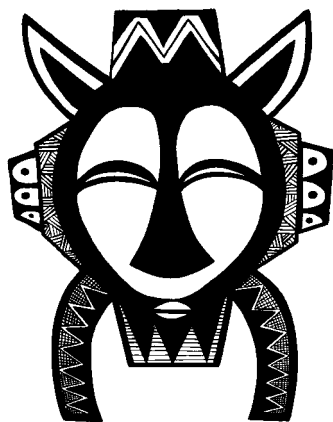




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NEW AGENDA

SOUTH AFRICAN JOURNAL OF SOCIAL AND ECONOMIC POLICY

WOMEN TRANSFORMING THE TRANSKEI

AND

THE ROLE OF THE CHIEFS
FROM SUBSISTENCE FARMING
TO MODERNISATION

BY

GLORIA SEROBE

PALLO JORDAN
PROSPECTS FOR THE LEFT



ISSUE 54
SECOND QUARTER 2014

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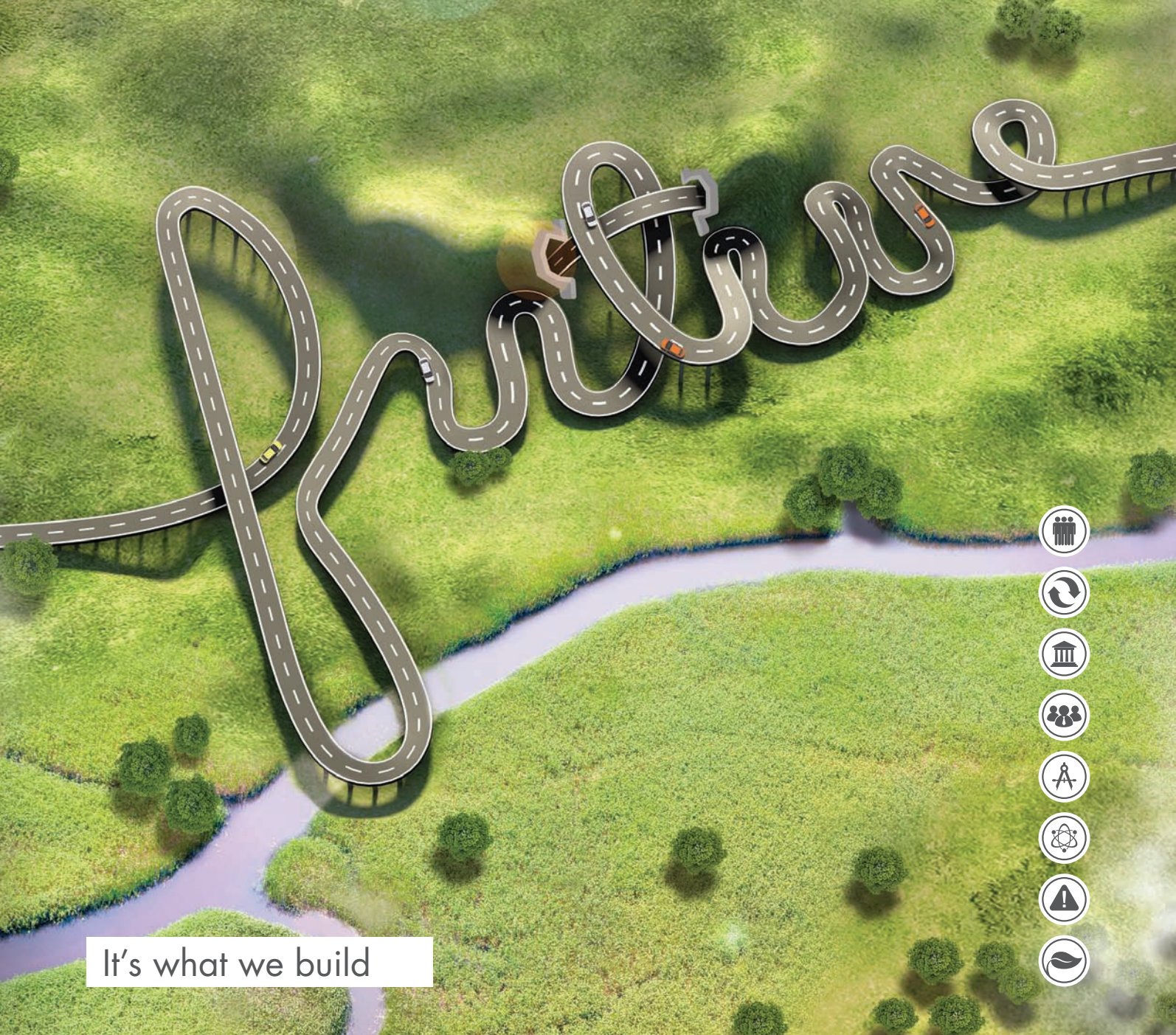
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NMMU A UNIVERSITY ON THE RISE

PREPARING STUDENTS FOR THE WORLD OF WORK AND LIFE



The new Engineering block at Nelson Mandela Metropolitan University will be complemented by a second Engineering building in the near future, to meet a growing demand for engineering and built environment studies at the institution in Port Elizabeth.

The rise of Nelson Mandela Metropolitan University in Port Elizabeth and George continues apace with growth in both student numbers and infrastructure development.

This growth is immediately evident in the number of new buildings, including the state-of-the-art Engineering block, a new human movement sciences building and two new residences to accommodate 400 more students on its campuses.

NMMU's new Business School which opened in April is the first "green" building in Africa to be accredited by the Green Building Council of South Africa.

The university, which celebrates its 10th birthday in 2015, continues to punch above its weight as a contender for the top comprehensive university spot in South Africa.

In ten short years, the university has grown to:

- 27 000-plus students, 8% of whom come from 64 countries around the globe
 - 450 programmes covering 120 different career fields
 - R1 billion in infrastructure investment
 - 40% of its academic staff have doctorates
- And news of both a new Medical School

and marine/maritime faculty will see the university's size and credibility further increase.

Medical school

With support from the government in principle, the university is embarking on a bottom-up, stepladder approach to building a much-needed medical school in the city.

It has already introduced new four-year degrees in dietetics and emergency medical care, and hopes to follow this in 2015 with the introduction of a clinical associate's degree.

The university is also working closely with industry, higher education and Health Ministry officials to produce a blueprint for the proposed school later this month. The plan is to build the school from the bottom up so that, by 2018, NMMU will be properly equipped to take in its first class of students for a medical degree.

The school will be structured so that students from different disciplines, such as nursing, radiography and emergency medical care, will be able to complete the same basic first-year modules within the Faculty of Health Sciences.

Maritime faculty

The university is also pursuing the possibility of establishing a maritime/marine faculty, especially considering its location alongside Algoa Bay. It recently signed a Memorandum of Understanding with the World Maritime University in Malmo, Sweden.

NMMU's vice-chancellor, Prof Derrick Swartz, led a delegation from the university to explore academic cooperation in the field of maritime and marine affairs between the two institutions. This will enable links around maritime transport, safety, security and maritime environmental management.

The agreement will also enable both parties to explore the development of academic exchange programmes.



Port Elizabeth & George

For further information,
visit www.nmmu.ac.za,
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STRIVING FOR BALANCE

PETER RYAN

Unlocking the economic potential of marine systems without compromising their environmental integrity.

The marine environment offers great economic possibilities, ranging from fisheries and aquaculture to seabed mining and sustainable energy generation. There is a need for integrated ocean management to ensure these activities do not unduly impact on marine environments. This need is particularly important given the rapid growth in the exploration for and exploitation of offshore oil and gas reserves, which pose potentially severe threats to marine ecosystems.

To ensure the integrated governance of activities within marine environments, the South African Department of Environmental Affairs (DEA) has developed the National Management of the Ocean (NEMO) policy. The NEMO White Paper, approved by Cabinet in December 2013, aims to govern all activities in the ocean for optimal and sustainable use of marine environments.

Given the growing global interest in the 'blue' economy, based on exploitation of marine resources, the government is in the process of developing a blue economy strategy. This will enable the government to harness sustainably the abundant resources

of the ocean and coastal domain. As part of this process, the government, through the DEA, other relevant government departments and public entities, has carried out an analysis of economic opportunities in South Africa. It is being undertaken in the context of the National Development Plan, which identified the blue economy as one of the key drivers to alleviate poverty and inequality in South Africa by 2030. Activities such as aquaculture, marine transport and petrochemical exploration will be crucial in growing South Africa's economy, creating jobs and improving prosperity. However, care has to be taken to ensure that all such activities conducted are environmentally sustainable.

The diversification of marine user groups has seen increasing overlap between their activities, creating the potential for conflict and greater environmental degradation. As a result, states have to manage their marine resources in a more effective manner. States are now attempting to formulate management approaches that maximise marine resource use without impinging on the environmental integrity of marine systems. This approach recognises that optimising the economic potential of those systems requires delicate trade-offs between environmental protection and economic use, bearing in mind the potential

Activities such as petrochemical exploration will be crucial in growing South Africa's economy, but care must be taken to ensure that they are conducted in a manner that is sustainable for marine environments.

benefits and returns on investment within different economic sectors.

The NEMO policy is designed to render efficient and effective governance of marine activities for sustained, optimal benefits to a broad cross-section of the South African population. It also aims to ensure that while government and other entities explore the opportunities presented by the oceans, the integrity of the marine environment is not compromised. It is for this reason that the policy is in accordance with the prescripts of the Constitution of the Republic of South Africa, relevant international laws, and domestic legislation, including the National Environmental Management Act and associated supporting legislation.

Unlocking the economic potential presented by marine resources in South Africa is a national imperative. It requires the full commitment of and synergy between the organs of the state and other role players within South Africa's marine environments.



environmental affairs

Department:
Environmental Affairs
REPUBLIC OF SOUTH AFRICA



The Post-Election Challenge

By **Ben Turok**



In the second week of June, the World Bank stated that “tight monetary policy”, among other issues, “will keep growth subdued in South Africa”. We also know that the Treasury wants to curb state spending and the Reserve Bank to pursue low inflation. In short, the prospects of expanding the economy to create more jobs, and thereby reduce inequality, are bleak. For the ANC and the Tripartite Alliance, maintaining the present conditions of insufficient job creation and a highly unequal society is a highly dangerous prospect.

This tight policy approach also goes against new international wisdom that inequality “damages the economy, and efforts to remedy it are not harmful”, to quote the Financial Times (London, 22 April 2014). Indeed, it argues that “a more equal society will not hinder growth”. Even our own Business Day – which has for years advocated unhindered free markets and excoriated interventions by the state for redistribution – is now allowing opinion pieces warning that failure to redistribute will lead to revolt.

But no one is fooled. The establishment running the economy shows no signs of wilting or willingness to change the structure or rewards system to reduce inequality and overcome huge social distress. Before the election, the Financial Times (28 April) stated editorially, “South Africa has failed to fulfil the hopes of those who queued to vote in 1994... the legacy is insecure... The racial harmony Mandela bequeathed is at risk”.

The evidence is now beyond question. The pay gap between executives and employees is the biggest in the world, and widening. Executive pay is large, but larger by far are the bonuses and share handouts. These gifts are supposed to be for good performance by highly competent management – but no, many of the companies like Amplats and the rest are loss-makers, deeply in the red.

No wonder ratings agency Moody’s gave a negative outlook for the banking system in May this year. Executives and many receivers of dividends are doing very well indeed,

while the real economy (that is, the productive sectors of mining, manufacturing and agriculture) stagnates.

The Treasury tends to argue that all this negativity is a hangover from the 2008 financial crisis, but others point to the many other developing countries which have recovered rather well.

The fact is that the election shows declining support for the ANC, particularly in the metros, which are the most politically sensitive areas in the country. The ANC cannot pin its hopes for survival on rural voters alone, even if they were solidly behind it. Also, since a national liberation movement is meant to represent the interests of the people as a whole, the ANC cannot be satisfied that only a third of potential voters (36 percent) bothered to vote for it.

And so we look to the promises of a “radical socio-economic transformation” as a function of the “second phase of the transition” in the recent State of the Nation address. There can be no doubt of the expectation across the country that the problematic state of national finances should not stand in the way of the infrastructure programme or expansion in the wider real economy.

If government chooses contraction, tighter monetary policies, reduced state spending and the rest, we will surely slip rapidly into recession, which means job losses, increasing inequality and the resultant social unrest.



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Upping the game in rural development:

An interview with **Gloria Serobe** (Part 1)

Gloria Serobe is a founding member and the executive director of Women's Investment Portfolio Holdings Limited (WIPHOLD) and CEO of Wipcapital. Ben Turok interviewed her in Johannesburg on 5 May 2014

WIPHOLD, the women's investment group, has boldly struck out on its own to help address the crisis of hunger and food insecurity in South Africa's impoverished rural areas. Innovative use of corporate social investment provides a 100 percent subsidy to bring uncultivated fields into high-yield agricultural production.

Ben Turok: I've heard that WIPHOLD is now involved in rural development projects. In that work, did you get government support of one kind or another? Or ANC support?

Gloria Serobe: No. We decided that we are going to interpret "rural development" our way and we have directed ourselves to food security. How did we get there? We went to the rural areas to say, "We have a corporate social responsibility (CSR). Our mandate is to look after women and children. We are here now. We want to see what you are doing here, how you live, what things we can get into. As long as the mandate for women and children is followed, that's what we can do."

The response of the women in the rural areas was a simple one: "It is okay for the urban areas to talk about 'women and children', but we are *all* hungry here. We are all poor. We are all dying for food. We are not at a stage where we can separate these two groups, male and female. Starting with that, if you want to help us, there are our fields. They are not fenced. We used to farm; we don't farm any more."

When you ask them why they are not farming – because maybe you sit here, thinking they are so lazy! – their response is that, before the new government, they had herd-boys: a child who stands between the animals and the crops to make sure these animals don't get into eating those mielies. Under the new government, it is compulsory to send children to school. Therefore, they do not have the herd-boys. And so the only people who can plough are the ones who are able to fence their fields. You wouldn't think about that, but it is part of the reason this land is lying fallow.



FARM FOR FOOD, EXCESS TO SELL

BT: So the ANC wanted to abolish child labour and it led to the breakdown of farming? It's extraordinary.

GS: We sit here wondering why people aren't doing what they used to, why farming is not being done. It turns out that fencing is important. Of all the things in the farming areas, fencing is the most expensive. We said, "Go ahead and fence. We are going to give you poles and fencing. You tell us how much and you do the work." We wanted to test their commitment as well. Oh my word, and they did fence! You can imagine having to fence a hundred hectares. It's a lot of space. But a whole village comes out and does it...

BT: This is communal land?

GS: It belongs to different families but it is one place. Then we thought, "Sjoe, they are committed." We've paid nearly R2 million for this fence. It can go wrong, it can be stolen, whatever. But no, they fenced. Okay. We were encouraged by that. As soon as they finished fencing, our CSR brought in contractors to plough for them.



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BT: But rural people use the hoe.

GS: Farming is complicated now! We wanted to do it the proper way for high yield – we’re talking 5- or 6-tonne yields per hectare. The ploughing is professionally done with tractors, but not just tractors...

BT: It’s fertiliser, seeds, everything?

GS: The whole thing.

BT: But let me interrupt for a moment. I was in Tanzania for three years in the 1960s, when Julius Nyerere was in power. Under his *ujamaa* development programme, they built 57 farming villages and each village got a tractor. Those tractors didn’t last nine months. They were neglected; they rusted; there were no spare parts. That failed. Why did you succeed?

GS: Firstly, we didn’t go the route of owning the tractors. We hired from Barloworld. We paid R1 million for them to plough those 100 hectares of land.

BT: So you subsidised the whole agricultural project?

GS: Hundred percent. This year, we’ve done 500 hectares, and this July, we’ll plough 1 000 hectares of land.

BT: Who are the beneficiaries? What do they do?

GS: Up to now, all of it was CSR. Remember, at the beginning, we asked, “How can we help you?” and they said, “Food.” That’s what we’re doing; we’re not doing other things, like HIV programmes. It comes in the form of food security. There is food. The money, for all intents and purposes, is theirs.

BT: Do they do all the work?

GS: The mechanisation is done for them. Seeds and fertilisers are done. Soil testing, to say that you need this much lime, this much phosphate, and so on. And when that is done, because the area is large, they also spray weed-killer to kill the weeds.

BT: Who harvests?

GS: When the harvesting comes, they say how many families own this land...

BT: Do the people harvest themselves, or is this a machine operation?

GS: Here is [a photograph of] the harvesting machine. You see, it’s a very large operation.

BT: Now what do the people do? You’re giving them free food.

GS: Even though you are using machines, as these contractors are, people have to come and load



To leave it as subsistence farming means exactly that: for people to plough for their own consumption. That’s all it is. That is where I think the government can come in, and develop some kind of commercial line so that people can consume and they can have an excess to work with.

things, bag mielies, do other things. There is work to be done. But the biggest thing they have to look after is security. There are stories and stories of animals being stolen...

BT: Do they consume what they produce or do they sell?

GS: It got too big for them to just consume, so the bulk is being sold to traders and some to the provincial government, because the government didn’t have enough to feed their own livestock. They sell; they have an account; they have a committee; they manage the money; they’ve built their own storage. They are very busy. I will take you there



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to meet this community. It's amazing. Even the language that you get from them.

And that goes back to why we took this route, and the development aspect of it. You've moved them from "Please, we are hungry" to "We've got mielies that we don't know what to do with!" and "Oh, we are so wealthy. Oh, we have R100 000 in our account now. We must keep it back so we can buy fertiliser next year." The language is changed completely. It's a language of responsibility and a language of self-esteem, of dignity. Part of the problem with giving hand-outs is that you sometimes take away self-esteem in the end. In this case, they are in charge.

BT: How many people, how many women, are involved in all this?

GS: Land does not belong to women only; it belongs to that family, to that house. In this project, there are 220 families. We found that 50 percent of these are women-headed households.

RECOGNISE LAND ASSETS

BT: Would you be in favour of giving title deeds to the land, or not?

GS: Title deeds, yes.

BT: There is an argument about communal farming in tribal areas, that if people have title deeds to the piece of land they own, then they might sell out to a big landowner.

GS: Here is where I stand with this. In the rural areas, once they have been given that land to build the house and that land to plough, it is for life!

BT: It can never be taken away?

GS: No.

BT: The chief can't take it away?

GS: No.

BT: And the descendants?

GS: And the descendants. We spoke of women-headed homes. That's because the husband died and the wife remains with the children. You can have a difference when the patriarchy comes into it, where, instead of the wife owning, the son owns. But it remains in that family. It goes from the one generation to the next generation.

BT: If one of those women goes to the bank and says, "I want to build an extra house on my land. Will you give me a loan?" The bank will ask for surety.

GS: Because there is no title to the land, that is a problem. Or they might want to borrow money to send children to school.



This thing of not giving title to land, not recognising livestock, is ridiculous! The people in the rural areas are not children. They are not children. They are adults with pride.

Let me take it further. This is why I have a problem with the attitude of "it can't be done". One of the reasons for rural poverty is that the assets they own are not recognised by the banks. You sophisticated people talk about the capital market, but here everybody lives off that land. So there's no lending, no selling. It's an asset for consumption. But if you're in trouble, this asset can never get you out of trouble.

I'm also on the board of a bank. If I'm going to lend you money, it's not the bank's money. The depositors want to make sure I don't lend you money that you can't return, so that when the depositor wants it, we don't have it. The security issue is important.

This thing of not giving title to land, not recognising livestock, is ridiculous! The people in the rural areas are not children. They are not children. They are adults with pride. Few men will sell their houses simply because they want a bottle of brandy. No! People have pride in their families and homes; they have a wife and children. They are not this wild bunch of people in the rural areas who will *sommer* just leave their homes and go to live under a tree.

WHAT ROLE FOR THE GOVERNMENT?

BT: Let me go back to the question of why farming did not take place. Your experience was that the fencing is the critical issue, but it seems that many areas of the former homelands have given up agriculture. What are the factors other than fencing?

GS: There are too many. Firstly, fencing. Secondly, those areas depended a lot on the mining workers



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and now people are at home with no work. Farming demands capital. Whether you're planting cabbages or whatever, you need the initial money. Thirdly, the work ethic comes into it. Even in the rural areas, even with this problem of lack of fencing, you can see houses where a husband and wife like farming anyway, and you can see they are beautifully maintained. But most of them are not. Fourthly, is to "up the game" to commercial agriculture, which is what we did here. To leave it as subsistence farming means exactly that: for people to plough for their own consumption. That's all it is. That is where I think the government can come in, and develop some kind of commercial line so that people can consume and they can have an excess to work with. Consume – excess – invest – plough again.

BT: Is there no fund in government to subsidise this?

GS: The Jobs Fund? The Land Bank was meant to help with farming, but no. I do think there's funding lying all over the place in government, but the people who need it are not linked to it.

BT: We've got a minister of agriculture and a minister of rural development. Surely, it's not somebody in Pondoland who can go and find the Land Bank – the Land Bank must go and find them, through the ministers. That's the way it should be.

GS: It's actually the local management. Between the local authority and the municipalities and province, they must decode that. If a councillor is effective – because she's someone from this area, this municipality – she would look for money. And of course the municipality doesn't have the money for this, so either she goes to the province or the national department of co-operative governance and traditional affairs ...

BT: I'm reluctant to put the responsibility on individual councillors, because there is a national context. It seems to me that you're saying there is no adequate national agenda to ensure that Land Bank money gets to subsistence farmers. Am I wrong?

GS: I'm struggling to load it to national government. Like all things that have local implementation, given the big country that we've got, I would still send it back to the local government. They are the ones who know.

BT: Why don't they do it?

GS: I don't know. I've never been in that world of theirs.

BT: Shouldn't somebody do research to say why there is this gap between the subsistence farmer and authority?



We said to the traditional leaders that WIPHOLD is a women's company and, yes, we respect the formation here, but as long as we do not understand why girls cannot be given land, we will not be here.

GS: (laughs) So you're taking it to the university now?

No. I truly think that the representatives of these areas can translate their area into a fundable project, either to the municipality or to provincial government. If it goes up from there, then that is fine. Let me give you an example. I spend a lot of time in the Eastern Cape and I think, naïvely, that the Eastern Cape will only survive if it works with agriculture; with tourism; and it must go back to what it used to do best, which is education. Let it be the producer of educated people for the country and make money out of this. Those three things for the Eastern Cape will make it work.

But somehow we want to be Johannesburg. Now, Johannesburg has no land to farm, but we have.



