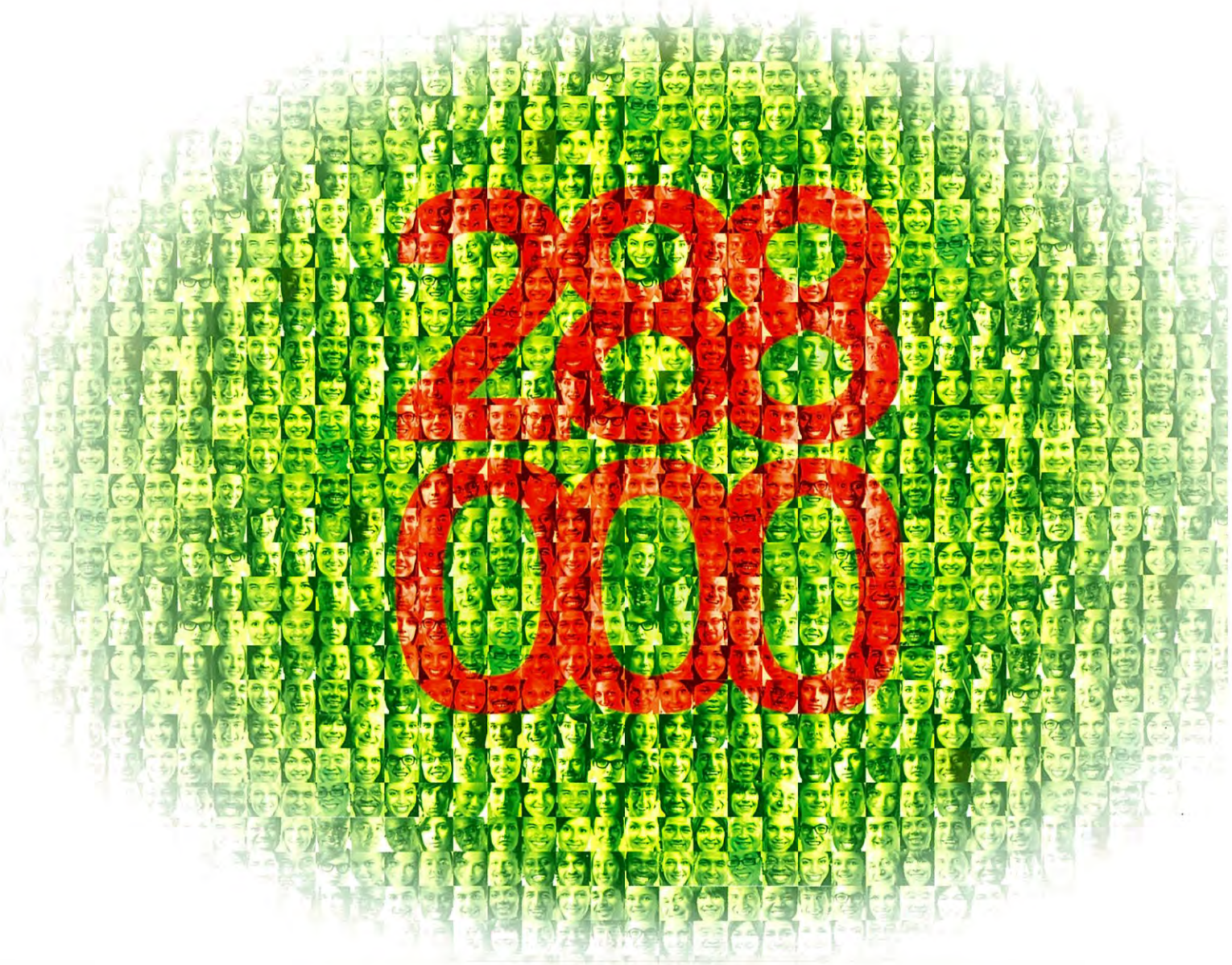
NEW JOBS OVER THE NEXT 7 YEARS



MDS

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