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Vegetables are plenty! Johannesburg is landlocked. We have the natural endowment of sea, the Wild Coast and good rain. They have the mines. What I'm saying is this: the provincial leadership can decode this thing to the national programme and say, for the Eastern Cape, "This is who we are, and this is how it's going to work".

But the Eastern Cape government also has a very big province to cover. By the time they get to the little towns like Centani or Mqandula, their five years in office have come and gone, because there are so many places. For me, the pressure and the push can only come from the people who naturally come out of those places and make the link.

ENGAGING TRADITIONAL LEADERS

BT: What about the traditional leaders? Do they have a role in this?

GS: As WIPHOLD, we've worked very, very closely with the traditional leaders in the area.

BT: Are they very helpful?

GS: Extremely helpful. To do what we have done in these rural areas, we will go to that town, find out how many traditional leaders are there. In Centani, there are 65. We sit with them, we chat about what they think about this town, asking where does livestock work here, where do you breed cattle, where do goats work, where in these parts can you plough mielies or beans. And they know it, because they are generational leaders.

That's exactly what we've done. We've localised. We're not going to put pigs in a place that doesn't take pigs. The knowledge is with the traditional leaders, and you have no idea how much pride they have in this.

BT: Some people say that traditional leaders are very conservative and anti-women. Is that not a problem for WIPHOLD, as a women's organisation?

GS: We have not experienced the anti-women thing. That's number one. Number two: they have their baggage, just like we have ours, and there is no reason why those things should not be spoken about. Let me give an example. At a certain age, children are given land for residence, grazing and ploughing, and they give this to boys only. When we asked about this, they responded that they expect girls to get married. We said to them that WIPHOLD is a women's company and, yes, we respect the formation here, but as long as we do not understand why girls cannot be given land, we will not be here.

That conversation has moved to the Eastern Cape House of Traditional Leaders. They are discussing this matter as we speak. Up until this question was



The main thing for us is our desperate need to show that it *can* be done and extremely successfully.

put to them, it just happened on its own because it was what has been done before. Now we're working with them, we are respectful of them and we are facilitating them as well. We want this place to work and we are saying to them we have this challenge with girls who cannot depend on marriage. When they get married and the marriage doesn't work, what does this girl do now? She comes back home and becomes a child again to the brother, or what? We are saying that when girls turn 18 or 19, they too must be given a piece of land.

BT: What does the ANC Women's League in the Eastern Cape say about this?

GS: We have not engaged them.

BT: And they have not engaged the chiefs on this issue?

GS: I'm not aware; we haven't asked. But I'm just raising this as an example that there's nothing



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wrong with saying, “Can we look at this now? Yes, it’s been a practice for the last hundred years, but this is the downside of it. Mr. Chief, if all you had were ten girls in your house, what have you done to them? What if five of them don’t get married? All you’ve done is to suffocate them in your one house, simply because you say they should be wives somewhere.” That’s an old historical thing. We have to understand, but we have to engage in it.

BT: This is the heart of what I wanted to talk to you about. WIPHOLD does many other things, but in a way, this is its mission. You’ve opened up a whole terrain that people never talk about, especially this business of the chiefs. Are you expanding this programme?

GS: We’re hoping to expand it quickly. We have put more budget into it. We now cover four provinces – the Eastern Cape, Limpopo, Mpumalanga and some parts of KwaZulu-Natal – working on the same scale and now going quite commercial. Our main thing there is to turn communal land into a bankable asset. By “bankable”, I also mean it can never be used as collateral. People must never lose it. But like any farm, the funding comes behind the crops. The produce can be used as security for a loan – but not the land itself. It’s too sensitive. You cannot re-arrange that way of life to such an extent.

BT: I’m surprised that government doesn’t play a role in this at all.

GS: I wouldn’t say that government is not playing a role. It might just be that where we play, they are not there. But there are lots of things they’re doing.

BT: I cannot imagine that the minister of rural development would not come in to support.

GS: Maybe now that we have a track record they can come behind.



By “bankable”, I also mean the land can never be used as collateral. People must never lose it... The produce can be used as security for a loan – but not the land itself. It’s too sensitive.

BT: Did you ask?

GS: Not yet. We haven’t asked.

BT: Why not? I find that very strange.

GS: We have this excitement to change the conversation our way first. Those who think that they fit into our model and think they can help, they can come on board. But the main thing for us is our desperate need to show that it can be done and extremely successfully.

BT: A very individualistic approach, isn’t it?

GS: No, I don’t think so. Remember, we are powered by 18 000 women. You know when you come to a place as an uninvited person? As women in business, we are uninvited. We are invading this space and we want to do it our way. The main thing is to say this: “By the time you chase me out again, I must have left a mess. You must find it difficult to undo what I’ve done.” It’s not stubbornness so much as leaving a track record everywhere, because just now maybe it will change the way the world works.



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Empowered women:

The WIPHOLD phenomenon

An interview with **Gloria Serobe** (Part 2)

Born with the advent of democracy in South Africa, the Women's Investment Portfolio Holdings Limited (WIPHOLD) proudly celebrates its 20th birthday this year. Executive director Gloria Serobe spoke with New Agenda editor Ben Turok about the vision and controversy of black economic empowerment.

Ben Turok: Tell me about how WIPHOLD come to be. What were you doing before you became a businessperson?

Gloria Serobe: I obtained my B.Com degree in South Africa and I went to the United States for my MBA. When I finished, I worked in the US for Exxon Corporation and then, when I came here, I worked in their Johannesburg office. From there I worked for a number of corporations as a financial accountant – I was very much in finance all the time. I was at Premier Milling, Munich Reinsurance [Company of South Africa]. Munich Reinsurance is very important to you. Do you know why?

BT: No, why?

GS: Their offices were at 54 Sauer Street. When the [ANC] leaders came out [of prison/exile] in 1990, Munich Reinsurance gave them offices. The CEO was German and very, very progressive. He was the only one who would give the ANC offices. I was working downstairs and the ANC was upstairs – we felt like we were the welcoming committee! (laughter)

From there, I went to Standard Corporate and Merchant Bank, the investment banking side of Standard Bank. It was very important for me to learn corporate finance there. How to structure deals, how to do project financing, aircraft financing – all these things that get done by investment banks. Standard Merchant Bank was South Africa's CitiBank; they were the leaders in investment here. That happened to be the time when black economic empowerment (BEE) was happening – however, without policy. NAIL [New Africa Investment Limited], Real Africa, Kagiso Trust – all of those entities were structured at Standard Merchant Bank. Even though I was junior, I was working on those assignments because I was in the corporate finance division.

Sitting there, I ended up knowing how it was done. How does a company with no money manage to buy a big business that requires a lot of money? How does a bank come in, how do the owners come in? What happens in the 5 or 10 years of that loan? Who pays what, and in the end, what does it look like? Those

are corporate finance transactions. With BEE, I know people actually think that it's only here that people can buy something big and have no money, but it's a worldwide formula. It gets done like that.

LET'S DO IT!

GS: At the same time, the ANC – especially in the form of Tito Mboweni, who was on the economic desk – was encouraging black professionals to watch out for possibilities and be ready. "A new government is going to come." This was 1993. There was a workshop and two of our founders went on that particular Sunday. When they were coming back, they said, "You know, we keep on going to these workshops, but tomorrow, the men have gotten together and are doing stuff and women are not invited. Maybe we should just look at this ourselves." One of those was my colleague, Louisa Mojela. The first thing on Monday, she told me about this and I said, "Let's do it!" We started from that time. We looked at how to craft an entity whose shareholders are women, so that, with all potential opportunities that come by way of South Africa, there will be a women's entity that can do that. We structured WIPHOLD with that in mind.

The thing of women not making it in business is also a worldwide phenomenon, not just South African. It's just men are not finding it comfortable to discuss business with women. We could never understand that. Even when BEE was coming, the captains of industry found it easy to speak to black men, and women were always going to find themselves wallowing again in that space and not being considered.

There were four of us then, and we thought that, if we are going to do it and it is going to have an impact, we must have lots and lots of women as shareholders. Most important is that we must find a system that will make sure that women in South Africa are always invited, and that they can never say they were never invited to this initiative.

First, we had to tell the women. "It's now 1994, and we are coming to you. We are forming WIPHOLD. We don't want to take your money now (because people



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were also losing money in all sorts of schemes). We will come back to you in two years, and at that time you must be ready with your money, whether you form yourselves into groups or you come as an individual. We will also have created a portfolio of investments into which you are investing so that you don't give us your two rands and then we run around wondering where to spend it. You will be investing in something that is already in place. You can see it. It's transparent. You will know what it cost and why we are spending so much money. So come back in two years."

To do this, we had to do road shows now, all over South Africa. By that I mean, all over. Eastern Cape, Gauteng, Limpopo...

BT: Did they believe you?

GS: No. Part of the problem was that we were 32 or 33 years old, we were small, and most people had never heard of us. It was very difficult.

BT: Did they think it was a stokvel or something like that?

GS: We tried to show them the difference. With a stokvel, you put in the money in January and come back for it in December. We made sure they understood that this was business: if you put in your money in January, it may never come back. It has risks. To make sure that people would trust us, we first sat down with the women leaders of the time, mainly political and from NGOs, to tell them what we want to do and why we want to do it. Their first response was that they didn't know anything about business. We said, "We're looking for leadership and you have provided leadership." People like Joyce Serobe, Brigalia Bam, Virginia Gcabashe, Sally Motlana – those were leaders of the time, hugely respected. We were looking for some endorsement from them and that helped a lot.

Fast-forward to 1996. By then, we had collected a portfolio of investments. We went back to the women to say, "We are ready now." We are going to do a public offer to all the women in South Africa – an IPO [initial public offering]. It's a normal commercial way of selling shares, but this IPO was directed at women only. There is a prospectus for people to know what it is that they're buying into. With this IPO, the prospectus included an affidavit, in which the person who buys these shares confirms that she is a woman.

BT: And what amount of money were you asking for?

GS: Two rands.

BT: Two rands?! (laughter)

GS: Two rands per share. You could buy a minimum of R300. We wanted it to be affordable. We wanted people to be able to respond. We wanted to reach all levels of women. Those who were wealthy could buy

R100 000 and those who were poor could buy R300. But that very R300 might well be her last savings and it had to go into a proper system. We were not carrying bags of cash around! It was very neat. For this holding, we had Deloitte & Touche as the accounting firm, Edward Nathan as the legal firm and Standard Bank as the banker – because Standard Bank was all over the country. It worked very well. Eighteen thousand women responded with R25 million. Very exciting.

"We keep on going to these workshops, but tomorrow, the men have gotten together and are doing stuff and women are not invited. Maybe we should just look at this ourselves."

BT: And you told them what the money would do?

GS: Yes, we still took them through. There was a lot of education on our side. People who had never heard of an IPO or a prospectus. We're talking rural and urban, and women who were first-time investors. To raise R25 million like that was unheard of.

We ended up with two types of shares: B-shares and A-shares. The reason was that, constitutionally, if a man applied, we wouldn't have been able to turn him away. But only those who signed the affidavit confirming they were women could have the A-shares. We were protected by law in that sense. That A-share is 100 times stronger than the B-share. The one A-share that a woman is voting with will require 100 men to counter it. So the ideology behind forming WIPHOLD cannot be changed easily, just like that. It went very well.

In that same year, a lot of investments started coming our way. There was lots of excitement and we needed more money. So we went back to the women to do a rights offer. To raise more money, you first go to your current shareholders with another prospectus and to say this is what we're buying and why we need more money. The women put down another R75 million. In the space of 12 months, the women in South Africa put down R100 million to start WIPHOLD in 1997.

Eighteen thousand women, one hundred million rands. That is the WIPHOLD phenomenon. Of course, we needed more money and the institutions have come in, but that's the key thing. Twenty years later, we still have those 18 000 women as shareholders.

BT: Do you give dividends?

GS: We've paid out almost R500 million as dividends and the company today is worth almost R3 billion.



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It's not usual to have that kind of growth and that size of shareholder base, so every 5 years we have a big AGM. Company AGMs are usually thirty minutes long, but our AGM starts on Friday and ends on Sunday – with a church service! This is a variety of women who are in awe of what they have managed to achieve.

For us, celebrating our 20-year anniversary was about that. Do we think we have managed to have an impact? We have defined something. We have shown that it can be done. We have also shown to our investor companies, to some captains of industry, that it is okay to have women as partners and shareholders. It may even be better in some instances.

BEE BUSINESS AND THE STATE

GS: I will tell you where the difficulty is, or at least my disappointment. We were hoping that by now we would have created a lot of WIPHOLDS. The political environment itself is enabling, and that is all we needed. We did not expect government to give us deals. We didn't think that was their brief. It is enough for us that the environment is enabling in that fashion, that the policies are there. Obviously, the policies need to be carried by leaders, and not all the policies are followed...

BT: What has been the attitude of government, of Treasury, and also the ANC leadership? I'm not aware of any move to say that WIPHOLD is the example that everyone should follow.

GS: You wouldn't be aware. One downfall with women, I can say, is that we don't ask much. I do think that if we were a men's group, we would ask for more things.

BT: I don't think we should put the responsibility on women. The ANC is the ruling party, with a commitment to gender equity. Here is something that has worked well. It seems you haven't got the response you should have, in terms of national policy.

GS: There have been times when we thought we were deserving of a national response. Although this is "business as usual", there are enterprises that require a licence from government. For example, mining rights. We too applied for those rights, but we lost all of them.

BT: Why is that, with a female minister of mines?

GS: I don't know. Maybe we didn't qualify, maybe we didn't fit – but I'm telling you for sure that we have done all the applications like everybody else, and we never got a mining right.

BT: We see media articles about WIPHOLD, and yourself as an entrepreneur, as part of a small number who have done very well. The Sunday Times just ran

a piece by Ann Crotty, headlined "Rich pickings await chosen few in BEE schemes" (4 May 2014). BEE is being badmouthed like this all the time. Do you want to say anything about it?

GS: I'm quite happy to deal with this criticism of BEE.

BT: Are you a beneficiary of gifts of BEE, personally or as WIPHOLD?

GS: I only operate through WIPHOLD.

BT: You don't operate personally?

GS: No.

BT: So when they use your name here, it's as a representative of WIPHOLD.

GS: They like to show BEE as individualistic. Of course, I am a leader of WIPHOLD, so maybe it's easier to talk about "Gloria".

BT: The key point in this kind of article is the allegation that WIPHOLD, Shanduka and others were given free gifts by white business. Is that true?

GS: (laughs) I wish we had a gift. We're still waiting for a gift!

People can wonder how someone who has no money can buy a two-billion-rand asset. Maybe that is the question. First, that is the job of a corporate financier. That is how it gets done. Most of the time, when the big entities buy a big asset, they are also not advancing cash. Two, the debt will be serviced by dividends, if it is a good asset. So, instead of getting dividends, you pay the debt off. Three, it gives you a term when the debt must be finished – say 10 years. At the end of those 10 years, what maybe was a R2 billion asset is now a R3 billion asset. That is the normal structure. You get a loan; dividends must service it.

BT: All these BEE deals are based on dividends?

GS: Most of them are, to be fundable.

BT: Why should a company give you assets when you're not paying any money in?

GS: They are paid. You are funded by Citibank or Standard Bank and they pay the money to Goldfields or whoever. You now have a debt to the bank and the dividends from Goldfields are paid straight to the bank. At the end of the term, you've paid off the debt. That is more or less what happens. It is not gifts and hand-outs. Sometimes in the end, 10 years comes and goes and there's nothing left.

BT: What does the bank get out of it?

GS: Interest. They have lent you R1 billion. By the time it gets back to them, it is R2 billion rand over 10 years. At the end of the period, if you are left with R1 billion, they will take R300 million of that. All those things are transparent. If you still owe the bank at the



end, then they take the asset. Standard Bank, FNB and Nedbank do not want that. That's not good for them. They don't want to collect the Goldfields, Anglo Americans, Anglo Platins and all of that. No. They want interest, returns on their money. Getting the asset is not their first prize.

BT: From the national-interest perspective, do you think we should encourage the banks to lend money to BEE companies like WIPHOLD in order to acquire assets that may or may not appreciate, through dividends that may or may not come? It makes the banks the drivers of the economy.

GS: With or without the WIPHOLDS, the financial services sector – the banks, life and short-term insurance, and the retirement funds, including yours, the GEPP [Government Employees Pension Fund] – is the driver of the economy. That is worldwide. They are the custodians of our savings and deposits. They more or less dictate how the economy goes. That's number one. Two: their job is to make money from that money. The bottom line is that, if they don't have somebody or some project to lend to, they will be in trouble. They must secure that capital and they must make returns.

BT: Then BEE is a side issue?

GS: It is a non-issue. But you know everybody's in a frenzy about it. I get disappointed by people like Ann Crotty, who are supposed to be financial analysts, people who know how the transactions work. Even when the loan is from the PIC [Public Investment Corporation, which manages GEPP assets], they know that it is paid back with interest plus returns.

Things can also go wrong. It was a good idea to buy Lonmin ten years ago; it's a bad idea today. But ten years ago, you could not see a Marikana and all of that. It's going wrong now, but not only for the BEE player. It's going wrong for every shareholder in Lonmin, even those who don't have loans. Losing an asset is losing an asset. If they have a loan, then it's losing an asset plus having a debt.

ANSWERING THE CRITICS

GS: The criticism that comes our way is for being absent, for not involving as many people as possible, for feeling entitled to everything. As BEE players, we need to take the criticism with all the courtesy and dignity that comes with it. The first point is that BEE was intended to bring blacks into the mainstream of the economy. That is the spirit of the policy. As WIPHOLD, twenty years later, there's no woman in this country who can say we never invited her to come in. That is because we understood the spirit of that policy. At that time, in 1994, there was not even a BEE policy. But we understood it that way. We sometimes joke that government had to make policy to mimic

WIPHOLD because this is what it was meant to do: bring as many people into the mainstream economy as possible.

The second point is that BEE was meant to make sure that we *know* these industries, these businesses. And for us to know these businesses, we must be in the office and working. We can't not be in the office. As much as we own WIPHOLD, we are also employed here. At 8am, we must be here. At 5pm, we must still be here sometimes – and not be an absent BEE shareholder.

We have also shown to our investor companies, to some captains of industry, that it is okay to have women as partners and shareholders. It may even be better.

As BEE players, we're accused of creating a model around being entitled to government business or licences or mining rights. No, we're not entitled to that. You can only try to be the best in the face of the people who are authorising something. If you're not, you're not. Do something else. Twenty years later, we acknowledge the ANC government still for having given us an enabling environment to get where we are. All we wanted was to be in business. We never said we are designing our service to live off government business. If we don't have the mining right, life goes on. There are other things that need to be done.

I have seen these criticisms less elegantly responded to and some of the criticism is ignorant and we don't entertain them. But there are genuine criticisms that we should respond to appropriately.

The most important thing is that the BEE policy must be here for the ones behind us to still benefit from. Where we have a few rotten apples, we are spoiling it for those ones – because we are going to require BEE for a little bit longer than people would like. So we have to do the right thing and make it work. Shortcuts are not helpful. To be a banker, you need to prepare for ten years. We can't just show up and say, because I'm black, I'm a banker tomorrow. Big problem. You still have depositors who are looking for real bankers – and those depositors are mixed, by the way. Both black and white. So, while you are following your narrow little individual needs to be a banker in two days, you are exposing everybody to something else: which is the collapse of the whole banking sector. That's a different problem.

We have to be careful what we defend around the BEE policy. We have to make it sustainable. It is our job. At least you must leave these legacies so that people can come in and make it work.



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Legislating traditional leadership:

A backlash against rural rights

By **Aninka Claassens**

The author is the director of the Rural Women's Action Research Programme in the Centre for Law and Society at the University of Cape Town

The South African Land Acts of 1913 and 1936 were used to cement the highly unequal and unstable outcome of prior black dispossession. Now a ruling elite has again reached for the law to bolster its contested authority and to monopolise land and other resources.

The confirmation of their rights to equality and democracy in the 1996 Constitution gave rural people room to take a range of initiatives to improve their lives. Development committees sprang up alongside traditional councils, rural people lodged restitution claims and women began to demand that residential sites be allocated to them on an equal basis with men.

The Congress of Traditional Leaders of South Africa (CONTRALES) and the Inkatha Freedom Party put up a concerted opposition to these developments during the constitutional negotiations. They argued that the right to equality, more particularly gender equality, must be subject to customary law. Though their challenges to the final Constitution failed, traditional leadership laws introduced since 2003 constitute a backlash against the innovative versions of custom and alternative forms of authority that have evolved under the new Constitution.



BANTUSTAN RESTITUTION

These laws envisage a totally separate realm of customary law that is restricted to the boundaries of the former Bantustans and is coterminous with chiefly authority over both land and people. They reiterate the colonial premise that rural African people have never had, and still are not entitled to, property rights in respect of the land they have occupied and used for generations. Instead, they reserve ownership to "traditional councils", condemning most people to a system of state leasehold that is essentially the same as the "trust tenure" imposed by the South African Development

Trust in terms of the 1936 Land Act. Related to the flawed assumption that long-term land rights inherited over generations do not constitute property rights is the misconception that decision-making authority and control within indigenous systems of land rights is centralised in the person of traditional leaders.

A Traditional Courts Bill was proposed in 2008 (see below). If passed into law, it would have:

- empowered traditional leaders to order community members to perform forced labour (clause (c))
- made it a criminal offence to fail to appear before a traditional leader once summoned (clause (c))



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- allowed traditional leaders to strip those before them of customary entitlements, such as land rights and community membership (clause 10(2) (i))
- effectively enabled traditional leaders to determine unilaterally the content of customary law throughout the former homelands (clause 11(2) (c), together with clauses 8, 9, 10 and 11).

The difference between the current and historical assaults on land rights is that the legal basis of discrimination is no longer race, but the very Bantustan boundaries that are the legacy of those Land Acts. The similarity is that recourse to an alleged “timeless custom” is used to disguise the ways in which resources and power are being concentrated in the hands of a small elite at the expense of the poorest South Africans. At the heart of the current contestation are questions concerning the nature and content of customary law, who makes it, and how it is ascertained. These in turn relate to fundamental issues concerning property and identity. In particular dispute is the scope of chiefly power relative to indigenous land entitlements vesting in families and individuals.

Promoters of the current Traditional Leadership and Governance Framework Act of 2003 (the Framework Act), the struck-down Communal Land Rights Act (CLRA) of 2004, and the stalled Traditional Courts Bill justified them as giving effect to customary law as required by section 211 of the Constitution. However, parliament’s interpretation of custom, as represented by the new laws, stands in stark contrast to the Constitutional Court’s rejection of the concept of “official” customary law on the basis that it embodies past distortions and discrimination.

The ConCourt has instead made use of “living customary law” jurisprudence:

- to strike down discriminatory codified customary law, in the Bhe judgement of 2003
- to recognise indigenous land rights as constituting ownership, in the Alexkor ruling of 2003
- to support the development of versions of customary law that give effect to the right to equality, in the Shilubana case decided in 2008.

These judgements stress the importance of protecting the vulnerable and redressing injustices of the past.

In contrast, the new legislation reiterates colonial and apartheid notions of unilateral chiefly power within re-imposed tribal boundaries, and reaffirms the colonial myth that indigenous land systems do not entail property rights. The very people who bore the brunt of the Land Acts are again subjected to the imposition of tribal identities that undermine their right to equal citizenship and constrain their

capacity to enforce and protect their property rights.

Soon after 1994, the South African Law Reform Commission was tasked with identifying discriminatory laws that required repeal or amendment because they were inconsistent with the Constitution. The repeal of laws such as the Native Administration Act of 1927 and the Bantu Authorities Act of 1951 provoked strong chiefly opposition. Traditional leaders argued that their role was being usurped by elected local government councillors, and that they needed countervailing laws to reassert the status they had previously enjoyed.

The very people who bore the brunt of the Land Acts are again subjected to the imposition of tribal identities that undermine their right to equal citizenship and constrain their capacity to enforce and protect their property rights..

Another early flashpoint concerned the Restitution of Land Rights Act, which was passed with a standing ovation by the new parliament in 1994, and allowed for the transfer of land to elected institutions that represented those who had been forcibly removed, or their descendants. Complementary legislation – the Communal Property Associations (CPA) Act of 1996 – enabled those who had lost land historically (or their descendants) to constitute themselves as land-holding legal associations (CPAs) so that title to the land could be transferred to them. This drew vehement objections from traditional leaders, who oppose independent ownership of land within tribal boundaries. CONTRALESA’s influence as a lobby group was bolstered by the high number of traditional leaders who are also ANC members of parliament. The establishment of the National House of Traditional Leaders on 18 April 1997, and the provincial houses thereafter, added further weight.

TRADITIONAL LEADERSHIP AND GOVERNANCE FRAMEWORK ACT

The department of justice and constitutional development’s 1999 Status Quo Report on Traditional



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Leaders and the department of provincial and local government's 2003 White Paper on Traditional Leadership and Governance anticipated key features of various laws on traditional leadership that followed: the Framework Act in 2003 and then the CLRA in 2004. During 2005, eight provincial traditional leadership laws were enacted under the Framework Act.

Major tensions continue to bedevil the interface between land restitution and chiefly power. These tensions are inevitable, given that restitution seeks to undo the impact of forced removals, whilst the new laws entrench and protect the very Bantustan boundaries and tribal jurisdictions that are their outcome.

The Framework Act, with its "transitional arrangements" (in section 28), has been the pivotal law in all this. These deemed existing tribal authorities to be "traditional councils", provided that they complied with new composition requirements: namely that 40 percent of the members of a traditional council must be elected and at least one-third of the members must be women. Ten years later, traditional council elections have never been held in Limpopo, and have been seriously flawed in other provinces. In many areas, the participation of women in traditional councils is still less than one-third – in some areas, there are none at all. This has compromised the legal validity of the conversion of apartheid-era "tribal authority" boundaries and institutions into post-apartheid "traditional councils". In effect, government paid so little attention to the "reform" components of the new laws that these have compromised the current legal status of traditional councils.

The Framework Act does not itself provide traditional leaders with much statutory power, but it opens the door to far-reaching powers by specifying (in section 20) that national or provincial governments may enact laws providing a role for traditional councils or traditional leaders on a wide range of issues, including land administration, welfare, the administration of justice, safety

and security, economic development and the management of natural resources. It is thus other laws – such as the CLRA and the TCB – that have attempted to provide traditional leaders with substantive powers.

The CLRA built on the Framework Act by establishing traditional councils as land administration committees with far-reaching powers to represent "the community" as the "owner" of communal land, and to allocate and administer all land within their jurisdictional boundaries. This had very serious consequences for the many historically independent groups who had been forcibly subsumed into tribal authority boundaries under the Bantu Authorities Act. The CLRA effectively buttressed disputed chiefly power over these groups, including those with title deeds to their land. The Act also enabled the then minister of land affairs to transfer the title deeds of land held by CPAs and trusts to larger all-encompassing "traditional communities", regardless of opposition to such imposed identities.

In addition, the CLRA centralised land administration power in the hands of senior traditional leaders in a way that undermined internal decision-making processes at family and village levels. It enabled chiefs to override land rights held and controlled by families and to sidestep local participatory decision-making processes. One of the applicant groups in the case that challenged the validity of the CLRA disputed their chief's right to confiscate agricultural fields that families had inherited over generations. The traditional leader concerned, backed by the then department of provincial and local government, defended his actions on the basis that "inheritance" is a misnomer in the context of customary law – insisting, instead, that all land reverts to traditional leaders for reallocation on the death of the holder.

The Constitutional Court struck down the CLRA in 2010 on the basis that the legislative process followed in enacting it had been foreshortened and inadequate. However, major tensions continue to bedevil the interface between land restitution and chiefly power. These tensions are inevitable, given that restitution seeks to undo the impact of forced removals, whilst the new laws entrench and protect the very Bantustan boundaries and tribal jurisdictions that are their outcome. Moreover, restitution awards provide beneficiaries with a measure of independence by conferring ownership rights on them. Chiefs, however, insist that customary law forbids independent ownership rights to land within "their" tribal boundaries.

The Traditional Courts Bill (TCB) was introduced in parliament in 2008 but ran into substantial opposition from civil society. It was reintroduced in





the same form in 2011. Because the subject matter of the Bill impacts directly on matters that fall under the jurisdiction of the provincial governments, the legislative process requires that it be debated and approved by the majority of provinces in the National Council of Provinces. In an unprecedented development, after public hearings at which rural residents had overwhelmingly rejected the Bill, the majority of provinces voted against it in October 2013. It was ultimately withdrawn from parliament during the heated build-up to the 2014 elections. Justice Minister Jeff Radebe and his deputy John Jeffrey insisted that the unchanged 2008 version of the bill would be re-tabled in the new parliament after the elections.

Now looming on the horizon is the Traditional Affairs Bill (TAB), which would replace the Framework Act and ostensibly elevate certain Khoi-San claimants to the paid hierarchy of government-appointed traditional leaders. The TAB is envisaged as a solution that will repeal the Framework Act and set the clock back to 1994, so that the controversial tribal authority boundaries established under the Bantu Authorities Act of 1951 will remain the default boundaries for the future.

POLICY REVERSALS

Despite the fact that the CLRA was declared invalid and that efforts to enact the TCB since 2008 have not succeeded, the provincial laws passed in 2005 have already had a significant impact on power relations in rural areas. There has been a resurgence of demands for people to pay “tribal levies”, with serious consequences for those who cannot, including being refused the proof-of-address letters that are required to apply for identity documents and social grants.

The intention of previous laws was to recognise and secure the underlying rights of these categories of people, not to render them tenants in perpetuity.

The re-imposition of apartheid tribal boundaries is key to the coercive impact of the new laws. These boundaries lock 16.5 million people into



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ascribed tribal identities and simultaneously attempt to exclude alternative institutions, such as CPAs, thereby pre-empting rural people's ability to constitute and organise themselves on any other basis than as tribal subjects. Apartheid laws similarly locked people into Bantustan boundaries, while simultaneously undermining their capacity to resist unaccountable forms of chiefly power.

There has also been a major policy reversal in respect of the land rights of ordinary people living on communal land. The 1997 White Paper on Land Policy had recognised established occupants as the "rightful owners" of communal land, notwithstanding the state's nominal ownership. The Interim Protection of Informal Land Rights Act (IPILRA) of 1996 provides that no one with *de facto* occupation, use and access rights to land can be deprived of those rights without their consent. Disposal of these land rights without consent requires compensation on a similar basis to expropriation. The cornerstone of the 2011 Green Paper on Land Reform and subsequent land policies is that "state and public land should remain under leasehold".

The new policies, by contrast, attempt to convert underlying rights and *de facto* occupation to conditional leasehold or "institutional use rights". The 2013 Communal Land Tenure Policy states that, if land is transacted, households will be compensated only for "land-related investments rather than the land itself". This flies in the face of IPILRA's guarantee that people be compensated for any loss of occupation, use or access rights to land. In similar vein, the State Land Lease and Disposal Policy, issued in June 2013, provides that tenure awards granted to labour tenants and farm occupiers should take the form of long-term leases conditional on the payment of a nominal rent. Yet the intention of previous laws was to recognise and secure the underlying rights of these categories of people, not to render them tenants in perpetuity.

The department of rural development and land reform (DRDLR)'s 2013 Rural Development Framework indicates that title deeds to the "outer boundaries" of communal land will ordinarily be transferred to traditional councils. Ordinary rural people are to obtain only "institutionalised use rights", subject to the overarching ownership of traditional councils. Allowing CPAs only beyond the boundaries of the Bantustans illustrates the DRDLR's ahistorical assumption that customary systems are coterminous with the former Bantustans and always under chiefly authority.

Even the apartheid government was forced to acknowledge that this was not the case – that there is a range of rural groups that jointly own "communal" land through arrangements that have

customary elements but no chiefs. These include the land-buying syndicates that bought land before or through exemption from the Land Act of 1913, clans with a long tradition of elected leadership, people living on what were mission farms, as well as groups of former labour tenants who managed to retain a toe-hold on their ancestral land. Moreover, customary law has purchase far beyond the boundaries of the former Bantustans – many urban families ascribe to key elements of customary law which they use regularly in their daily lives.

The difference between the current and historical assaults on land rights is that the legal basis of discrimination is no longer race, but the very Bantustan boundaries that are the legacy of those Land Acts. The similarity is that recourse to an alleged "timeless custom" is used to disguise the ways in which resources and power are being concentrated in the hands of a small elite at the expense of the poorest South Africans.

Another feature of current policy is that rural people are no longer considered to be rights-bearing citizens with the capacity to enforce and defend their land rights against the state and others. Instead, we have a model of development by government largesse – for instance, through state-issued mining permits and land leases for those who "qualify". Inherent in the largesse-based model is government retention of ownership and control of key natural resources, such as land and minerals. Land thereby becomes a resource that can be dispensed and reclaimed at will and a key means of exercising patronage.

The sting in the tail is found in the DRDLR's Recapitalisation and Development Policy, unveiled in July 2013. Previously, land reform grants were designed to provide targeted support to specific categories of land reform beneficiaries in fulfilment of constitutionally guaranteed rights. The restitution settlement grant, for example, covered the costs of people moving back and re-establishing themselves





on restored land. Under the Recapitalisation Policy, however, applicants must now show that they have a viable business plan and an external “strategic partner”. The criteria are geared to assess potential productivity, rather than to fulfil rights.

This creates the opportunity and incentive for businesspeople and companies to acquire grant funding as “strategic partners” on the back of land reform. They are likely to be traditional leaders in many instances, but there is also room for other wealthy and politically connected individuals with black economic empowerment credentials to operate alongside. Instead of examining the structural biases against production and marketing in the former Bantustans, including the failure of extension services and the moribund state of the Land Bank financing system, the government has chosen to elevate “productivity” over rights.

CHALLENGE OF LEGITIMACY

Of all the powers the new laws promise traditional leaders, control over land is the jewel in the crown. People who have secure customary land rights or independent ownership of land cannot be threatened with the cancellation of their rights; they have the standing to challenge unilateral investment deals brokered by chiefs; and, in theory at least, they have the means to stop chiefs allocating sites for private profit. Recourse to draconian laws and the re-imposition of apartheid-era tribal boundaries indicate that the traditional leadership lobby is not confident that chiefs enjoy popular legitimacy throughout South Africa. If they did, they would be able to rely on consensual affiliation.

Opposition to the new laws in the former

Bantustans does not, in general, reflect a rejection of custom per se. Instead, it challenges the version of unilateral chiefly power that the laws reinforce, as well as the systematic privileging of chiefly voices over those of ordinary people in both the legislative process and the content of the laws. At stake is who controls the land rights of the 16.5 million people living in the former homelands, and who will profit from investment deals involving key mineral resources and valuable tourism land.

Instead of examining the structural biases against production and marketing in the former Bantustans, including the failure of extension services and the moribund state of the Land Bank financing system, the government has chosen to elevate “productivity” over rights.

Dealing with the legacy of the 1913 and 1936 Land Acts requires going beyond land redistribution to confront the dual legacy of unequal citizenship in the former Bantustans and its impact on struggles over land and minerals. Instead the maintenance of the separate jurisdictions first put in place by the Land Act of 1913 remains pivotal to law and policy 100 years later. Now, as in the past, government is using law to re-impose disputed tribal boundaries and a segregated system of land rights for those living in the former Bantustans, insisting that “custom” can only mean unilateral chiefly authority over both land and people.

Redistribution is never only about quantifiable indicators: it requires tackling vested interests and confronting power, which requires close attention to structural patterns of poverty and exclusion and a commitment to reintegrate people living in the former Bantustans as equal citizens, on terms that acknowledge and redress their exclusion in the past. The new laws and policies, by contrast, seek to hide and entrench both past and current inequality under the cloak of “timeless custom”.

As long as post-apartheid laws entrench the boundaries of the Bantustans and prop up autocratic versions of chiefly power, they pre-empt the land reform and democracy promised by the Constitution.



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Who's left in the post-1994 conjuncture?

By **Z Pallo Jordan**

The author is a member of parliament and of the ANC National Executive Committee

Although the political revolution that commenced in 1994 is incomplete, it has wrought impressive socio-political changes. It has opened doors of opportunity formerly barred to black South Africans; the statutory abolition of racism has completely transformed the political culture of the country; the political tradition, the democratic principles and values of the movement, once the basis of treason charges, have now become hegemonic.

One of the very visible consequences of democracy has been the rapid growth of the African middle and upper strata. Recent reports suggest that these have more than doubled. This profile however conceals two realities. The first is how democracy has benefitted the white minority: 87 percent of whites are now in the upper income brackets (LSM 5–10). The second is that the disparity between the incomes of all the wealthy and those of the poor, who are overwhelmingly black, has widened, making South Africa one of the most unequal societies today. The broad national coalitions, comprising various class forces that the movement mobilised during the struggle for freedom, might become less and less tenable as class becomes the chief determinant of African political behaviour.

STRUGGLE-ERA STRATEGY

I have in the past written of “a crisis of legitimacy” affecting the African National Congress (ANC). Evidence of a decline in ANC legitimacy emerged during the recent general elections, suggesting that ANC has lost support in the key metros of Johannesburg, Tshwane and Port Elizabeth. Are the tensions the ANC Alliance is experiencing today another expression of such slipping legitimacy?

One must again underscore that the Alliance was not the only force in the field fighting for freedom. The ANC, however, did have a strategy to galvanise social and political forces across class and race, which equipped it to lead the charge and consequently to dominate South African politics under the democratic dispensation. In the Strategy and Tactics document adopted at the ANC'S 1969 Morogoro Conference, we read:

our nationalism must not be confused with

chauvinism or narrow nationalism of a previous epoch. It must not be confused with the classical drive by an elitist group among the oppressed people to gain ascendancy so that they can replace the oppressor in the exploitation of the masses.

Further on, the document says:

our drive towards national emancipation is therefore, in a very real way, bound up with economic emancipation. We have suffered more than just national humiliation. Our people are deprived of their due share in the country's wealth; their skills have been suppressed and poverty and starvation has been their life experience. The correction of these centuries-old economic injustices lies at the very core of our national aspirations.

These themes are reiterated in the Green Book, produced in 1979:

it is necessary (a) for our movement itself to entertain no ambiguities about the aims of people's power and the role of the primary social forces, both inside and outside our movement, which will underwrite these aims, and (b) to gain increasing mass understanding for the idea that, in contrast to many old-style nationalist movements in Africa, we believe that there can be no true national liberation without social emancipation.

The seizure of power by the people must be understood not only by us but also by the masses as the beginning of the process in which the instruments of state will be used to progressively destroy the heritage of *all forms of national and social inequality*. To postpone advocacy of this perspective until the first stage of democratic power has been achieved is to risk dominance within our revolution by purely nationalist forces which may see themselves as replacing the white exploiters at the time of the people's victory.

Both strategy documents contained a powerful plea for social justice. What the Green Book refers to “social emancipation” was spelled out



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in 1969 as “the correction of these centuries-old economic injustices”. Namely: deprivation of wealth, suppression of skills, and the experience of terrible poverty.

Both documents also carry a warning against aspirant exploiter classes, from amongst the oppressed people themselves, who will want to exploit the common victory in their class interest.

TRANSITION: THE TEST OF THEORY

During the transitional years between 1990 and 1994, social justice, once a central concern of the liberation movement, was placed on a backburner. It was argued that there was “no alternative”. Such proponents said it was wiser for South Africa to craft its own structural adjustment programme

than to have one imposed by the IMF. The outcome is a huge social deficit, expressed in the Gini co-efficient, the yawning gap between the rich and poor, and poverty that is racialised and highly gendered.

What is more, we have not replaced the old exploiter classes. The white monopolies and the classes who own and control them are still firmly in power. In our democracy, the only site of power that the black political elite can claim is the state, exercised through the ANC’s control of political office. The principal sites of economic power are still well beyond its reach.

The leveraging of state power for accumulation is a typically South African pattern, pioneered by Rhodes and the randlords in the 19th century, then copied by the Afrikaner nationalists during



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the 20th. The currently emerging black propertied classes hope to employ the same methods, but the environment is far less favourable. Because the capitalist property relations inherited from the apartheid era have not been tampered with, they have been compelled to borrow heavily from the white monopolists and rely on their co-operation in order to advance. Consequently, the black propertied classes are being assimilated into the incumbent white monopoly capitalist classes and they have been unable to change the character of South Africa's economy. The template of the mineral-energy complex, on which South African capitalism was built, still dominates the economy. Many of the features rooted in South Africa's "colonialism of a special type" remain unchanged. That volatile mix of contradictions boiled over at Marikana on 16 August 2012.

I would argue that a new national democratic alliance that will focus on social justice and the eradication of poverty is now required, and that the same coalition of forces from among the oppressed will be essential to construct a new consensus.

Addressing a mining lekgotla, then Deputy President Kgalema Motlanthe acknowledged Gavin Hartford's analysis of the migrant labour system:

Sadly, mining has remained a prisoner of its apartheid past in its core element of cheap labour sourced through a migrant's punishing annual work cycle and the social evils associated with that cycle. No amount of employment equity plans and empowerment transactions have ventured to tamper with this.¹

LEFT ANALYSIS

The founders of the liberation movement had thought that the incremental inclusion of the black majority in the political institutions of the country would bring change. The post-war generation recognised that change could only be realised by overthrowing the system of white domination, not its reform. They posed democracy, non-racism, non-sexism and equality before the law as the alternative to white minority rule. Democracy required at least

two basic conditions: adult suffrage and the repeal of all racist laws that institutionalised inequality.

The objectives of the ANC and the Communist Party of South Africa (CPSA, later the SACP) converged during the first decades of their respective histories: a non-racial franchise, together with the abolition of all the laws and ordinances that designated Africans as non-citizens. Shared objectives led to the historic alliance of the ANC, the SACP and COSATU (Congress of South African Trade Unions), the most progressive trade union federation. What the left brought to the democratic alliance were analytical tools that enabled that alliance to devise a strategy that mobilised the social and political forces necessary to effect change.

Since the Rand Revolt of 1921–22, reams of paper have been invested in debating the relationship, if any, between racism and capitalism. Which was the determinant and which the dominant factor in South African capitalism? Some theoreticians concluded that race and class must be read together: the national and class dimensions were inseparable, and neither should be stressed at the expense of the other. In the 1950s, after decades of argument back and forth, the SACP concluded that racism was relatively autonomous within capitalist relations of production. That implied the possibility of intervention through broad-based alliances, built around democratic principles, which could include other classes, even fractions of monopoly capital. According to the SACP, a de-racialised South African capitalism was thus conceivable. Is that, realistically, South Africa's immediate future?

CAPITALISM OF A SPECIAL TYPE

The peculiar circumstance of an industrial revolution in a colonial country gave South African capitalism its special features. The capitalist mode of production, kick-started by mining, had not evolved organically from feudalism, as it had in Europe, driven by small entrepreneurs and merchants. It was imposed here by advanced foreign capitalist interests allied to local capital. Within a decade, there were high levels of monopoly concentration, particularly in the mining-finance complex. It relied on pre-capitalist modes of production for the reproduction of the proletariat, which it articulated in South Africa and its hinterland. It harnessed the institutions, laws and mores of a colonial society to discipline the proletariat for capital accumulation. An intricate dialectic of race, colour and class thus evolved, whose impact is felt in every facet of South African capitalism, even after the end of the colonial and the apartheid states.

The great historical irony of modern South Africa is that, having called into being a modern political



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economy through colonial conquest and rapid industrialisation, the white capitalist classes and their supporters marshalled every political device to evade its socio-political consequence: the emergence of a common society in which whites and blacks are not merely mutually dependent, but are inextricably intertwined by the centripetal forces generated by capitalist development. They instead put in place policies that constrained, rather than released, the energies of potential entrepreneurs and contented themselves with an economy sufficient to serve only the white minority.

The South African Constitution, with its injunction for measures to redress centuries of racial domination, in fact requires social-democratic interventions.

By the cunning of reason, the national liberation movements and organisations of the black proletariat became the most consistent proponents of modernity and most fervently embraced the multi-cultural, multi-lingual, multi-racial, multi-faith society that is the principal outcome of capitalist development. While successive white governments tried to unscramble that historic omelette, the liberation movements strived to realise the full potential of South African capitalist development.

FORCES FOR CHANGE

Marxism insists that revolutionary theory guides revolutionary practice. But, as Mao Zedong warned, theory is tested in revolutionary practice, and its soundness cannot be pre-determined. Strategy, the overall battle plan of a revolutionary movement, designates the principal agent/s of change, the social and political forces that can be mobilised to support it, the principal enemy, and the most likely opponents of change.

The kernel of a Marxist political strategy should therefore be the nurturing of political alliances on the basis of a realistic and concrete analysis of the existing or the potential balance of political and social forces, with the aim of assembling a political majority that supports socialist transformation.

Historically, the SACP has been the only left political formation in South Africa to evolve a strategy that successfully integrated the national and class struggles, thus enabling it to participate in coalitions of different class and national forces and

make strategic interventions in the mass struggles of the post-1976 period. In most instances, the SACP made its influence felt indirectly, through its alliance partners.

The danger of Marxists isolating themselves on the left margins of society remains very real today. I would argue that a new national democratic alliance that will focus on social justice and the eradication of poverty is now required, and that the same coalition of forces from among the oppressed will be essential to construct a new consensus. Such a coalition must be popular: rooted firmly in the popular classes, the working people of town and country. Its popular character must also be reflected in the causes it espouses.

TOWARDS SOCIAL DEMOCRACY

If the first phase of the democratic transformation established popular sovereignty through political democracy, this phase must pursue social democracy. The South African Constitution, with its injunction for measures to redress centuries of racial domination, in fact requires social-democratic interventions. Among the immediate objectives should be to prise the emergent black bourgeoisie from the corrupting embrace of the old white monopolists and compel them to undertake the re-industrialisation of South Africa by pursuing the development of the country's productive forces in earnest. The black working class and the black bourgeoisie share an interest in the expansion and growth of the South African economy. The upliftment of the rural working poor equally relies on an efficient economy that turns out the durable consumer good that can improve the quality of their lives.

Linking the struggle against racism to the struggle for socialism will thus prove more complicated than many of us expected. The challenge is to evolve a revolutionary practice, rooted in Marxism, which is at once intellectually rigorous and politically engaged.

Regrettably, the liberation movement is reluctant to engage seriously with the outcomes of democracy, which include pronounced stratification of the former oppressed. Its reluctance to address the issue has seriously impaired the ANC's capacity to anticipate and thus manage these contradictions intelligently.

THE CHALLENGES OF THE PRESENT

Fragmented working class

The first issue confronting the left in our post-apartheid era is the historical legacy of a highly fragmented working class. It is estimated that



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there are more than 200 trade unions in South Africa today. Of these, 179 are registered. There are also four trade union federations – COSATU, NACTU (National Council of Trade Unions), FEDUSA (Federation of Unions of South Africa) and CONSAWU (Confederation of South African Workers' Unions) – reflecting both the historic racial- and skill-based divisions within the working class and highly differentiated levels of political consciousness. Compounding matters, most unions are not affiliated to any of the four federations, again indicative of the low levels of consciousness within the working class. COSATU, the largest federation, has correctly argued that its political preferences and the thrust of its political practice have been informed by the intersection of national oppression and class exploitation. COSATU is effectively the federation of the organised black workers, with NACTU playing a secondary role. The other two federations represent the white labour aristocracy, with a handful of predominantly coloured unions in their slipstream.

"The seizure of power by the people must be understood not only by us but also by the masses as the beginning of the process in which the instruments of state will be used to progressively destroy the heritage of *all forms of national and social inequality*."
ANC Green Book, 1979

The ANC and the SACP both have longstanding organic links with the African working class. Their alliance with COSATU solidified these. Other left formations and emergent groupuscules or splinter groups have sought to build such links, such as AMCU (Association of Mineworkers and Construction Union), at the expense of the NUM (National Union of Mineworkers). How successful they will be remains to be seen.

In white-ruled South Africa, the most visible line of fracture was race, in terms of which power, status, and access to wealth and opportunity were apportioned. No less important, but perhaps less obvious, was class, which intersected and coincided with race in a number of instances. While

nationalists proceeded from an uncomplicated unity of "the people" vs. the system of white domination, Marxists necessarily were more sensitive to the real diversity of "the people". Actual contradictions among the people had to be addressed, not in order to divide them, but to maximise their striking power. It was Marxist intellectuals who unpacked the salience of class in the struggle, even as it ensued. Their most important contribution was investigating the symbiosis between racial oppression and capitalism.

That legacy impacts directly on both the consciousness and organisational capacity of the working class. While coloured and Indian workers have historically been better organised than African workers, their political consciousness is relatively low. White workers have been tainted by their virulent racism for decades and only a pathological optimist could hold out much hope for progressive politics among them. A left project thus has to kick off with a nuanced appreciation of the political trends and opinions among black workers, the African workers in particular.

Social justice under capitalism

According to the findings of a recent study, South Africa's GDP has trebled since 1994. The absolute number of those in LSM bracket 5–10 has virtually doubled since 2001, while those living below the poverty line have also been reduced to 9 percent of the population. The de-racialisation of the welfare system has resulted in an increase of those receiving social grants, from 2.4 million in 1994 to 16.1 million in 2012. These statistics indicate an absolute improvement in the condition of all classes since the democratic breakthrough of 1994. Yet social tensions remain very high and expressions of discontent are both loud and highly visible. The high rate of unemployment and the snail's pace of economic growth mean that, annually, thousands of school-leavers cannot be absorbed into the job market. The question remains: can South African capitalism, as presently structured, deliver rapid economic growth and enhance social justice? Or will social justice trickle down to the less fortunate as a result of faster economic growth and wealth creation for the rich?

Given the high degree of diversity of the South African working class, its differentiation by skill, race, gender, culture and region, what political intervention is required to encourage greater unity and to raise the general level of political consciousness? In addition to the working class, what other class forces and strata objectively have an interest in a left agenda in pursuance of social justice?



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Between capitulation and sectarianism

The collapse of Soviet socialism and its satellites in Eastern Europe was probably the worst defeat the left has suffered in over a hundred years. That the four remaining states under communist government have taken recourse to methods associated with capitalism has also planted the notion that capitalist methods are the most efficacious route to wealth creation and poverty alleviation. The debate no longer centres on the relative merits of the two systems, because the merits of capitalism are supposedly self-evident. The question arises: what meaning do we give to socialism in an international environment in which communist states have apparently capitulated to capitalist methods?

As we strive to create a national consensus around an agenda of crosscutting objectives such as economic growth and a concerted struggle against poverty, we should be vigilant in navigating between the reefs of capitulation and those of sectarianism. Socialist forces should not marginalise themselves, and thus reduce themselves to political irrelevance and impotence, by adopting postures that sound radical but that do not in fact advance the cause of the working class and the poor. A strategy that unfolds as a number of tactical engagements that help to amass the social and political forces to effect change is preferable to one of confrontation in principle.

South Africa's democratic forces have to grasp the nettle of the de-industrialisation of the economy and set in place a programme to grow and expand the productive forces of our country. There are no predetermined answers and strategies to help us define the role of state-owned enterprises, the state and the private sector in such an endeavour. We should be prepared to accept that there will be instances when it will be necessary to stimulate strategic partnerships between the state-owned and the private sector; when it might be tactically wiser to permit the private sector to invest in and expand infrastructure where the state is no longer able to assume responsibility; and we should sometimes consciously encourage the private sector to intervene in areas where it can make handsome profits while stimulating the expansion of the economy.

Accepting the need for such ventures should not encourage the illusion that private capital has or will suddenly become altruistic. The business of business is business. And there is no free lunch! But, as has been demonstrated in Vietnam and China, it is precisely in its pursuit of profit that the private sector can be spurred to create or expand badly required infrastructure, industries and services. There will, in fact, be situations with no option other than to harness the resources in the hands of



If the first phase of the democratic transformation established popular sovereignty through political democracy, this phase must pursue social democracy.

the capitalist classes for national purposes, in the full and conscious realisation that their motive is to maximise profits.

A left agenda in today's environment entails a long transition, which will necessarily require recouping the moral high ground that the left lost at the end of the twentieth century. It should be a strategy to consolidate the national democratic agenda. It might also require us to re-visit our concept of socialism itself and to rethink the swiftest route by which to achieve it.

NOTE

1. See Hartford's article in this issue

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Strike action on the mines

and the plight of migrant mineworkers

By **Gavin Hartford**

The author is an industry strategy consultant with The Esop Shop



The migrant labour system, which has remained unaltered after apartheid, lies at the heart of the economic and social crisis in mining. This article argues that the specific conditions of migrants have led to a double economic burden, and that the collective bargaining processes have failed dismally to hear the signs of discontent and address the causes.

THE MIGRANT LABOUR SYSTEM SINCE APARTHEID

It is a well-known truth that migrant labour was not only the foundation and economic imperative of the South African mining industry, but also of the Bantustan system and the entire apartheid order. It is equally well known that, due to the geography and geology of the planet, forms of migrant labour dominate the resource extraction industry worldwide. In South Africa's

mining industry, however, colonial history delivered a double blow by statutorily entrenching the edifice of apartheid to enforce the migrant labour system.

In response to post-apartheid demands from the National Union of Mineworkers (NUM) to deliver decent home ownership to mineworkers, the mining houses sought to address some of the worst features of South Africa's migrant labour legacy – the single-men's hostels – by introducing family accommodation for employees whose home area was near the mine. This initiative took the form of a bond subsidy offered to employees to purchase a family unit. To ensure equity in the distribution of employee benefits, the mining houses sought to address the needs of the migrants from afar (Mozambique, Lesotho and Eastern Cape primarily) by offering an equivalent benefit in the form of a cash allowance to “live out”, that is, to exit the hostel system.



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The unintended consequence of the living-out allowance was that migrants took the allowance to supplement their pay packets, and headed for the shacklands of the platinum (and, to a lesser degree, gold) belt. Today, the bulk of migrant platinum employees live in newly constructed zinc shacks in areas adjacent to the mining operations. With this exodus from the hostels, the migrants also took on responsibility for all that a human being needs for their material comfort. In a word: a secondary home, typically characterised by the acquisition of a *dinyatsi* (the second or third wives who live and care for migrants in the shacklands), the bed, the stove, the fridge, the ablutions and the new transport costs associated with “living out”.

This new housing situation has added significant pressure to the lives of migrant workers. For the first time, they now support two families and households: the first in the shacklands and the second in the traditional homesteads in the Pondoland villages of Lusikisiki and Flagstaff. Notwithstanding annualised real wage adjustments, they have become significantly worse off since the end of apartheid in respect of remittances to their rural homes. It is therefore not surprising that the proletarianised urban community of the shacklands declares the miners’ strike action to be “a service delivery protest”, since these communities have a primary and direct beneficiary interest in the wage settlement outcome.

WORKING CONDITIONS

The hard reality is that the pattern of migrant labour super-exploitation – characterised by cycles of 12 long months, with only a Christmas and Easter break – has remained unaltered in all the years of democracy. There has been no overhaul or investment in the migrant labour system at all. There has been no attempt to find new ways to effect a more humane system akin to the best migrant labour practices in other countries. There has been no effort to create a system that would

- rebuild the migrant miner’s family life through shorter (3–4 month) work cycles
- ensure the reinstatement of significant remittances home to increase cash flow to the rural poor
- significantly reduce the propensity for HIV infection
- enhance work attendance and reduce absenteeism.

These and other measures would serve to drive up productivity while ensuring that mining becomes a more attractive industry in which to work and invest.

Sadly, the mining industry has remained a prisoner of its apartheid past by retaining this core element of cheap migrant labour, with a punishing annual work cycle and all the social evils associated with that. No amount of employment equity plans and empowerment transactions have ventured to tamper with this spinal essence of the industry. And this is the Achilles heel

that has inflamed and propelled the migrants – the rock drill operators (RDOs) in particular – into strike action.

Rock drill operators perform the toughest, most dangerous and most critical core mining function for production. They hold long-standing perceptions of being underpaid relative to their industry colleagues. There is typically no service increment differential in platinum (the gold sector has some incentives) or other significant cash incentives to do RDO work. In addition, there is no prospect of any career progression for RDOs, as they lack the education that is required for advancement to blasting certificate status.

Rock drill operators epitomise all the worst features of poverty-driven migratory labour upon which apartheid was founded. As such they are a class of people who have gained the least from post-apartheid South Africa – which is a recipe for social alienation.

The demographic pattern of RDOs is an industry-wide feature across all commodity classes: they are almost entirely migrant and functionally illiterate. The 80 percent majority of the migrants are South Africans from the Eastern Cape. Of these, almost all are Amapondo people, primarily from the Lusikisiki/Flagstaff area, but including most of Pondoland from the Mthatha River in the south to the Msikaba River in the north. They have long service of 25 to 35 years and average 45 to 55 years of age. In a word: RDOs personify all the worst features of poverty-driven migratory labour upon which apartheid was founded. As such they are a class of people who have gained the least from post-apartheid South Africa – which is a recipe for social alienation.

THE IMPLATS TRIGGER STRIKE AND ESCALATION

The unilateral adjustment to miners’ pay packets made by Impala Platinum (Implats), after consultation with the NUM, and during the currency of a collective agreement, was a highly unusual and ill-considered act. It sent a very clear message to every mining work team: notwithstanding the settlement of the wage agreement, the company had additional cash to spare for certain categories of workers within the bargaining unit.



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The RDOs would have known full well that the NUM negotiators were, almost to a person, the most skilled employees (C band and upper), and that the chairpersons of both North and South NUM branches were both miners and would, as such, be direct beneficiaries of this additional increase. It is not at all unlikely that they would have heard that NUM negotiators were resistant to any differentiated increase that benefited RDOs directly during the wage negotiations. The RDOs would have felt the 10 percent wage settlement in their pay packets after the October settlement – and they would be working on every panel with the very miners who benefitted from the additional 18 percent adjustment within a month of the wage agreement being settled.

There is no doubt that gross poverty and inequality in South Africa provide the social and economic context for heightened expectations of wage increases for rank-and-file union members.

There is no doubt that they would have left the mine for the Christmas shutdown deeply aggrieved by a perception of unfair treatment suffered at the hands of the management and the NUM leadership. On the hills of Lusikisiki and Flagstaff, they planned to take the law into their own hands when they returned to work in January. Not unsurprisingly, the strike committee, elected by the workers at the commencement of the industrial action, was composed almost entirely of Amapondo, with the exception of one woman. Equally unsurprisingly, management reported that the industrial action of 12 January, commencing at 14th shaft and all the shafts thereafter, had only two demands: R9 000 net pay (equivalent to the miners' net pay after the 18 percent adjustment), and no negotiations through the NUM.

Many of the underlying trends that emerged in the Implats strike rolled into the Lonmin strike. It was also unprocedural and occurred during the currency of a collective agreement. It was led by RDOs and migrants from Pondoland and Mozambique/Lesotho. The demands were inspired by the workers' successes at Implats and escalated to even greater increases. It was characterised by general dissatisfaction with the NUM leadership that failed to even secure an audience with the strikers. It was finally resolved after six weeks by direct negotiation with the strike committee, with the endorsement of the union's parties. It was deeply violent, resulting in the deaths of over 50 people.

And, finally, it inspired still other miners to follow suit and take up industrial action: at Royal Bafokeng Platinum, Angloplats, and then the gold sector. While the triggers in the gold sector may have differed from those in platinum, many of the underlying trends were identical: hostility to the NUM; disrespect for collective agreement; unprocedural industrial action; and the most obvious – the R12 500 wage demand initiated by the Lonmin workers.

This is not to say that AMCU (the Association of Mineworkers and Construction Union) played no role at all, but simply to situate their role as one of riding the tail of the mass action. It has been widely reported that, soon after the strike action commenced at Implats and Lonmin, AMCU campaigned to support the strike, perhaps inflamed workers with high wage expectations, and blamed the NUM for its failure to deliver to RDOs and other workers. However, there is no evidence yet that AMCU was responsible for initiating industrial action. They simply rode the discontent and anger of the already mobilised strikers, as did Julius Malema and other political opportunists, who sought instant popularity in the face of the pain of the strikers.

There is no doubt that gross poverty and inequality in South Africa provide the social and economic context for heightened expectations of wage increases for rank-and-file union members. There is equally no doubt that the visible display of crass accumulation by union and political leaders in this specific context also fuels the fire. The vast inequity in remuneration, such that CEOs and owners earn thousands of times more than the entry-level miner, is both morally untenable and deeply insensitive to the conditions under which miners labour every day. Combined with this, the harsh reality of the migrant labour system, the double family burden carried by many migrant workers, and their physically demanding and dangerous working conditions, have further inspired migrants to the forefront of the wave of strikes.

POVERTY, INEQUITY AND THE FAILURES OF COLLECTIVE BARGAINING

Mine owners and managers had fallen into a comfortable co-dependent practice of relying on the majority union to represent the workers. Over time, this weakened the resilience of collective bargaining arrangements to respond to a revolt from below by alienated, disenfranchised and marginalised migrant RDOs. (In the industrial action in the gold sector, it should be noted, migrant workers were not as prominent as they were in platinum.)

These workers had also been the victims of a wage bargaining practice that left them deeply alienated from their union leadership and the company. It arose from the use of percentage-based wage adjustments in



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THE FOOD AND ALLIED WORKERS UNION (FAWU)

Artwell Nazo: National President

Artwell Nazo began working at Langeberg Foods (now Tiger Brands) in Boksburg in 1982. During the period of political instability and problems with the employer, he joined FAWU in 1985 as a member of the Springs branch. Later Springs and Kempton Park became one branch, now known as Wits East Branch.

In 1989 he was elected a shop steward, and in 2007 national treasurer.

Besides doing union work, he is an active member of the ANC and SACP. He became part of the ANC leadership of Daveyton branch in 1990 and led the branch until 1994. He was also chairperson of the Benoni local of COSATU.

Nazo's vision for FAWU is to be visible in campaigns and deliver better services to workers. "There is a huge crisis facing workers and the challenges for the union remain many. We must remain steadfast in focusing on workers' needs and sustain service delivery. We have to ensure that we gain more members. We have the potential; we just need to change the attitude towards achieving our goals," he states.

Katishi Masemola: General Secretary

Katishi Masemola was born in Meadowlands, in Soweto, in July 1968, and went to school there. In 1987 he passed his matric, but returned to repeat matric studies with a view to obtaining exemption. As a student and youth political activist at the time, he was detained on April 30 1988 under the notorious State of Emergency regulations of the apartheid laws. He spent the next 10 months in detention without trial, until he was released following a 17-day hunger strike in February 1999.

In 1990, he enrolled for and completed a university bridging programme with Khanya College, and proceeded to complete a Bachelors degree in 1994. In 1995 he joined FAWU as a national negotiator, and has remained in the union since. During this period he obtained two post-graduate qualifications, a two-year part-time post-graduate diploma in economics and a six-month post-graduate certificate in competition law, with Wits University in 2002. He is busy with Masters' degree studies.



Katishi Masemola

In his tenure at FAWU, Masemola has served in several capacities, including economics coordinator in 1997 and bargaining secretary in January 2000, and was elected a deputy general secretary in April 2003.

In 2004 Masemola was elected to the position of general secretary during a triennial national conference. He was re-elected to this position in 2007. The GS enjoys reading Sunday newspapers and business/economics daily newspapers, and spending time with friends and family.

About FAWU

The Food and Allied Workers Union (FAWU) is a section 21, non-profit organisation registered with the Department of Labour. The union is a corporate body having perpetual succession and legal existence, and has a constitution. It is an affiliate of the Congress of South African Trade Unions (COSATU), having played a leading role in its establishment.

The union's core functions are recruiting and servicing its members, and bargaining with employers over labour matters on its members' behalf.

FAWU was established as the Food and Canning Workers' Union (FCWU) in 1941, in the Western Cape, by the late Ray Alexander Simons, an immigrant from Latvia and passionate communist. She arrived in Cape Town in 1929 and started to organise the mainly black workers in the Cape Peninsula. She was adamant that workers – and, in particular, women – should

organise themselves to unite and to protect workers' rights.

The FCWU spread through the fruit canning industry of the Boland and up the west coast among fishing communities. It gained the reputation of being both effective and militant, while recruiting workers from both sexes. By the beginning of 1945, the FCWU obtained a Wage Determination for the fish canning industry, which gave these workers higher wages and better working conditions. FAWU has had, and continues to have, many successes under its belt.

FAWU has always been known for its strong emphasis on gender equality, and produced highly respected trade unionists and political figures, such as Elizabeth "Nanna" Abrahams, Elizabeth "Rocky" Mafikeng, Oscar Mpetha, Chris Dlamini and Jay Naidoo, during the struggle for liberation.



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When freedom fails its children

27th April 1994 was a day of keen anticipation, fear, excitement and hope. It was a rainy day in Cape Town. South Africans would cast their vote, whites and blacks – equal for the first time since 1948. Casting a vote to end the racial injustice; casting a vote for freedom and for the freedom of our children.

My wife and I and our one-year old daughter left our home to walk to the polling station in Woodlands, Mitchell's Plain. There was an eerie silence across the neighbourhood. As if someone had flipped the mute switch. We set out, uncertain as to whether we will celebrate the next day or face a country further immersed in the blood of the martyrs for our elusive freedom.

I recalled my journey as I stood in line in 1994 to cast my ballot. I replayed vivid images of being chased by police across the UWC campus, of spending a weekend in a Warmbad Bela Bela Prison and of being arrested by police in Darling street Cape Town, March 1985, the day after the Uitenhage massacre. And yet, in that moment, nothing could overshadow the joyous promise that 27 April 1994 held.

However, as we reflect on 20 years of democracy, an ugly reality stares us in the face – The failure of our freedom to protect our children. Daily we read of children between the ages of 0 to 15 who are indiscriminately abused, burnt, sold, raped and murdered. Countless more die in horrific road accidents. Traffic road incidents are the top causes of death in the 9 – 14 year age group (Debbie Bradshaw, David Bourne. MRC).

The South African Constitution under Section 28 provides an important benchmark in the protection of children in South Africa. These principles on children's rights are now enshrined in the highest law of the land.

When children die due to our failure to provide them with protection and freedom then no celebration can be justified. The decimation of children, which happens under the watchful eye of the constitution, parliament, and all the protection agencies in the country, should compel our political leadership call for action from all government departments to urgently address this

carnage. It should galvanise communities, religious and moral structures into action against celebrating this freedom that does not protect our children.

The miracle of 1994 is that a country gave its word to its people and to the world.

Today, 20 years later, that hope is dashed and our children are still subjected to abhorrent abuse and violent deaths.

The Community Chest, one of South Africa's oldest philanthropic organisations, know and understand that by just being charitable we cannot solve or shift any problem. We are harnessing 20 years of democracy by embarking on a focused education strategy in 2014 to help mitigate our on-going and present-day struggle for freedom and economic prosperity for families in generational poverty.

We cannot guarantee nor celebrate a stable Democracy when our most vulnerable citizens, our children, are subjected to daily violence and abuse in South Africa. We must accelerate the educational imperative and make sure our children receive an education that advances them and a community that nurtures their childhood into adulthood. No Democracy can survive without its children.

Along with my colleagues at The Community Chest and with thousands of other citizens we pledge that we will not rest, we will not stop working and we will not stop striving and agitating for that day when we can truly celebrate our freedom – the day when we can say with dignity that our children have been made safe by that freedom.

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which senior employees in the bargaining unit got a percentage two or less than the entry-level employees. While this made “optical” sense, the actual rands-and-cents outcome was the opposite. Wage stratification inside the bargaining unit, between the top and the bottom, grew. The low-paid migrant workers were left vulnerable, angry, and ready to act to protect their interests – if necessary, against both the company and the union.

Although COSATU and its affiliates have a proud history of upholding their constitutional principle of “democratic worker control”, the actual processes of this have changed significantly since the democratic transition. One of the most significant changes, in the mining industry in particular, is the collapse of real constituency-based representation of members by shop stewards. Although shop stewards are elected at shaft level, they no longer account directly to their constituencies, preferring instead to move across shafts and mines and even into union offices above ground. As pressure to account to leaders higher up has intensified, accountability to members has weakened. This is the first of a number of features that point to the emergence of a union aristocracy that promotes its own interests over those of its members.

Added to this is another, more worrying, feature: increasingly one finds that the key decision-making structures dealing with management are dominated by senior (Patterson C/B band) employees. In the NUM, the teams that negotiate conditions of employment are mostly populated by these senior employees. Representation by rank-and-file (A band) employees is either totally absent, or at best a tiny minority – even though these employees are at the core of mining operations and constitute the vast majority of the NUM’s membership.

Combine these structural faults with the benefits associated with election as a full-time NUM office bearer or shop steward or mining house co-ordinator, and the picture of a defensive leadership aristocracy becomes clearer. In the mining industry, the historical practice is for the five union office-bearers of a branch to become full-time shop stewards. Upon their election to NUM office, they are graded – and paid – C1 or above. They are removed from production or underground work and join a cluster of other full-time shop stewards in air-conditioned offices. They have largely unrestricted movement across the operations and get a range of perks and benefits, including significant time off for external union duties. They have influence over everything from operational stoppages (Section 54 safety stoppages) to certain tenders and, in some instances, recruitment of new employees. They have the ability to identify and even remove unpopular managers. All of these features constitute significant authority and benefits. To become a senior full-time union representative at mine level means, at



a personal level, gaining the possibility of home and/or car ownership almost overnight. In an environment of scarce resources, deep inequalities and limited opportunities for BEE, the union office is a sought-after position. And, once acquired, it is a place to defend and protect.

In the post-democratic transition, the representation process and the benefits associated with that representation have lent themselves to the development of a union aristocracy dominated by senior employees who speak on behalf of all. When material benefit is derived from union representation, and in the absence of constituency-based accountability of shop stewards and branch office-bearers, a gap opens up between the life experiences of union members and those of their leaders. It is this gap that has been tragically exposed by the strike wave sweeping across South Africa’s mining industry.

The company leadership in human resources (HR) and line management functions has certainly been complicit in this failure. The solution will require a radical re-think of the future of migrant labour, of collective bargaining, and of the manager/employee interface at shaft and mine level. If we are to ensure the viability of mining, in terms of future productivity, job creation and investment, these interventions should be at the apex of the transformation strategy of the industry.



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The South African labour market:

A prolonged and worsening crisis

By **Mills Soko** and **Neil Balchin**

Soko is an associate professor at the University of Cape Town's Graduate School of Business. Balchin is a doctoral candidate in the School of Economics at the University of Cape Town¹



South Africa's unemployment problem is well documented, and the current state of the country's labour-market institutions and regulatory environment is a major contributory factor. A rigid labour market, the ongoing crisis in collective bargaining, the widespread prevalence of the controversial practice of labour broking, problems with the determination and implementation of minimum wages, and policies that actually hamper – rather than aid – efforts to achieve higher rates of job creation are all to blame.

CURRENT LABOUR MARKET CHALLENGES

The growing prevalence of strikes in key sectors of the economy, notably mining, threatens to stifle economic growth and much-needed investment.

In the period between 2007 and 2012, 41.9 million worker-days were lost to strike action, more than four-and-a-half times the number lost between 2001 and 2006.

The department of labour's annual industrial action report for 2012 states that workers lost R6.6 billion in wages as a result of strikes (up from R1.1 billion in 2011). As of the end of March 2014, the wage strike in the platinum mining sector had single-handedly cost workers some R4.4 billion in lost wages and employers some R10 billion in lost production. This cycle of value destruction is a fundamental obstacle to tackling poverty, inequality and joblessness in South Africa.

Labour market efficiency is currently undermined by a number of issues. One fundamental problem stems from the economy's low capacity to absorb



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labour: the current employment-to-population ratio is just 41.9 percent. This modest rate is primarily a product of the mismatch between the skills of the workforce and those demanded by industry. A large share of the country's workers does not possess the skills required to fill the hundreds of thousands of job openings for highly skilled workers across South Africa. The problem has been exacerbated by changes in the sectoral composition of employment, where a shift towards a more capital- and skill-intensive economy has meant that fewer and fewer new low-skilled jobs are becoming available. Inadequate vocational skills training and a poor quality education system have only worsened the skills deficit.

Labour market efficiency is currently undermined by a number of issues. One fundamental problem stems from the economy's low capacity to absorb labour

Access to higher education, in particular, remains a problem. In its August 2013 proposal for undergraduate curriculum reform in South Africa, the Council on Higher Education reported that, despite significant improvement in access to higher education across all population groups, the growth is not sufficient to meet South Africa's human resource needs. The National Plan for Higher Education has set a 20 percent target participation rate in higher education.² Steady growth in the participation rate – from 15 percent in 2000 to 18 percent in 2010 – suggests that the target is likely to be met by 2015/16. The Department of Higher Education and Training's 2012 Green Paper revised the target rate to 23 percent by 2030, but this is still modest when compared with average participation rates in Latin America (34 percent) and Central Asia (31 percent), and well below the 40 to 50 percent rates that are common in developed nations.

A range of other factors hampers job creation efforts by discouraging the hiring of new workers. Certain aspects of labour legislation are highly restrictive by global standards. There are perceived rigidities in the regulations that govern the hiring and firing of workers and in arbitration processes. The growing abuse of Commission for Conciliation, Mediation and Arbitration (CCMA) processes relating to dismissal has slowed down the arbitration and dispute resolution system. Other

impediments – both real and perceived – include the lack of a clear probation period for new employees, limited recourse to dismissal for employees who do not meet expectations during the probationary period, and unduly onerous dismissal protection, particularly for executives and high-earning employees. These factors have encouraged many employers to opt for alternative, atypical forms of employment, such as employing workers through labour brokers.

To be sure, the practice of labour-broking is widespread in South Africa, and has been the source of considerable controversy. While this is an effective mechanism to assist workers to gain entry into the labour market, it also leaves them vulnerable to arbitrary or summary action, and undermines their ability to contest unfair labour practices or unfair dismissal. The national government's response to address these issues – which includes, in the recently introduced Labour Relations Amendment Act, the notion of “deemed employment” after a three-month period – is likely to add further cost and complexity to the system and invite legal contestation. That, in turn, is likely to adversely affect the number of jobs available, and to increase unemployment.

Apart from these issues, the crisis in collective bargaining is one of the most visible problems in the South African labour market. The dominance of centralised bargaining – which is at odds with the international movement towards decentralisation – favours large employers, institutionalises the power of trade unions, and results in greater incidence of fixed wages across sectors. Centralised bargaining does not adequately recognise differences across enterprises and stifles labour management relationships at the enterprise level. A body of empirical evidence suggests that centralised bargaining also restrains wage levels in certain sectors – with financially stronger employers required to pay only the modest wage increases that smaller enterprises can afford, while the weakest enterprises may be squeezed out if they cannot afford the increases that the majority are prepared to pay.

In addition, the practice of extending collective bargaining agreements across entire industries places small businesses and entrepreneurs at a disadvantage. The push by trade unions for industry-wide bargaining has also, as a *quid pro quo* demand by employers, resulted in the practice of setting actual wage increases rather than minimums at the industry level, which has meant that employers are accommodated at the lowest levels of affordability. Industry bargaining also precludes the option of a productivity-linked wage system that could address the problem of rising unit labour costs combined



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with falling productivity, which threatens job creation and undermines the competitiveness of the South African economy.

Who is to blame for these problems? Major trade unions must accept responsibility for their failure to achieve real gains for workers through effective collective bargaining over the past decade. The Congress of South African Trade Unions (COSATU) has strongly promoted industry bargaining. For their part, employers have, until recently at least, also been content to leave bargaining to industry representatives, while paying little attention to workplace relations, to the detriment of meaningful engagement at the enterprise level. Consequently, industrial strikes and deadlock have become the norm rather than the exception. A key cause of instability in the labour market over the past few years has been the growing distance between trade union representatives and workers, as well as the absence of a meaningful social wage.

Well-grounded concerns that employers have pursued high levels of profit for owners – which is shared with top managers at the expense of lower-paid workers – have also been a source of consternation for trade unions and workers alike.

Moreover, there has been poor leadership from government. The government's decision-making and labour market policies remain heavily influenced by the views of trade unions – particularly COSATU – and those of big business, to the detriment of medium-sized and small businesses. The minister of labour has floundered and the African National Congress has said different things to different stakeholders, attempting to please all, but doing little in practice to chart a way out of the crisis. The government has publicly committed to implementing the National Development Plan (which means, among other things, improving the social wage and growing jobs by cutting the cost and complexity of doing business), but has pushed through labour law amendments that will – according to its own policy impact assessment – have the opposite effect.

PRIORITIES FOR CHANGE

This chaos clearly indicates the need for changes to be made. First, the abuse of temporary workers, in labour-broking arrangements and elsewhere, must be tackled. Even so, although the protection of vulnerable workers is non-negotiable, this must occur without unnecessarily increasing the cost and complexity of doing business or destroying jobs.

One way to balance these competing interests would have been for the law to hold the clients of labour brokers, together with the labour brokers, jointly and severally liable for dismissal. It is difficult to see how the highly complex notion of

deemed employment will provide more accessible protection to workers.

Second, there is a need to remove the obstacles to taking on employees that are currently encountered by businesses. The highly inflexible system for protection against unfair dismissal is a significant barrier to job creation, and carries enormous cost internally (for businesses and government) and externally (in administering the dispute resolution system). A sensible policy response would be to introduce a qualifying period for dismissal protection that would not affect those already in employment.

Major trade unions must accept responsibility for their failure to achieve real gains for workers through effective collective bargaining over the past decade.

For lower-paid workers, this might, for example, be six months. For higher-earning employees, a qualifying period of 12 or 24 months would be more appropriate. Additionally, there should be no protection (other than against discrimination and similar serious violations of employment standards) for top executives and high-income earners, provided that a prescribed notice payment is made. Changes of this kind would significantly increase flexibility in employment, encourage job creation, and free up much-needed resources that could be invested in the collective bargaining system.

Third, the collective bargaining system needs a radical overhaul to move away from the preoccupation with industry-level bargaining and re-introduce two-tier bargaining, at both the industry and plant level. The most effective way to restore meaningful plant-level bargaining would be to re-introduce a duty on employer and representative trade unions to bargain in good faith in appropriate bargaining units. Interest arbitration – in which a properly trained arbitrator or panel of arbitrators, typically with an independent arbitrator assisted by one assessor nominated by the employer and trade union, respectively decides on the final outcome of collective bargaining – should be strongly promoted as a means of resolving deadlocked disputes without loss of wages through strike action or corresponding harm to the enterprise.

The reintroduction of bargaining at the enterprise level has the potential to restore much-needed rationality and credibility to the collective bargaining system. It also gives workers a far





better opportunity to gain an equitable share of the value generated by the businesses in which they work. Moreover, a move towards two-tier bargaining, in which only minimum wage levels or a basic framework are set at industry level, and actual wage levels at plant level, would facilitate wage settlements that far better reflect the current economic realities in South Africa.

Finally, skills shortages within the labour force should be addressed as a matter of priority. This will require a rethink of the country's existing vocational training system. As a first step, the largely ineffective sector education and training authorities should be replaced by industry colleges focused on training artisans and other similar vocations, with greater emphasis placed on improving the link between existing vocational training programmes and actual opportunities in the workplace.

It is clear that the South African labour market is in the midst of a prolonged and worsening crisis. This is most evident within the existing collective bargaining system. That said, casting blame for the crisis – as both trade unions and business are wont to do – does little to identify a way out of it. It requires leadership, and it needs real change.

Dealing effectively with South Africa's massive unemployment problem and the harmful effects of frequent strikes on productivity and economic growth will require major structural reforms to the labour market and its institutions. Unless these are undertaken, it is unlikely that the South African economy will be able to generate the number of new jobs – especially unskilled jobs – required to address the unemployment problem and tackle poverty and inequality in the country.

Finally, skills shortages within the labour force should be addressed as a matter of priority. This will require a rethink of the country's existing vocational training system.

NOTES

1. The authors are grateful to Chris Todd, labour lawyer and director at Bowman Gilfillan, for sharing some of the insights and thoughts contained in this article.
2. The participation rate is defined as the total enrolment (across all ages) expressed as a percentage of the 20- to 24-year-old age group in the population

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THE SCIENCE OF A SAFE SOCIETY

AN INTERVIEW WITH TSHILOLO MICHAEL MASUTHA, NEWLY APPOINTED MINISTER OF JUSTICE AND CORRECTIONAL SERVICES

Q: Congratulations! Your background and past accomplishments have surely led to your appointment as Minister of Justice and Correctional Services.

A: I've just had breakfast with colleagues and received much praise, thank you! But in Sotho we have an expression: 'A baboon cannot see its ugly forehead.' [Laughter] I suppose there were no mirrors back in the day, and the notion of a person being able to see himself or herself clearly did not exist.

Q: What challenges do you see ahead in the merger of the two departments?

A: The first is to interpret the merger in a way that gives full expression to the intention, but still acknowledges two parallel streams of work. The appointment of two deputies, a commissioner and a director-general, each with distinct areas of work, is expressive of the intent to retain the two identities.

Q: In managing the workload, would you need to think in separate streams?

A: Yes, there are differences in character between the two operations. But having said that, there are also points of convergence. And it is these points that express and clarify the combining of the two administrations under one ministry. We're going to look not only at how to synchronise or synergise, but how to integrate the work streams to optimise efficiency and improve performance. Just to give you a taste of that: the courts determine whether somebody who gets on the wrong side of the law is detained or released on bail. The courts also decide whether alternative ways of dealing with a criminal case should be considered, such as a diversion or other corrective measure, especially for young offenders.

Q: Community service, perhaps?

A: It could be, yes. Basically, a way of dealing with offences outside the formal criminal justice system.



'You can see that efficiencies in the justice system directly translate into efficiencies in the correctional services system. Corrections should not have to keep people in facilities for longer than is necessary, so space is freed up and our budget is saved.'

Q: Because there are just too many cases to process?

A: And because there are preferable ways of resolving issues other than prosecution. Take a hungry child who keeps stealing food. The underlying problem is that the child is hungry, and prosecuting the child will not solve the problem. You need to feed the child and keep him out of trouble.

Q: What is a preferable way of proceeding?

A: There's a Children's Act and a Children's Court, a whole dispensation surrounding Social Development that deals with the welfare of children. So invoke the system and get that child out of the criminal justice system and into the child justice system. Make sure you address the problem. By

responding through the criminal justice system, you're failing the child *and* society. You want to prevent kids from being exposed to a world in which they don't belong and into which you would not want to induct them.

Q: So that's actually a Justice decision as opposed to a Correctional Services decision?

A: Yes, and the impact of that decision is you're reducing overcrowding in prisons.

Q: The system is overworked, so they could be waiting a long time.

A: And that's the next area I'm going to touch on: case flow management. While a case is pending trial, people could be released on bail, or remanded in custody. From custody, they would proceed into a correctional facility until their matter is finalised, which could take a day, a week, a month, six months, a year!

Q: Explain the difficulty here.

A: The difficulty is that while the postponements keep coming, the person is in limbo in that facility. This adds to the prison population at a cost to the state, both financially and in terms of limited space.

Q: And that's where case-flow comes in?

A: Yes. At the helm of the case-flow system is a judge or magistrate. As the captain of the ship, they are responsible for keeping everyone in line. If legal representatives, the prosecution, legal aid, social workers, medical experts, etc, are allowed to give flimsy excuses as to why they're unable to appear, we could spend the next two years unable to proceed. You want a presiding officer to be firm enough to say, 'I'm not taking nonsense. We've got to finalise this matter!'

Q: So the character of the presiding officer is an essential component of the justice system?

A: Yes, and now you can see that efficiencies in the justice system directly translate into efficiencies in the correctional services system. Corrections should not have to keep people in facilities for longer than is necessary, so space is freed up and our budget is saved.

Q: I believe it's tremendously expensive to maintain the prisons in a full or overfull state.

A: But it's more than that. Children should be

kept out of correctional facilities as much as possible.

Q: So is that where the social workers and foster homes come in?

A: For small children, certainly. You don't want to keep hardened offenders, young as they may be, alongside innocent, vulnerable children. That's the one side of things. The other involves ensuring collaboration between Social Development and Justice, such that there's a relay process: where a magistrate wouldn't keep a child in a cell if he could go into the child protection system.

Q: Would that require allocating additional budget towards Social Development?

A: Well, the budgets have been allocated, so it's a matter of co-ordination. We need adequate facilities, but must also consider issues of prevention. Kids should not end up in trouble with the law; that's the ideal. Prevention programmes in schools are critical. Let's keep drugs out of our schools. Let's keep gangsterism out of our schools. Let's keep satanism out of our schools. Police officers should go into schools and teach kids how to stay out of trouble, how to be streetwise.

Q: It's alarming how many 'missing child' cases are in the news.

A: Child neglect is a criminal offence. And if you're found wanting as a parent ... leaving a three-year-old, a five-year-old to jump from one taxi to the other, from one train to the other ... Even with the challenges of poverty, we don't want a society where children are left to their own devices. Parenting involves *present* parents.

Q: Big corporations are beginning to install childcare facilities in the workplace.

A: They also need to allow parents the flexibility to see their children off to school or crèche, so they're not exposed to crime. There are many areas, not just in Justice and Corrections, but in the Education Department, in Social Development, in the Police Service, where synergies could be explored.

Q: Could you outline what cooperation between these departments may achieve?

A: Prevention; appropriate interventions to prevent overcrowding in jails; and increased efficiency across the board. Social Development should process kids into

facilities and magistrates should do referrals knowing there's a place for these children. Then Corrections won't end up having to carry the can.

Q: Would you outline the new department's vision and mission?

A: I'm a pragmatist. I want to see how far we've come. I've noted, in the last few years, significant improvements in both areas. I was looking at the stats: numbers of children who've committed serious offences and are in custody awaiting trial have decreased from 504 in 2010 to 308 in 2013. At the same time, the number of sentenced children has decreased from 717 in 2010 to 289 in 2013.

Q: And the adult population?

A: This has seen a reduction over the same period from 180 000 to 150 000. Unfortunately, the average prison is 128% full. Some facilities are way beyond 200% full and others are below capacity. Getting full details is on the cards – I need to find out where the pressure is, where the problems are, where the crises are. Then some of the interventions we've talked about could be used to improve efficiency.

Q: Could you comment on electronic tagging?

A: It's been introduced to keep people out of facilities and has worked well. It's a cheaper way of managing deserving cases.

Q: You've talked a lot about children. Is there anything you'd like to add about desirable adult behaviour?

A: We want to strive towards a crime-free, corruption-free society. You asked about our vision. The National Development Plan and ANC manifestos mentions an eventuality where people will be and will feel safe, will act in ways not prone to committing crime. You know, I used the public bus system in Geneva, Switzerland, and there you're trusted to buy and swipe your ticket. No-one checks up on you.

Q: It's an affluent society, and I guess people just follow the rules.

A: Correct. They don't need to be monitored to do so. People shouldn't obey the rules because they're afraid of getting caught. Doing that should come naturally. Those should be one's values as a human being. I hope we can instill that in society. ►



Q: That's a very noble vision.

A: Yes, and that's where religious communities and organisations promoting personal morality come into the picture. It starts with children and how they're raised – the kind of conduct that's entrenched in them.

Q: The statistics you've quoted show a dramatic reduction in child cases.

A: Huge improvements have been recorded. We just need to sustain these and keep doing better. We're not moving into a crisis situation where we need to make bold and drastic interventions. And for that we are hugely appreciative of the efforts of the previous incumbents. [The former Minister of Justice and Constitutional Development was Jeff Radebe, 2009-2014.]

Q: What's your quest going forward?

A: We, as the new administration, believe our role is not limited by our core mandate – which is to deliver an efficient and effective justice system, both criminal and civil; where we promote access to justice that's affordable, user-friendly and less hostile; that's sensitive, especially to the vulnerable; and offers protection to all people. Our responsibility includes supporting the socio-economic objectives of the nation. And so, from both Justice and Corrections, a central objective will be to contribute towards and support efforts to reduce inequality, unemployment and poverty.

Q: Offering internships is hugely important in this regard, isn't it?

A: Correct. The two departments combined, I'm told, total 60 000 workers. It would make a difference if young law graduates could shadow just a quarter of these employees, working as court clerks or assisting with judgment writing. Correctional Services could, for example, use their language skills to assist with writing up their huge workload of dockets. I have a long-term acquaintance with the new Minister of Police, Nkosinathi Nhleko, and I don't expect he'll hesitate if I walk into his office and say, 'Let's do this!' Giving 'previously disadvantaged' graduates opportunities in the department will allow them to acquire skills, income, and a springboard into life.

Q: Finally, how do you see increased efficiency in the department working to boost the economy?

A: All of the above would contribute towards an environment that promotes confidence in industry; where residents want to do business in the country because they feel safe; where crime and corruption are reduced to acceptable levels. If we can get perceptions right, and South Africans feel confident doing business here, foreigners will have confidence in investing here. So I see a much more integrated effort going forward, where Justice and Corrections can play a role in supporting the economic and social priorities of the country, over and above playing by our own rules with regard to justice and safety.

**A profile on
Tshililo Michael Masutha**
Educational history

- B Juris (1995-1988) University of the North (now University of Limpopo)
- LLB (1989-1990) University of the Witwatersrand
- Admitted to practise as an advocate of the High Court of SA (1995)

Professional history

- Lawyer at Lawyers for Human Rights (1991-1996)
- Head of Legal Services at the Department of Social Development (1996-1999)
- Member of Parliament/African National Congress (ANC)/National Assembly (1999 to the present)
- Deputy Minister of Science and Technology/Government of SA (2013-2014)
- Minister of Justice and Correctional Services/Government of SA (May 2014 to the present)

Accolades and activities

- Drafted legislation for the Child Support Grant, which currently benefits 11 million children
- Sat on ANC Strategy Committee which advises the Chief Whip
- Sat on ANC Programming Committee which determines what goes onto Agenda of Parliament (Order Paper)
- Member of Chief Whip's Forum which irons out process
- Sat on Rules Committee which deals with management of parliament, and chaired sub-committee on Review of Rules
- Convenor on Task Team which developed Attendance and Leave Policy for MPs (2002) – implemented in last parliament (2009-2014)
- Assigned by Frene Ginwala, former Chief Whip, to chair Rules Sub-committee on Delegated Legislation, following Act being passed (2002) – implemented in last parliament (2009-2014)



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Sustaining identity in a diverse society:

The implications for national liberation

By **Mathole Motshekga**

The author is the former ANC chief whip in parliament and writes on African philosophy, heritage and religion



I do not know of any people who really have “developed along their own lines”. My fellow white South Africans, enjoying what is called “Western civilization”, should be the first to agree that this civilisation is indebted to previous civilisations from the East, from Greece, Rome and so on. For its heritage, Western civilisation is really indebted to very many sources, both ancient and modern. – Chief Albert Luthuli, “Our Vision is a Democratic Society”

In his 1958 speech to a public meeting organised by the white Congress of Democrats, Luthuli emphasised that apartheid was the antithesis of democracy. He argued that it was designed to reinforce the mirage of “separate but equal” development for Africans. The false slogan of developing “along one’s own lines” masked the real intention, which was development along lines designated by the government through the Native Affairs Department: namely, tribalism.

Luthuli was clear about the multi-racial democracy he wished for South Africa, dispelling the mistrustful notion that, if freedom were shared with black man, the white man’s heritage was at risk. He argued that it is impossible to preserve your heritage by detaching and isolating yourself, or by expecting others to do so. Human values, he claimed, could only be preserved “by propagating them and creating a climate where these values will flourish. Apartheid does not furnish that kind of climate” (Luthuli, 1958).

He believed that South Africa would set an example for the rest of the world by ridding itself of apartheid, as the country could develop, not on the basis of colour, but of human values:

It is often suggested, quite rightly, that democracy was developed in homogeneous communities – in Europe, possibly in Asia to an extent – in communities that were homogeneous in colour. Here in South Africa we are not a homogeneous community, not as far as race and colour are concerned, nor possibly even in culture. It is suggested that people in homogeneous communities can very well speak of democracy being shared, but in a community like ours, diverse in very many respects, you can’t hope to share democracy. But I personally believe that here in South Africa, with all our diversities of colour and race, we will show the world a new pattern for democracy (Luthuli, 1958).

The African National Congress’s Strategy and



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Tactics discussion document of 2007 speaks of the South African nation as a “product of many streams of history and culture, representing the origins, dispersal and re-integration of humanity over hundreds of thousands of years” (ANC, 2007).

The era of colonialism brought with it slavery and forced labour. Four hundred years of slave trading on the continent took its toll and impeded the development of African societies. From the Dutch settlement of the mid-17th century until the 19th century, characterised by British colonial power, the conquest and dispossession of the African tribes and their land were the main goals for the Dutch and the British alike:

Besides the African inter-communal co-operation and wars of nation-formation, the greatest impact on the evolution of the South African nation-state was made by European colonial settlement. On the one hand, colonialism interrupted internally driven advancement of indigenous South African communities along the ladder of human development. It resulted in the subjugation of the African population, including the Khoi and the San who were subjected to genocidal campaigns, as well as Malay and Indian communities. On the other hand, the advanced industrial base of the colonial powers which made such subjugation possible, introduced into the South African geographic entity the application of advanced forms of economic production and trade (ANC, 2007).

COLONIAL DOMINATION AND ITS “CIVILIZING MISSION”

British imperialism in South Africa, particularly after the South African War (1899–1902) between the British and the Afrikaners, saw the British set out to consolidate their victory by instituting policies that strengthened British dominance. Alfred Milner, the British high commissioner in South Africa, encouraged large numbers of Britons to emigrate to South Africa to bolster the size of the English-speaking population. He further planned to “institute policies of denationalisation and of Anglicisation so that Afrikaners would lose their sense of a separate identity and would assimilate into British culture. To ensure the successful implementation of both policies, he intended to rule South Africa directly without local representation” (Byrnes, 1996).

His policies to impose a British hegemony on the Afrikaners did not succeed. After the war, Afrikaners drew closer to one another and presented a united force. They preserved and celebrated their language, organised schools to ensure that Afrikaans shared equal status with English as a language of instruction, and established political parties to fight for self-determination.



Milner was also steadfast in his view that the white and black man were not equal and that this country was a white man's. He was more successful in separating black and white, especially when the South African Native Affairs Commission (SANAC) concluded that political equality between blacks and whites was not to be. The Zulu Bambatha rebellion, an armed attack led by Chief Bambatha kaMancinza, head of the Zondi clan in the Mpanza Valley in the Greytown district, was a last ditch attempt to gain some measure of power. Frustrated at the imposition of a poll tax, British rule, harsh policies (particularly in Natal) and the second-class treatment of blacks, Chief Bambatha and his supporters fought a bloody battle against the colonial forces but were defeated.

Similar “civilizing missions” in India and East Asia attempted to “establish British institutions and ideas in place of the local political culture, through the ideological hegemony inherent in such a mission” (Shan-Loong, 2000). While British imperialism did indeed have a significant impact on India's transformation to a modern parliamentary democracy, it did not succeed in establishing an ideological hegemony over Indian political culture. Shan-Loong (2000) argues that this is because

British colonial practices, being themselves symbiotic in nature, attempted to impose an indirect rule on India through the maintenance of a local administrative elite. It was this failure to completely



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abolish elements of the pre-colonial culture... [and assimilate] it completely to the British image that identified the failure of British ideological hegemony. Consequently, the failure of colonial rule to expand its own ideas and propagate them throughout colonised society marked its hegemonic failure, in that local beliefs ultimately prevailed over those imposed by British colonialism, shaping to a substantial extent the post-colonial political culture of Indian society.

Colonialism carried that “civilizing mission” to all conquered territories in the presumptive belief that whites are supreme beings and have the responsibility to govern and impart their culture to non-white people. This approach also devalued indigenous cultures and religions and stressed the conversion of indigenous people to Christianity – a Christianity that was adulterated to justify the enslavement and colonisation of African people.

In South Africa, black people and Africans in particular were subjected to “colonialism of a special type” which is marked by three interrelated antagonistic contradictions: class, race and patriarchal oppression. These antagonisms found expression in national oppression based on race; super-exploitation directed against black workers on the basis of class; and triple oppression of black women based on their race, their class and their gender (ANC, 2007).

The 20th century saw the imposition of increasingly rigid ethnic or tribal categories, giving each black African a tribal label, or identity, within a single racial classification. Separate residential areas, which later morphed into bantustans, were assigned according to “perceived” ethnic and linguistic identity, and black South Africans became outsiders in their own country, robbed of their citizenship.

The apartheid government’s “tribal designations” and the intensity with which it enforced the “ethnic character” of black life led to blacks eschewing these labels and downplaying their ethnicity or, in some cases, renouncing their heritage altogether. Many developed inferiority complexes as they became accustomed to their own cultures, languages and literature being reduced and ridiculed by the oppressor. The richness of these cultures was thus not fully explored. Even the advent of democracy has failed to remove these deep feelings of inferiority: white supremacy is still prevalent in the South African psyche, both white and black.

AFFIRMATION OF AFRICAN CULTURE

In their anti-colonial struggles, African people did not use racial hatred as a mobilising tool, but infused *ubuntu* into their political ideology.

In his 1906 public lecture, “The Regeneration of Africa”, ANC founder Pixley ka Isaka Seme called for the creation of a unique civilisation for Africa and Africans that would not be based on a racial ideology.

“This opens the gate for the infusion of *ubuntu* values into the global moral discourse on the problems of greed, corruption, the widening gap between the rich and poor, racial and religious conflicts caused by lack of self-knowledge and, in particular, our oneness or unity-in-diversity as the human family.”

A 1917 speech by the second president of the ANC, Sefako Mapogo Makgatho, called for the creation of a non-racial society. In 1921, Rev. Zaccheus Mahabane (ANC president, 1924–27 and 1937–40) observed that African people had been degraded and dehumanised, rendered landless, homeless, hopeless and destitute. He maintained that the recovery of African humanity (*ubuntu/botho*) was a prerequisite for the recovery of the humanity of all the people of South Africa. In response, the 1923 ANC National Conference adopted a bill of rights that asserted the humanity (*ubuntu/botho*) of African people and their right to participate in the economic life of the country. As quoted above, Chief Albert Luthuli maintained that the ANC would surprise the world by creating an inclusive democratic society based on human values in a culturally, religiously and linguistically diverse South Africa.

This vision was vindicated by the 1955 Freedom Charter. Produced by South Africans of every colour, its opening paragraph asserts that South Africa belongs to all who live in it, black and white. Sections of the oppressed and the oppressors reached out to one another. Even more importantly, the Freedom Charter recognised the differences in culture, religions and languages, but consolidated the idea that the people of South Africa are one in diversity.

Nelson Mandela, our foremost struggle icon and the first democratic president of South Africa, wrote:

Western civilisation has not entirely rubbed off my African background and I have not forgotten the days of my childhood when we used to gather round community elders to listen to their wealth of wisdom and experience. That was the custom of our forefathers and the traditional school in which we were brought up. I still respect our elders and like to chat with them about olden times when we had our own government and lived freely. (Mandela, 2010: 22)



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Mandela was adamant that as a clearer understanding of Africa emerged, the opportunity to see our own African identity would gain prominence. He told a public meeting at the School of Oriental and African Studies that the three great religions of Africa – Christianity, Islam and African religion – could play a role in African renaissance, renewal and development, if Christianity and Islam could tolerate one another and both of them could tolerate African religion.

A further influence in Mandela's idea of racial harmony was Mahatma Gandhi's belief in *satyagraha* (loosely translated as "insistence on truth"), which freed India in 1947. Since Gandhi also lived and worked in South Africa from 1893 to 1914, his emancipatory vision greatly influenced Madiba. In many ways, this served to bring the ANC closer to the Indian population in South Africa and a strong bond was formed. The ANC leadership adopted a multi-cultural and multi-religious approach towards achieving a common goal.

IN TOUCH WITH OUR ROOTS

Cultural regeneration in a democratic South Africa must begin with a return to our abandoned roots in order to harness those resources for development in all areas of our life and in our society.

For the longest time African communities have combined their knowledge of plant and animal behaviour with their knowledge of astronomy to predict the weather for the coming season. Indigenous African astronomical beliefs and practices must be recognised and explored, as they could prove beneficial in the many challenges we face.

The ancient African people of Meroe, Dendera, Great Zimbabwe and Maphungubwe inscribed their intangible cultural heritage and indigenous knowledge systems in zodiacs upon which the African calendar is based. Similarly to the Hindu and Muslim religious calendars, African festivals are determined by the lunar cycle. The African festivals are as follows:

- 23 September. African New Year
- 21 October. Rain-making ceremonies
- 21–25 December. Birthdays of the Grand Ancestors, symbolised by First Fruits festivals
- 6 January. Sacrifice of a black bull to mark the beginning of the harvest season symbolised by the coronation of Faro or Thobela, the harvest god
- 21 March–20 April. During Easter, when the Sun enters the zodiacal sign of Aries, special rituals are performed to thank God and gods for the successful harvest
- 7 May. This is called Mohale's Day and all work is prohibited. People brew beer, drink and celebrate the goddess of heaven and earth, known by various names

- 25 May. The Birthday of the Word or Son of the Goddess and beginning of initiation schools.

It is thus important that we return to teaching and learning how to use the lunar cycle and the calendar that dictates life.

AFRICAN CULTURAL RENAISSANCE

African culture and religion have always informed the evolution of African political ideology. In recognition of this, the Organisation of African Unity adopted the African Cultural Charter in 1976. The African Union replaced this in 2006 with the Charter for African Cultural Renaissance and the UN declared 2011 as an International Year of the People of African Descent. These two instruments provide for the renewal and development of the African cultural heritage and indigenous knowledge systems.

This opens the gate for the infusion of *ubuntu* values into the global moral discourse on the problems of greed, corruption, the widening gap between the rich and poor, racial and religious conflicts caused by lack of self-knowledge and, in particular, our oneness or unity-in-diversity as the human family.

UNESCO's 2001 Universal Declaration on Cultural Diversity recognises that unity in diversity (cultural pluralism) leads to social cohesion:

In our increasingly diverse societies, it is essential to ensure harmonious interaction among people and groups with plural, varied and dynamic cultural identities as well as their willingness to live together. Policies for the inclusion and participation of all citizens are guarantees of social cohesion, the vitality of civil society and peace. Thus defined, cultural pluralism gives policy expression to the reality of cultural diversity. Indissociable from a democratic framework, cultural pluralism is conducive to cultural exchange and to the flourishing of creative capacities that sustain public life.

SECOND PHASE OF OUR TRANSITION

The ANC National Policy Conference in June 2012 identified that unemployment, poverty and inequality required a radical shift and focused programmatic interventions to deal decisively with the persistent structural legacy of apartheid, colonialism and patriarchy (ANC, 2012:1). Importantly, the second phase of our transition must ensure that we effect decisive socio-economic transformation and continued democratic transformation.

However, the spiritual malaise Mandela spoke of in 1997 remains with us and the degeneration that has taken hold in our communities threatens to derail our national democratic revolution. We are a resilient nation and acknowledge that a lasting solution requires



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a strengthening of our moral fibre as a people. The underlying values that bind us together are human compassion and solidarity, which find expression in the maxim: “I am because we are” or “I am through others” (*umuntu ngumuntu ngabantu/ motho ke motho ka batho*). This principle ensures that Africans express their humanity communally and shun greed and crass materialism.

Perhaps more importantly, *ubuntu* inspires care for the whole, governed by justice and fairness. In practical terms, it says: “an injury to one is an injury to all”. Your pain is my pain, my wealth is your wealth, and your salvation or redemption is mine as well. The loss of those values has led to crass materialism and a deepening moral degeneration that manifests in such behaviour as the abuse of women and children, the killing of innocent people, drug and alcohol abuse, promiscuity, and a widening gap between rich and poor.

Daily media reports bring home to us the injustices perpetrated through a lack of morality. The moral crisis facing us is the direct result of the loss of spiritual humanism (*ubuntu/botho*) that started in Europe during the 18th and 19th centuries. The West has lost the moral compass and the capacity to lead the world in the 21st century.

Unfortunately, this degeneration is being transplanted to Africa in the name of modernity and cultural dynamism. The crass materialism of western countries has bloomed here and the youth in particular appear directionless. Blame has been cast on our educators and religious leaders for their lack of guidance to the youth. However, the responsibility of parents and the family unit to instil responsibility and discipline, as well as empowerment and support, in the spiritual development of their children cannot be over-emphasised or shifted elsewhere. As primary custodians of our next generation, parents need to avoid passing the buck to others.

CONCLUSION

Ubuntu philosophy is adequate to our current challenges because it covers personal, familial and communal ethics. In South Africa, we successfully infused *ubuntu* values and principles into our body politic to ensure that race, culture, religion and gender do not become the basis for political mobilisation.

The Nation Building and Social Cohesion Summit in July 2012, initiated by President Zuma in response to growing levels of intolerance among the various groups in the country, served as a platform for a national conversation about strengthening social cohesion. While some sceptics poured scorn over the event and dismissed it as yet another talk shop, the encouraging deliberations and outcomes of the summit consolidated a commitment to build a non-

racial, non-sexist and democratic society. Those who attended committed themselves to

- enhance sound family and community values
 - uphold honesty, integrity and loyalty
 - ensure harmony in culture, belief and conscience
 - show respect and concern for all people
 - strive for justice, fairness and peaceful coexistence and to protect the environment.
- (DAC, 2012)

The ANC supports the summit declaration, which also commits all stakeholders, led by government, to hold provincial and local summits in the coming year, leading to a national summit in 2014 to coincide with South Africa’s 20 years of freedom.

As long as we place *ubuntu* at the centre of all our endeavours we cannot but succeed in laying a firm foundation for a nation and society based on human solidarity, respect, accountability, appreciation, tolerance and caring for another.

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COMMUNITY ENGAGEMENT IN THE FACULTY OF SCIENCE AND AGRICULTURE AT THE UNIVERSITY OF LIMPOPO, TURFLOOP CAMPUS

by Prof Hlengani Siweya (Executive Dean of the Faculty)

The Faculty of Science and Agriculture is configured around four schools:

- School of Agricultural and Environmental Sciences (consisting of four departments)
- School of Mathematical and Computer Sciences (consisting of three departments)
- School of Molecular and Life Sciences (consisting of three departments)
- School of Physical and Mineral Sciences (consisting of two departments)

Community engagement covers many types of exchange between organisations and the public. The two most commonly used terms are consultation and participation. Consultation broadly refers to the way in which organisations seek the views of particular stakeholders or the wider public, in order to improve a project or outcome. Complementary to this is participation, and it refers generally to more active processes in which the public is given a greater role in formulating plans or influencing development outcomes.

Faculty proposes the following forms of community engagement:

1. Service-learning, linking classroom learning to the university's service mission: In this category, we include community-based post-graduate research projects – in the main, in Agricultural Economics, Animal Production, Aquaculture and Statistics. Copies of completed research projects will be shared with provincial and national governments with a view to influencing policy formulation and / or implementation.
2. Professional service (also referred to as discipline-based model): This is understood to mean contributing to the public welfare or the common/public good, through the application of academic expertise of faculty members in responding directly to real-world problems,



An interview with Annelize Potgieter, the UL Science Centre Manager, by the SABC during the launch of National Science Week in 2013 (the Science Centre is housed in the Science Education Centre)

issues, interests or concerns. Professional service is coordinated through the Science Education Centre, which is also charged with the following:

- School educators' enrichment programmes (for school Mathematics/Statistics, Life Science and Physical Science).
 - Mathematics/Life Science/Physical Science outreach lessons (conducted at requesting schools). This is our Adopt-a-School concept.
 - Science fairs (at shopping malls and other selected venues) and learner programmes (at selected schools).
 - National Science Week, at which faculty academic and research activities are profiled.
3. Where applicable, faculty encourages academic departments and other strategic units to pursue some of the following forms of community engagement:
 - Problem-based model: with fourth-year and Honours students doing projects in communities and acting as consultants to these communities.
 - Service internship: students work for 10 or so hours producing work that can be used by the community.

- Undergraduate community-based action research: usually done independently by experienced research students (mostly at Masters and Doctoral levels), who work with faculty members and serve as advocates for communities.
- Directed study extra credits: students work tasks (agreed upon with lecturers) in a community setting for up to a maximum of three credits.

Community engagement activities of the faculty are coordinated by Professor Martin Potgieter, manager of the Science Education Centre, who can be contacted at:



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Employment equity:

National demographics should not trump regional realities

African National Congress, Western Cape



The following is excerpted from the ANC Western Cape's response to the Draft Regulations on Employment Equity published by the department of labour in February for public comment. As we go to press, the department of labour has withdrawn the stipulation regarding national demographics, but the issue still remains relevant.

AFFIRMATIVE ACTION

Colonial and apartheid policies caused mainly Black people (i.e., Black Africans, Coloureds and Indians), women and people with disabilities to be deprived of economic opportunities across the country. The African National Congress in the Western Cape (ANC WC) is therefore committed to ensuring the acceleration of change in improving the quality of life of all people, with special attention to the needs of women, people with disabilities and Black people.

It is also necessary that the constitutional encouragement of employment equity (through section 9(2) of the 1996 Constitution, which is given expression in our Employment Equity Act 55 of 1998 and Employment Equity Amendment Act 47 of 2013) be implemented through regulations.

In particular, the regulations must enable redress regarding employment equity ... by ensuring that those designated groups that have historically been discriminated against are empowered and given opportunities to be employed and promoted.

We take cognisance of the fact that the draft regulations have been developed against the backdrop of amendments to the 1998 Employment Equity Act ("the Act"). Those amendments were made to address some of the shortcomings, challenges and unintended consequences in the implementation of the Act, as well as conflicting and inconsistent policy tensions that arose since the passing of the Act and subsequent court judgments.



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UNINTENDED CONSEQUENCES

We, however, also note that the wording of Clause 3 in Section D of the draft regulations, “Enforcement Mechanisms”, may negate some of the redress aims of affirmative action if approved in its current format.

Clause 3, for the “determination of national and regional demographics for equitable representation”, is currently formulated in the following way:

1. In setting numerical goals and targets, employers can use the demographic profile of the national and regional economically active population applicable to them.
2. A designated employer employing 150 or more employees should use the national economically active population (EAP) for the upper three levels (viz. Top Management, Senior Management and Professionally Qualified), and an average of the national and regional economically active population for the lower levels (viz. Skilled Technical, Semi-skilled and Unskilled) as a guide in setting their numerical goals and targets in their employment equity plans.
3. A designated employer with 149 or less employees should use the national economically active population for the upper two levels (viz. Top Management and Senior Management), and the regional economically active population for the

lower levels (viz. Professionally Qualified, Skilled Technical, Semi-skilled and Unskilled) as a guide in setting their numerical goals and targets in their employment equity plans.

It is unfortunate that reactionary forces opposed to employment equity and affirmative action are abusing the abovementioned possible consequence by attempting to fuel fear within the Coloured communities in the Western Cape and Northern Cape.

We submit that, if only national demographics were applied to the top three echelons of management, it may result in members of the Coloured population in the Western Cape being prejudiced, given the demographic profile of this province. While Coloured persons comprise approximately 8.5 percent of the national demographic profile, they are a majority



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in the Western Cape, making up 48 percent of the regional demographic profile. (A similar situation applies in the Northern Cape, where the Coloured population is approximately 40 percent of the provincial population.) If employers in the Western Cape used only national demographics, as per the draft regulations, it may result in eligible Coloured persons not being appointed and/or promoted to management positions, as they would be over-represented based on the national demographic profile, although being under-represented based on the regional demographic profile. Consequently, an application of Clause 3 may not achieve the spirit and intention of the Act to empower all historically disadvantaged groups. Black African persons and Coloured persons are currently under-represented in management positions in the Western Cape. Thus, both should benefit from affirmative action measures.

It is unfortunate that reactionary forces opposed to employment equity and affirmative action are abusing the abovementioned possible consequence by attempting to fuel fear within the Coloured communities in the Western Cape and Northern Cape. They mischievously suggest that the implementation of Clause 3 will prioritise Black African persons above Coloured persons for employment equity purposes. They attempt to cast aspersions and doubts on the whole gamut of affirmative action and employment equity policies of this government, while continuing to ensure an over-representation of White people in management in the Western Cape, in both the public and private sectors. What those reactionary forces fail to point out is that they will do whatever they can to reinforce the status quo of the apartheid period by prioritising the appointment of White people above Black people wherever possible.

To prevent such an abusive interpretation and application of the draft regulations, we suggest that Clause 3 of Section D be reformulated. The material and historical conditions of all designated groups that were discriminated against, and which the Act intends to assist through redress, must be taken into account. This includes spatial conditions.

RECOMMENDED CHANGES

The ANC WC suggests that both the national and regional economically active populations (EAPs) be considered in all instances where numerical targets are set in employment equity plans, so that all designated groups may enjoy the benefits of affirmative action. We believe that this will afford employers the necessary flexibility to comply with section 15(1) of the Employment Equity Act 1998 and section 9(2) of the Constitution 1996, and not be



Black African persons and Coloured persons are currently under-represented in management positions in the Western Cape.

inconsistent with Section 15(3) of the Employment Equity Act 1998.

We also note the words “can use” and “should use” as they appear in Clause 3 in reference to employers “setting their numerical goals and targets in their employment equity plans”. We do not believe that this language mandates the use of numerical quotas, which is prohibited by Section 15(3) of the Employment Equity Act 1998. However, if the intent is to establish such rigid quotas, we would be opposed to that initiative.

The ANC WC notes further that, if the Labour Court were to assess compliance with the Constitution and the relevant employment equity legislation, it would consider “the reasonable steps taken by an employer to appoint and promote people from designated groups”. This means that, in addition to the proposed guidelines, factors such as the availability of suitably qualified staff and commercial considerations will still be taken into account. Thus, Clause 3 of Section D can only be understood in the context of the flexibility afforded by the Employment Equity Act.

We believe that the regulations, as amended in the manner suggested in this submission, will provide the necessary mechanism to contribute to correcting the injustices of our past.



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The South African Government adopted a gallant campaign in 2009, where 283 municipalities and provincial departments in the nine provinces omitted to obtaining clean audits on their financial statements in 2014.

The campaign was championed by the former Minister of Cooperative Governance and Traditional Affairs, the late Sicelo Shiceka. In the wake of the Amathole District Municipality (ADM) annexing a clean bill of health from the Auditor-General (AG) for the third time in a row, one can almost conclude that a clean audit is a realistic goal this year for the Eastern Cape's rural district municipality. In his own words, Minister Shiceka said, 'We will only

achieve this strategic objective if leadership on the ground leads by example. We must be prepared to walk the talk, even in difficult times.' The campaign advocates for the administrators of local and provincial government spheres to subject themselves to scrutiny by the Political Oversight and Standing Committee on Public Accounts (Scopa) in order to ensure accountability and clean administration. The functioning of audit committees is also emphasised in the Public Finance Management Act (1999) and Municipal Finance Management Act (2003), to assure daily operations of the administration.

As South Africa celebrates 20 years of democracy, the ADM boasts an epic achievement, a third unqualified audit report



From left: ADM MPAC Chairperson, Zolani Kabane, Auditor General representative, John Whittal, AMD Executive Mayor, Nomasikizi Konza, ADM Chief Financial Officer, Nkosinathi Soga, Municipal Manager, Chris Magwangqana and ADM Audit Committee Chairperson, Thembele Mngqeta

Amathole District Municipality

Working towards a clean audit for 2014

with no matters of emphasis. It is for this reason that the ADM remains one of the most successful and professionally run district municipalities in the Eastern Cape Province. At a media breakfast held on 10 January 2014, at the Calgary Museum and Conference Centre, ADM Executive Mayor, Nomasikizi Konza, said the AG's announcement came at an opportune time as it laid a firm ground for what she deemed a demanding year ahead. Konza said the audit outcome is the culmination of a lengthy discussion between her council and the former AG, Mr Terence Nombembe, during his annual national municipal visits regarding the handling of public finances.

Konza said as municipalities are viewed as the face of government, the recent establishment of a fully fledged ADM internal audit unit has assisted a great deal in this outcome. However, the Executive Mayor was quick to point out that the ADM has a mandate to provide institutional support to all its seven Local Municipalities, hence the sporadic mayoral visits to municipalities.

'Our municipalities are also a mirror of our district, and the purpose of those visits is to check what we are doing wrong. As of now we are happy to announce that the intervention yielded some positive results.

Today we can proudly announce that Nxuba, one of our Local Municipalities, has improved from being a disclaimer and received an unqualified audit report for the first time. The ADM is hands-on in Nxuba,' said Konza.

In the financial year that ended in June 2012, the ADM received an unqualified audit with five matters of emphasis, whereas in the year that ended in June 2013, the institution received an unqualified audit opinion with four matters of emphasis.

Forging ahead

Bearing in mind the ADM's vision "Commitment towards selfless, excellent and sustainable service delivery to all our communities", ADM Municipal Manager, Chris Magwangqana, said the issues that were raised by the AG were matters

of legislative compliance. Commenting on issues of service delivery, that are part and parcel of matters of emphasis, Magwangqana admitted that there are still households that have no access to clean water. He attributed this challenge to a growing population in the entire district.

'Given the situation, the institution is working around the clock to change this scenario. As for the audit outcome, it is quite evident that the results are an improvement when it comes to financial matters of our institution,' he said.

The Chairperson of ADM Internal Audit Committee, Thembele Mngqeta, said that had it not been for the four areas raised by the AG, the institution could have received a clean audit.

'When it comes to financial issues performance areas are key in the ADM's work and the fully fledged internal audit was such a wise decision,' said Mngqeta.

She also highlighted that when it comes to financial matters the ADM is notably transparent. 'The audit report is a true reflection that the institution is capable of handling its finances. In the same vein, it proves that it is an institution with great potential when it comes to handling issues of service delivery,' ADM Chairperson of the Municipal Public Accounts Committee (MPAC), Cllr Zolani Kabane concluded.

Rethinking the South African Crisis:

Nationalism, Populism, Hegemony

Reviewed by **Jeremy Cronin** (Deputy general secretary, SACP)

Gillian Hart - *University of KwaZulu-Natal Press: Scottsville, 2013. 268 pp*



Like her earlier work, *Disabling Globalisation* (2002), Gillian Hart's *Rethinking the South African Crisis* is grounded in her close and interesting ethnographic work in the townships of Ladysmith and Newcastle. However, as the title suggests, Hart has wider theoretical ambitions. Drawing on Gramsci, Lefebvre, Fanon and others, she opens up a challenging discussion on nation-

alism, populism and hegemony in contemporary South Africa.

A substantial part of the book is devoted to tracking developments in the Achilles heel of our post-apartheid system, what Hart refers to as the "unruly terrains of local government". She quite correctly sees in this local terrain the condensation of a wider set of systemic problems. These broader problems, she argues, are the consequence of post-1994 South Africa being stalled in a "passive revolution". This idea of a "passive revolution" has been invoked by others before – including, by the way, the South African Communist Party. The concept derives from Gramsci who defined it as a crisis situation, "sometimes lasting for decades", in which, in his words, "incurable structural contradictions" have emerged. According to Gramsci, the dominant political forces (Hart wants us to read "the ANC government" in our case) seek to "conserve and defend the existing structure", while "making every effort to cure" these contradictions at the same time. The revolution is "passive"; it flounders because there is a failure to advance a decisive programme capable of transforming the existing, problematic structure itself.

In Hart's view, South Africa's ongoing structural crisis is rooted in "de-nationalisation" – the process driven by

corporate capital to break through into globalisation after a decade of relative isolation in the final years of apartheid and relatively unprofitable surplus accumulation bottled up within the country. It is a strategic agenda, she argues, driven by the oligopolistic mineral-energy complex whose dominance dates back to South Africa's late 19th-century capitalist path. Since 1994, she further argues, corporate capital has also won over key sectors of the new political elite, partly through BEE collaboration. "De-nationalisation" has been associated with massive capital flight, major off-shore listings, increasing financialisation, de-industrialisation and an investment strike. The result has been the production of severe racial and spatial inequalities in our country. Hart provides a useful overview of these critical processes. This is all absolutely spot on.

But if de-nationalisation is the driving force behind the reproduction of inequality, two questions arise. One, how do we characterise the allegedly "every effort to cure" endeavours undertaken by the ANC ruling group, efforts that, according to Hart, render the revolution passive, precisely because they are insufficiently anti-systemic? And, two, on what programmatic basis do we shift the revolution from passive to active?

It is here that Hart's arguments become wobbly. "Re-nationalisation" is the book's answer to the question of how to characterise the futile efforts to cure the contradictions brought on by de-nationalisation. With "re-nationalisation", according to Hart, the ANC alliance has been drawing on various nationalist and populist discourses to sustain majority support and a degree of hegemony.

Countering the often too-easy dismissal of nationalist discourse by both liberal individualists and some on the left, as well as various strands of academic post-modernism, Hart argues that "official articulations of 'the nation' and 'liberation' are not just cynical manipulations from above, or manifestations of 'exhausted nationalism'. They carry powerful moral weight and connect with specific histories, memories and experiences of racial oppression, racialised dispossession and struggles against apartheid."



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She affirms, at least sometimes, the thoroughly dialectical appreciation that both Gramsci and Fanon, in their different ways, brought to the national question. “Essentially Fanon saw anti- and post-colonial nationalisms as simultaneously important and profoundly dangerous,” Hart writes. She follows this up with an instructive quote from Fanon’s *The Wretched of the Earth*: “If (post-independence) nationalism is not explained, enriched and deepened, if it does not very quickly turn into a social and political consciousness, into humanism, then it leads to a dead end.”

So far, so good – but then Hart goes on to categorise what she regards as the three strands in the post-1994 evocation of the “nation” and “nationalism” in SA. The first is the notion of a “rainbow nation” (nicely captured as a “liberal, ecclesiastical discourse of forgiveness”). The second strand of “re-nationalisation”, Hart claims rather unconvincingly, “is found in the ANC government’s immigration policies and practices... Fortress South Africa.” The third strand, we are told, is “embodied in the keywords of the ANC Alliance: the ‘national question’ and the ‘National Democratic Revolution (NDR)’.”

At this point, a promising beginning becomes conceptually muddled, as Hart the academic loses touch with Gramsci the revolutionary. For Gramsci, the national question in Italy was a critical terrain of struggle. A prevailing conservative class-hegemony resulted in a particular articulation of the national question. It underpinned the stalled (passive) democratic revolution in Italy that degenerated into fascism. However, for Gramsci, a different (basically working class) re-articulation of the national question was the essential condition for transforming the revolution from passive to active, for moving from dangerous stagnation to systemic transformation, paving the way for a deepening of democracy and an advance to a socialist hegemony.

Similarly, within the ANC Alliance, the concept of an NDR is not so much a separate strand of nationalist discourse along with the “rainbow nation” and immigration policy, but the site of a struggle that is fundamentally characterised by class. The superficial notion of a “rainbow nation”, suggesting a “miracle” transition, was not invented from within the ANC alliance, as far as I know. But it was certainly seized upon by leading factions within the ANC-led government, and they used it as a re-nationalising alibi to cover up for their disastrous neo-liberal collusion with de-nationalising monopoly capital.

A related and perhaps more central re-nationalising concept, which came problematically to the fore during the Mbeki years but is still around, is the idea of South Africa as a “winning nation”. We anointed ourselves as “special”, with the “rainbow miracle” being part of the evidence for this claim of exceptionalism. The “winning nation” conceit has been closely linked to the

collusion between leading elements within the ANC government and corporate capital. It is used to justify a range of mega-projects like those associated with the 2010 World Cup, as well as to argue for South Africa’s “special” (read: “sub-imperial”) role in Africa, and for our positioning as the supposed valid interlocutor between the developed north and the “developing” south.

The incipient national chauvinism in the idea of a “winning nation” is, I suspect, what Hart might have in mind when she rather unconvincingly evokes South Africa’s immigration laws and policy as one of three supposedly major strands of the ANC’s “re-nationalisation” discourse. Elsewhere in the book, Hart deals with the dreadful waves of xenophobic violence that have swept through many townships, particularly in 2008. But this xenophobia is a pathology with a very different class basis than the “rainbow nation” or NDR “re-nationalising” discourses.

Xenophobia in South Africa is surely a manifestation of the impossible pressures felt by communities living in burgeoning, under-resourced townships and informal settlements. Its social base lies with petty entrepreneurial, marginalised and de-classed elements for whom the millions of equally impoverished foreign nationals appear to be rivals for scarce opportunities. Scapegoat xenophobic violence doesn’t belong under the category of ANC-led “re-nationalisation” discourses (as Hart suggests), but rather as part of a different set of pathologies in which communities under stress turn inwards and upon each other, as can be seen in taxi wars, ethnically tinged worker-on-worker violence on the platinum belt, or the destruction of township assets like libraries and community halls.

Hart analyses quite acutely many of the systemic features of our continuing crisis. She acknowledges the objective reasons for the continued resonance of a national liberation discourse among the majority of South Africa’s oppressed and exploited. The failure to outline a programmatic perspective out of South Africa’s passive revolution is therefore disappointing. In the end, Hart fails to connect with Gramsci’s project for a “national-democratic” proletarian hegemony, or with Fanon’s advice that post-independence societies should explain, enrich and deepen – but not abandon – a national emancipatory trajectory.

At the heart of this failure is her tendency to turn the idea of a national democratic revolution in South Africa simply into a monolithic, uncontested and even authoritarian orthodoxy that is supposedly used to bludgeon internal debate into line. Of course, no political concept is immune to this kind of bureaucratic vulgarisation and the idea of an NDR in South Africa is no exception. However, Hart has clearly failed to follow the internal debates within the ANC alliance on the national question, preferring to rely on generally unsympathetic academic accounts. If she had followed



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these debates she would not, for instance, have simply declared that the NDR is part of a “two-stage” theory, in which a socialist “stage” is postponed while we await the completion of the nationalist stage. This is precisely the point on which most major strategic debates within the ANC alliance have revolved over the past three decades at least.

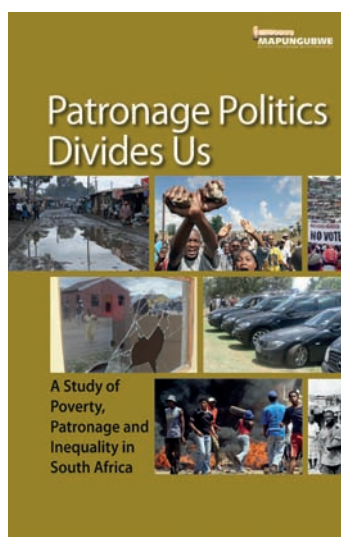
A progressive articulation of a national democratic strategy is what is required to mobilise the social forces capable of rolling back the de-nationalising agenda of monopoly capital. In contemporary South Africa, as Gramsci appreciated in the 1920s for Italy, it is the programmatic basis on which to turn a passive revolution into an active process of systemic transformation.

Patronage Politics Divides Us:

A Study of Poverty, Patronage and Inequality in South Africa

Reviewed by **Martin Nicol**

*Mcebisi Ndletyana, Pholoana Oupa Makhalemele and Ralph Mathekga
Johannesburg: Real African Publishers, 2013*



This research report from the Mapungubwe Institute for Strategic Reflection (MISTRA) is a well-meaning – even earnest – book. The authors show a deep concern for the ways in which poor South Africans are caught up in the toils of political patronage. The book is mostly well-written and easy to read and comes with a helpful list of recommendations.

But it does not work. Using a theoretical

framework guided by work on patronage politics in the United States, it fails to convince that this is a useful model for interpreting South Africa. Here, people follow this or that political faction because of hopes and promises, not because anyone commands a functioning patronage machine like Tammany Hall was for the Democratic Party in New York.

At the heart of the book are stories from interviews and focus groups held in five poor areas: Diepsloot in Johannesburg, Overstrand (Hermanus) in the Western Cape, Tsolo and Qumbu in the Eastern Cape, and two municipalities in Free State. These touch on such well-known problems as xenophobia, fishing rights, nepotism (including jobs for friends), the critical role of state grants, and the manipulation of housing lists, and little is new or surprising (although I did not know

that SASSA issued free paraffin along with the social grants).

Although the word “patronage” is sprinkled through the pages, there is no rounding conclusion that patronage drives local politics. The authors say that “political patronage happens when state resources are used to reward individuals in return for their political support”, but this is not actually demonstrated by the case studies. People respond to the promises and blandishments of politicians by supporting them with votes, but very few get their rewards from state resources. Local politicians provide Public Work Programme jobs, Community Development Worker posts and maybe housing list places for only a tiny proportion of those to whom they make promises. This is why communities are so angry. The problem is not “patronage politics”, but that it does not work for people. It only works for politicians, and even for them it often works only temporarily. New factions emerge supporting alternative promisers, who also cannot “deliver”. Turmoil is the result. Citing a US academic, Frank Sorauf, the authors define patronage as “an incentive system: ‘a political currency with which to purchase political activities and political responses’”. But Sorauf’s “political currency” in South Africa is counterfeit!

It is remarkable that the authors bypass alternative African scholarly literature on patrimonialism and neo-patrimonialism as they devote many pages to the worthy writings of Sorauf, Scott, Bearfield and others from the US. This diversion does not solve any questions raised in the fieldwork reports.

The authors point out repeatedly that conflict in local government revolves around struggles for positions in party structures. What they do not explicitly mention



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is an unusual feature of South African democracy: the Constitution's recognition of local government and the direct and equitable funding of local government through the Division of Revenue Act. These provisions, enacted to decentralise power to the people and to enable democracy, have set up local government as a terrain of struggle over resources. In other countries in Africa, local authorities have power (and often financing) that is derived from national or state governments, and which can be granted or denied at the whim of national politicians. This is not the case in South Africa, where local authorities are recognised as a co-equal sphere of government. There really is something to fight about.

Perhaps the most insightful section of the book is the short analytic note on political office as a source of

employment (and power struggles), which describes how "political rivalry amongst the local elites is spurred by spoils of office". This is followed by a list of recommendations, including one to eliminate factionalism within parties: "factional patronage politics has the tendency to attract crooks, who, by mimicking and exaggerating factional conspiracies, entrench themselves in parties and aggravate poor service delivery".

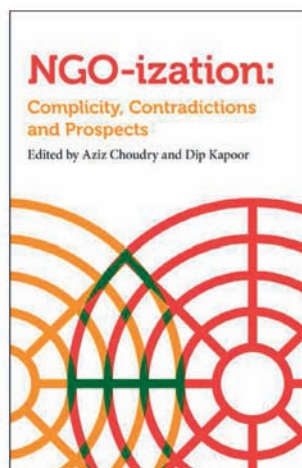
The other recommendations – such as fighting corruption, selecting candidates for local government based on democracy and merit, enforcing accountability, and ensuring that people know their rights – are all spot on. Political will is the missing element. And where will that come from?

NGOization: Complicity, Contradictions and Prospects

Reviewed by **Isaac Nkuna** (Limpopo Legislature)

Aziz Choudry and Dip Kapoor (eds)

Zed Books: London and New York, 2013. 236 pp (Distributed in South Africa by Blue Weaver)



Non-governmental organisations have provided humanitarian aid and advocacy for human rights since the United Nations first coined the term in 1945. These critical essays shed light on the intriguing question of whether NGOs continue to pursue their noble goals. The book sets out how the advent of "NGOisation" – the professionalisation and institutionalisation of social action – has watered down the resistance struggles of

grassroots social movements and communities. NGO intervention tends to support more "civilised" and "conformist" approaches that are cut off from local realities of popular struggles. The goal of NGOisation is to undermine the militancy of movements while ignoring or failing to address the systematic and global force of neoliberalism.

Even movements that are concerned about the needs of communities have been constrained by the neoliberal framework in which they operate, making it difficult to create a counter-hegemonic force that is controlled by

and rooted in communities. Some NGOs are therefore the products of neoliberalism, and cannot be viewed as neutral entities advancing humanitarian causes: they are highly involved in the socio-political environment. NGOs represent contested political and environmental interests.

The role of NGOs can also be linked with colonialism and capitalism – hence the inference that they are the "handmaidens of imperialism". The book raises questions with regard to the relations between the NGO, the state and the market, which may be blurred by the complex roles played by some NGOs as they spread their wings across the globe. One writer remarks that contemporary NGOs are "one more institutional form through which class relations are being contested and reworked". The authors show that NGOs, in complicity with state and private sector interests, have undermined local and international movements for social change and environmental justice. Delving into these challenges, the book provides a platform for disempowered communities whose voices have often been drowned out by those of the powerful. Numerous case studies drawn from various countries make for an interesting read.

While challenging the common belief that NGOs are a panacea for the problems facing communities, *NGOization* should not be seen as an attack on the existence of NGOs in society. Some have contributed



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immensely toward addressing socio-economic challenges. I think its intention is to awaken the critical faculty of the reader to the role of development agents in society, especially in a context where NGOs move across the globe to advance certain development goals and interests. The question worth asking is: "Does the NGO represent the interests of the communities and movements it claims to align with?" Given their role in

sensitive development issues in the host country, the possibility of meddling in local politics cannot be ruled out – especially given the fact that some NGOs continue to carry the flag of their countries of origin, and subscribe to their national agendas. Well-written and punctuated with relevant case studies and experiences that any reader can relate to their own country's situation, the book is a must-read.

Capitalism's Last Stand?

Deglobalization in the Age of Austerity

Reviewed by **Shaun Ruggunan** (Discipline of Human Resources Management, University of KwaZulu-Natal)

Walden Bello

Zed Books: London and New York, 2013. 282 pp (Distributed in South Africa by Blue Weaver)



The financial crisis that began in 2008 and continues to play out globally presents a conundrum to mainstream economists. For them, the current financial crisis represents another in the many boom-and-bust cycles of capitalism over the last two hundred years. However, there is an increasing sense among many economists, sociologists, and even mainstream institutions

like the OECD, that something about this latest crisis is profoundly different. Bello's book begins from this premise, as he poses the provocative question of whether this represents the "last stand" of global capitalism in its current form.

The book begins with an analysis of how capitalism transformed globally into a mostly financialised form of capital. Bello provides succinct yet powerful explanations of financialisation, Wall Street, bankers, and how the practice of granting subprime mortgages eventually led to the housing bubble. The chapters give an account of the origins of the crisis in the United States, before examining how it played out in Europe and Asia to become

a truly global crisis of capitalism. Bello suggests that, given the hyper-globalised nature of the world and the financialisation of everything from debt to mortgages, unethical banking practices in the USA can have negative impacts almost instantly as far away as Iceland or Asia.

Bello argues that this is more than a crisis in the mechanics of capitalism: it is a crisis of *faith* in capitalism as we know it. Governments in the West have responded by bailing out banks while imposing massive fiscal penalties on ordinary citizens to subsidise the bailouts, as has happened in Greece, for example. Bello contends that the idea of "austerity", which has become a mantra for the West, is a complex one. It rewards the behaviour of predatory capitalists with impunity and punishes ordinary citizens, thus compounding social inequalities globally. Instead he suggests that a strategy of de-globalisation be pursued. This is not to suggest that nations move towards isolationist or nationalist policies but rather shift to forms of decentralisation and delink from the more pathological aspects of hyper-globalisation. He presents a 14-point manifesto of how this can be achieved.

The book is a call to arms for academics, activists, "ordinary" people and those of us fed up with unfettered capitalism. It serves also as a good introductory text for those trying to understand the origins and complexities of the current global financial crisis. It is both empirically rigorous and accessible. This is a rare feat when writing about the complexities of the modern economy.



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INSURING SOUTH AFRICA'S MUNICIPALITY

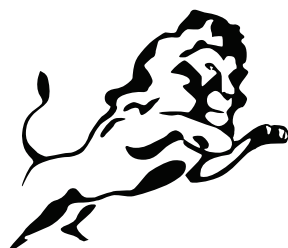
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BRINGING LOCAL GOVERNMENT CLOSER TO THE PEOPLE

– TWO DECADES OF DEMOCRATIC LOCAL GOVERNMENT

Prior to 1994, local government consisted of over 1 200 racially based local authorities. Post-1994, this was transformed into 284 democratically elected municipalities. It was from this base that core municipal systems and processes for delivering services were established and consolidated.

Now, 20 years on, we find local government thriving on democracy and in a more positive position than it has ever been before. As the most effective instrument in the government's infrastructure development armoury, local government is at the coalface of service delivery and is making an enormous contribution to the development of our country.

Let's have a look at some milestones.

TRANSFORMATION

The creation of an independent Municipal Demarcation Board – an independent authority to demarcate municipal boundaries – was a landmark move for South African local government. The Local Government Municipal Demarcation Act of 1998, which made provision for the establishment of the Demarcation Board, was the first piece of local government legislation enacted after the adoption of the Constitution.

Since its establishment in 1999, the board has reduced the number of municipalities from 843 to 284 economically, administratively and financially functional municipalities. Through this process:

- The total number of municipal councillors was reduced from 11 368 to 8 951.
- The wards, delimited by the board, were reduced from 5 952 to 3 753.
- For the first time ever, rich and poor, black and white, and rural and urban people were in functionally arranged municipalities. The demarcation was central to government restructuring and reconstruction.

VIBRANT DEMOCRACY

Local government elections are a key component to a well-functioning democracy. The first local government elections in December 2000 brought



Minister of Cooperative Governance and Traditional Affairs, Lechesa Tsenoli

about the installation of South Africa's first democratic and fully representative municipal councils.

These councils brought a new vibrancy to local government; so much so, that voter enthusiasm was even more pronounced in the 2006 municipal elections, the 10th anniversary of the Constitution, when the number of registered voters increased from 18 476 516 to 21 054 957.

In May 2011 our country proceeded down the same democratic pathway that the people had chosen before, as an increased turnout (57.5%) elected its third democratic local government in yet another successful, peaceful, free and fair local government election.

IMPROVED ACCESS TO SERVICES

Since the coming of democracy, more and more local government resources have been made available for service delivery and service delivery infrastructure investment. Municipalities live side by side with communities; they understand what is needed and they go out of their way to supply it. That is why, as the country celebrates its democracy, local government can celebrate the volume of basic services that it has provided to communities throughout the country.

The 2011 Census provides some inspiring facts:

- Households using electricity for lighting increased from 58.2% in 1996 to 84.7% in 2011; those using paraffin and candles

decreased from 12.7% to 3.0% and from 28.7% to 11.4% respectively.

- The percentage of households that have their refuse removed by the local authority weekly has increased from 52.1% in 1996 to 62.1% in 2011.
- The percentage of households without toilets declined significantly to 5.2%.
- Access to piped water inside dwellings or yards has increased significantly since 1996, when only 60.7% of households reported access, compared to 73.4% in 2011. During the same period, the percentage of households with no access to piped water decreased from 19.7% in 1996 to 8.8% in 2011.

PROFESSIONALISATION

Local government continues to evolve in a way that responds to the dynamic public service environment. The sector is proud of its ability to assess itself objectively.

The State of Local Government Report commissioned by the Department of Cooperative Governance in 2009 highlighted institutional and administrative challenges that negatively affected municipalities' efficiency in performing their functions to efficiently meet their service delivery obligations.

The Local Government Municipal Systems Amendment Act 2000 – MSA (Act No 7 of 2011) – was the reasoned response. The MSA

provides for the minister to regulate uniform standards for a range of human resource-related matters that affect the appointment and employment practices of all municipal employees.

One of the results is the Local Government: Regulations on Conditions of Service for Senior Managers and Related Matters. The draft regulations prescribe minimum competency requirements for a series of positions ranging from municipal managers to town planners.

The Department of Cooperative Governance and Traditional Affairs is currently involved in a further review to ensure that the competences for senior managers and staff below senior managers are aligned.

IMPROVED SUPPORT TO INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY

The continued delivery of quality municipal services is an overarching priority, and this requires municipalities to build new service delivery infrastructure while maintaining existing infrastructure.

The establishment of Municipal Infrastructure Support Agent (MISA) is a new local government initiative with a primary focus on providing technical support and the building of sustainable technical capacity in municipalities.

Since its establishment in May 2012, MISA has:

- Provided continuous technical support through the technical professionals (engineers and planners) in 77 municipalities in all provinces.
- Trained and developed 331 artisans placed in various municipalities to gain practical experience, with the objective of turning them into full professionals.
- Supported 23 districts which were identified by cabinet as a priority to receive support for their expansion of basic services to communities.
- MISA supports these districts in collaboration with various sector departments, to enable them to unlock any obstacles to the implementation of programmes and projects.
- MISA's plan for the coming three-year cycle starting from 2013/14 encompasses the following:
- Support and assistance to municipalities to improve their rate of spending conditional grants allocated to them and their overall capital budgets.
- Support the 23 districts, which form part of the Strategic Integrated Project 6, in the implementation of programmes and projects reducing backlogs.
- Promote a systematic approach and international best practices among



Deputy Minister of CoGTA, Andries Nel

municipalities in dealing with the operations and maintenance of both new and existing infrastructure.

- Support municipalities to enable them to effectively address factors hampering their efforts to perform adequately in each of the sectors.
- Assist municipalities with development and implementation of their capacity-building plans that will allow them to strengthen their internal capabilities.
- Enrol new apprentices, artisans and graduates into the professional development programme, to allow them to gain practical experience in municipal infrastructure delivery.

IMPROVED INTERGOVERNMENTAL COOPERATION

The efficient delivery of services requires effective coordination of different role-players who work with municipalities to deliver services. Local government has, over the years, improved significantly in coordinating government entities and departments to channel resources for service delivery.

South African local government is proud of putting in place effective systems and processes to ensure seamless delivery of services and the responsible use of resources.

Key government departments in the delivery of services are brought together through local government systems, to coordinate and integrate their interventions under the guidance of the Ministry of Cooperative Governance and Traditional Affairs.

IMPROVED SUPPORT TO INDIGENT HOUSEHOLDS

Towards the last quarter of 2000, government announced its intention to roll out free basic services (water, energy, sanitation and waste removal) to the poor.

The initiative requires all municipalities to develop indigent policies to determine the beneficiaries of the programme within their

jurisdiction. An Indigent Policy Framework and the Indigent Policy Implementation Guidelines have been developed by the national government to ensure that municipalities compile credible indigent registers.

This initiative responds directly to the basic daily needs of poor people.



CoGTA dg, Vusi Madonsela, Tshwane Mayor Kgositso Ramokgopa, Deputy Minister Nel, and Minister Tsenoli

THE COMMUNITY WORK PROGRAMME (CWP)

The CWP is a key initiative that provides regular and predictable work opportunities at the local level. The purpose of the CWP is to provide an employment safety net for those without access to opportunities which can lift them out of poverty. It aims to supplement existing livelihood strategies by providing a basic level of income security. It is based on the recognition that policies to address unemployment and create decent work will take time to reach people living in marginalised areas where few opportunities exist.

Local government is key to the success of this programme. For the period 1 April 2011 to 29 February 2012, the CWP created 93 702 work opportunities in all provinces, covering 63 municipalities and 538 wards. 66% of the participants were women and 54% were young people. The target is to create 332 500 work opportunities in all municipalities by 2014/2015.



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Capitalizing China

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

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

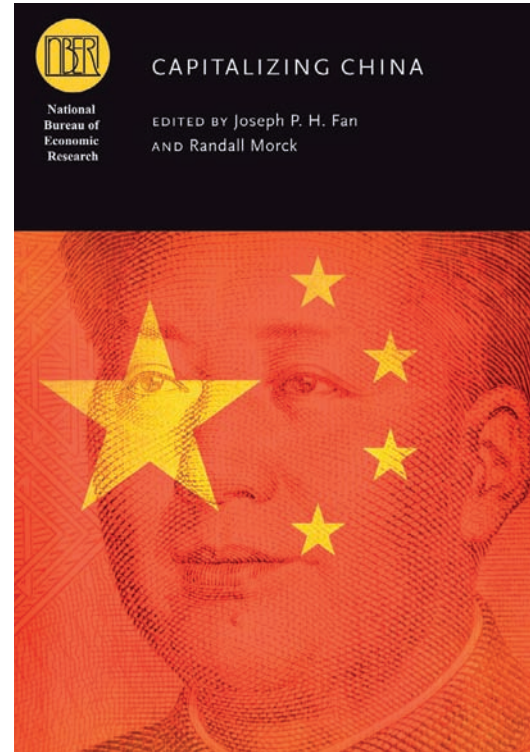
China's economic boom took many analysts by surprise because of its deviation from conventional growth theory. This volume, featuring papers from a conference co-hosted by the Chinese University of Hong Kong and the American National Bureau of Economic Research, makes a significant contribution to our knowledge. Unlike most writings on China, it is based upon a detailed analysis of rich and extensive empirical data. Although most of the contributors are US-based or -educated, the volume contains a refreshing range of views and arguments.

The editors chose to focus on the financial system, probably the most important component of the commanding heights of the economy. The book has four sections: the governance of the financial system, the governance of the stock markets, capital accumulation, and public finance. In each section, two contributors provide chapters on topics such as the Chinese savings pattern, the securities market, and fiscal institutions. The views of the discussants are also included.

A key finding is that the entire system has been designed to ensure that the Chinese Communist Party (CCP) remains in control of all aspects of the financial system. Its interests dominate. Yet, paradoxically, the system contains a considerable element of efficiency and rationality. South Africans could learn a good deal from this model, where, within the context of loyalty to the CCP, merit is rewarded and mediocrity punished.

The system is not Western liberalism in a Mao jacket. As the editors explain: "The Party directs the law. Party committees throughout business enterprises constitute parallel internal accountability systems". The trappings of Western laws and regulations are largely ignored. These insights are very important. China has developed a hybrid system with Chinese characteristics. It is neither emulating the liberal model nor embracing free markets. And the system has worked very well overall, despite obvious problems of rent capture and corruption.

All agree, however, that the low-hanging fruit that was available as China caught up with the West has almost all been captured. Future development will depend upon innovation, entrepreneurship and sophisticated marketing. Will the Chinese system be able to meet these challenges?



It is widely recognised that the system "does not allocate national savings to the most efficient uses of capital. China's tycoons, its barons of big business, are predominantly career bureaucrats and ex-bureaucrats". This did not matter when China was poor and backward. But what of the future?

There are three possibilities. Perhaps China will increasingly discard the Chinese model and adopt Western institutions and regulations. Or the system will remain rigid and dominated by princelings and bureaucrats and the economy will stagnate. Or the unique Chinese style will find a new and original way forward that maintains the dominance of the CCP but allows the economy to grow and innovate. Liberal and neoclassical Western economists argue that only the first policy can help China develop as a mature, wealthy state. Many in China believe the Chinese model contains the necessary flexibility for continued development.

It is no exaggeration to conclude that the answer to this question will, in large measure, shape the geopolitical future of our world.



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Class in Soweto

Deglobalization in the Age of Austerity

Reviewed by **Mbekezeli Mkhize** (Centre for Military Studies, University of Stellenbosch)

Peter Alexander, Claire Ceruti, Keke Motseke, Mosa Phadi and Kim Wale
University of KwaZulu-Natal Press: Scottsville, 2013. 306 pp

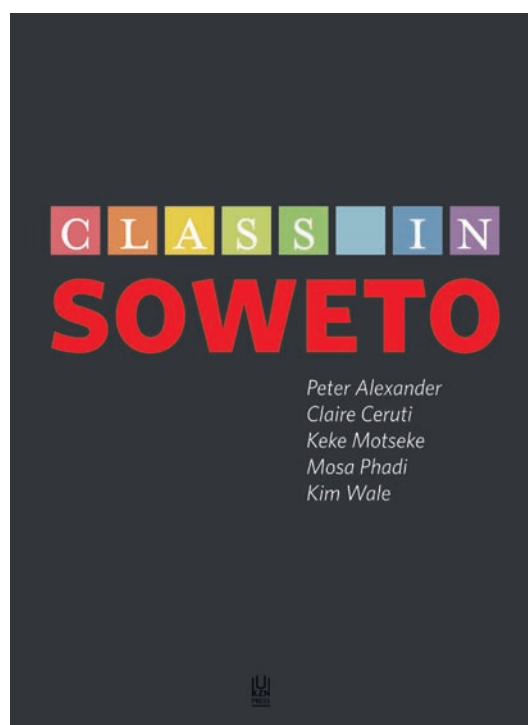
Class in Soweto splendidly combines qualitative and quantitative research to provide a detailed sociological account of concepts and identities of “class” in Soweto. The book is extremely interesting, captivating and enticing to read.

The first chapter outlines the purpose of the book, which is to address the shortage of academic research pertaining to class. It identifies the defining features of class in Soweto, conceived through the notion of affordability. It notes that the majority of Sowetans regard themselves as middle class. Chapter Two draws historical attention to the era of apartheid (1948–1994), explaining how Soweto was named and developed, and how black people lived there. It describes the armed struggle, the negotiated settlement, and the build-up to democracy.

The improvements in socio-economic conditions in Soweto after apartheid, when racial barriers in better-paid jobs were removed, are explained in Chapter Three. The chapter argues that Sowetans, although disadvantaged in comparison with whites, are better off than most blacks. The next chapter goes further into this question by capturing the economic class structure of Soweto. The authors broaden the concept of proletariat to understand what people do and the class they belong to.

Chapter Five conceptualises and critiques the employment/unemployment binary, finding that it is not inclusive of all forms of work. It further argues that this binary is not convincing, because, under apartheid, Africans were only allowed to be in urban areas when they were employed.

Sowetans’ class models and identities are the topic of the sixth chapter, which explores what Sowetans mean by class, and how they class themselves. Some people express more than one class identity in terms of affordability, consumption and income. The chapter expounds on the different classes that exist in Soweto. Chapter Seven probes “affordability” further by focusing on perceptions of class mobility. In respondents’ understanding of class, affordability connects economic and cultural capital. It argues that South Africa has changed after apartheid and that individuals should take responsibility.



Acknowledging that “class” is a difficult word, Chapter Eight notes that there is no general term in indigenous languages that can be equated with economic class: the closest words in isiZulu and Sesotho are associated with poverty. The assignment of class is thus subjective. Chapter Nine, noting that religion plays an important part of in most Sowetans’ lives, looks at the variations of how class relates to church.

The overall impressions of the study are given in the final chapter. Sowetans regard themselves as middle class, both because they are better off than most of the blacks in South Africa, and also because of the stigma attached to being poor.

Although the book suffers from a few grammatical errors, and would have been stronger if it included recommendations in the conclusion, I would urge everyone to read this intellectually stimulating piece of sociological research.



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Books available for review

The following books have recently been received

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

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

Cheru, Fantu and Renu Modi (eds). *Agricultural Development and Food Security in Africa: The Impact of Chinese, Indian and Brazilian Investments*. Zed Books: London and New York, 2013. 263 pp

Gallagher, Kevin P. *The Clash of Globalizations: Essays on the Political Economy of Trade and Development Policy*. Anthem Press: London and New York, 2013. 170 pp

Gidds, Timothy. *Mandela's Kinsmen: Nationalist Elites and Apartheid's First Bantustan*. Jacana: Auckland Park; James Currey: Suffolk, 2014. 208 pp

Habib, Adam. *South Africa's Suspended Revolution: Hopes and Prospects*. Wits University Press: Johannesburg, 2013. 306 pp

Healy-Clancy, Meghan and Jason Hickel (eds). *Ekhaya: The Politics of Home in KwaZulu-Natal*. University of KwaZulu-Natal Press: Scottsville. 2014. 278 pp

Hendricks, Fred, Lungisile Ntsebeza and Kirk Helliker. *The Promise of Land: Undoing a Century of Dispossession in South Africa*. Jacana: Auckland Park, 2013. 366 pp

Higgins, John. *Academic Freedom in a Democratic South Africa: Essays and Interviews on Higher Education and the Humanities*. Wits University Press: Johannesburg, 2013. 306 pp

Manji, Firoze and Bill Fletcher Jr (eds). *Claim No Easy Victories: The Legacy of Amílcar Cabral*. CODESRIA: Dakar, 2013. 518 pp

Massie, Kaylan and Debbie Collier. *Executive Salaries in South Africa: Who Should Have a Say on Pay?* Jacana: Auckland Park, 2014. 322 pp

Najam, Adil and Rachel Thrasher (eds). *The Future of South-South Economic Relations*. HSRC Press: Cape Town, 2013. 230 pp Ngcaweni, Busi (ed). *Liberation Diaries: Reflections on 20 Years of Democracy*. Jacana: Auckland Park, 2014. 482 pp

Praag, Leonhard. *A Report on Ubuntu*. University of KwaZulu-Natal Press: Scottsville. 2014. 305 pp

Saro-Wiwa, Ken (Ide Corley, Helen Fallon and Laurence Cox, eds). *Silence would be Treason: Last*



Writings of Ken Saro-Wiwa. CODESRIA: Dakar, 2013. 180 pp

Satgar, Vishwas (ed). *The Solidarity Economy Alternative: Emerging Theory and Practice*. University of KwaZulu-Natal Press: Scottsville. 2014. 318 pp

Van der Waal, Kees (CS) (ed). *Winelands, Wealth and Work: Transformations in the Dwars River Valley, Stellenbosch*. University of KwaZulu-Natal Press: Scottsville. 2014. 247 pp

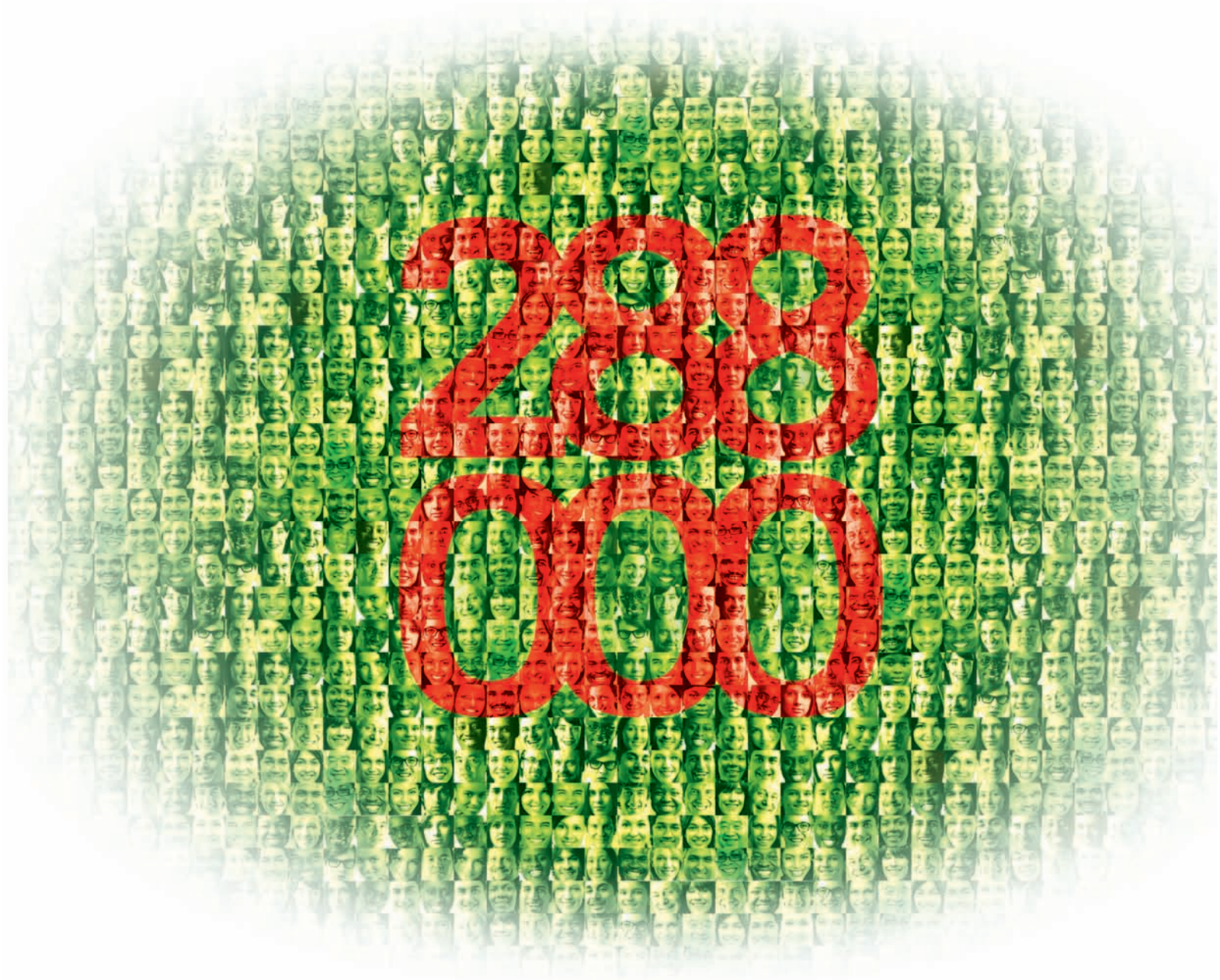
Williams, Michelle and Vishwas Satgar (eds). *Marxisms in the 21st Century: Crisis, Critique and Struggle*. Wits University Press: Johannesburg, 2013. 298 pp



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