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NEW AGENDA

SOUTH AFRICAN JOURNAL OF SOCIAL AND ECONOMIC POLICY

INDUSTRIAL STRATEGY: THE CLOCK IS TICKING

ROB DAVIES

BAD RELIGION

TINYIKO MALULEKE

STUDENTS AND BLACK CONSCIOUSNESS

DEFENDING THE PUBLIC INTEREST

PRAVIN GORDHAN

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SAAM TREK SAAM WERK
AGRICULTURE AND RURAL DEVELOPMENT IN BOKONE BOPHIRIMA

An interview with Manketsi Tlhape, MEC for Rural, Environment and Agricultural Development in North West province

Ben Turok: To start, can you give me a broad characterisation of North West province?
Manketsi Tlhape: North West is almost 75 percent rural, with many small towns and villages. The only big towns are Klerksdorp, Potchefstroom and Rustenburg. The capital, Mahikeng (Mafikeng), is surrounded by about a hundred villages. Agriculture is a way of life, with many people in subsistence farming to feed themselves. The current administration has pronounced that the mines should contribute to growing the economy, but agriculture is our mainstay for economic growth.


Manketsi Tlhape

LOCAL PRODUCTION FOR LOCAL DEMAND

BT: In many parts of the country, the mines do not procure anything locally, other than labour. Is that true in your province?
MT: It has been the norm, but last month saw a paradigm shift. Minister of Defence and Military Veterans Nosiviwe Mapisa-Nqakula signed a memorandum of agreement with the provincial government that, from next year, we should supply the SANDF bases in Zeerust and Potchefstroom with our produce. We have also a political mandate from Premier Supra Mahumapelo that the school feeding programmes and the provincial hospitals should be buying food from the producers in this province. With the mines, we are involved with a programme where they are running a big garden so that the people living around the mines can produce crops and we can source from them. We have started in the Dr Kenneth Kaunda district and we hope to expand it to other regions.

BT: That is very interesting, and a big development. Are you also asking the mines and SANDF to use local services, like garages, sewing uniforms and so on?
MT: Earlier this year, the premier met with the mining houses in Rustenburg and said that, in the spirit of growing the economy, you should also be supporting local enterprises. We know you are in the process of shedding some jobs and these people who are laid off need to be empowered.For starters, you must give them skills that are relevant for them to sustain themselves but mainly you must purchase what they produce. We don't know where you are getting your boots and overalls from, but we have co-operatives that do that.

The mining companies have indicated support. In Dr Kenneth Kaunda, they have given their unused facilities so that co-operatives can use them. They are supporting them as well with housing, whatever they can do. I think that the premier's engagement with the sector is going to yield results to move forward.

BT: Are you going to sponsor and finance these co-operatives? Co-operatives sometimes work and sometimes don't.
MT: We have a provincial finance, enterprise and economic development (FEED) department working together with a state-owned entity called the North West Development Corporation (NWDC).When we identify co-operatives,

the NWDC becomes responsible to empower and mentor them, but also monitor them and their contribution.

BT: I am a little surprised that your department is not called "rural development" but "rural, environment and agricultural development". Why is that?

MT: Because our province is mainly rural, it is key that, as we develop agriculture, we should also be developing our rural communities. President Zuma indicated in the 9-point plan [to boost the economy] and the National Development Plan (NDP) that we must stimulate economies in the rural areas. This also relates to the agro-villages and the agri-parks that the national department is promoting. We tap into the national department and it is working very well.

BT: What is the prospect for agro-industry in North West?

MT: We have an explicit mandate from the NDP that agro-processing is the way to go. Like in mining, we cannot just produce and sell our yields and not add processing. This has started with abattoirs and we will be launching a meat processing plant in Mahikeng this month. In the agro-park in Springbokpan, we process mealies for maize meal, samp and other things. In Taung, within the agricultural college, we are busy building the structure for an agro-hub to connect smallholder vegetable and fruit growers with markets. It should be complete by the end of the year or early next year. We have started, as I am indicating with these examples, and we are hopeful that we will be able to succeed massively.

BT: Very interesting. What are the main crops?

MT: The mainstay crops are maize and sunflowers. We are number two in maize production and we are part of the Maize Triangle strategic growth initiative. Hand in hand with Free State and Mpumalanga,we have a crop massification programme to bring back into production land that is lying fallow. Last year, we brought back 14000 hectares of land.

We assist communities with inputs and mechanisation and fertilisers and tractors. We had the issue of people being given tractors and then they get broken, or people do not do what they are supposed to do. We are not continuing with that. We did roadshows and the farmers have agreed that the department will procure mechanisation. Project syndicates will go into an area and plough, and when they are done, the tractors will stay at a provincial parking yard. For this financial year, we have targeted 20 000 hectares to bring back into production in the massification project. We have done soil testing and are currently pouring lime.

BT: What is the proportion of commercial farming and traditional farming?

MT: I can't be sure of the numbers, but maybe less than one-quarter is commercial. Most are subsistence farmers in the traditional lands. This is why we asked GrainSA and Agri North West to assist us to mentor these people. They can no longer be "emerging" farmers; we need to work together to help them to reach the commercial level of production.

BT: Those are the commercial farmers' organisations?

MT: Yes. Both last year and this year, I was present at their congresses and we are working together with them as a department. We have agreed that they should provide mentors for our black farmers. And when they have issues, we talk. They are also participating in an Agricultural Master Plan that we put together with the university.

BT: It sounds like you have very good relations with them.

MT: We do. When they have programmes, they always inform the department and I am always here to listen.

BT: This sounds like it may be a lesson for the whole of South Africa – that cooperation is now possible.

MT: It is. This is what we are saying to our commercial farmers: yes, the black farmers have land, but it is not going to assist us if the commercial farmers don't transfer skills to them. For agriculture to drive the economy of the province, we have to use the "*saam trek saam werk*" philosophy that the premier is advocating and join hands. We can't do it alone as government, we need *everybody*! These commercial farmers are residents of the North West and they have embraced this philosophy. So it is not that I can choose whether or not to work with them. We *have* to work together, and this is what we are doing.

BT: They are coming on board willingly?

MT: When I came in as a new MEC, I went to their offices in Lichtenburg to meet them. I asked what they had to tell me and how we should move forward. I wanted their participation and advice because they have knowledge, and they have opened their arms. They say that they will assist even those people who get restitution, who get their land back.

BT: Does the province produce a surplus of any agricultural commodity?

MT: In the past two years, 29 of our farmers have participated in the UN's World Food Programme to supply Lesotho with white maize. Now, because of the drought I do not know what the situation will be, but that shows that we are doing something right. Here and there I know of other commercial farmers who are also in the export market, but we should be able to bring more farmers into that bracket.

The department also has a project to refurbish silos for grain storage. We have already done the one in Springbokpan and this financial year we are focusing on Vryhof. As we massify crops, producers >>

shouldn't be forced just to sell because now they have surpluses. They must also have storage facilities for food security in the province.

TRADITIONAL LEADERS, MODERN METHODS

BT: Some research says that the new approach in legislation concerning communal land ownership is problematic because it is under the control of traditional leaders and not to the benefit of communities. Do you have a view on this?

MT: Traditional leaders by nature are custodians of communities. If there is land, it is not owned by the traditional leader. Communities own the land, so people are owners. The land is a community asset, not that of the traditional leader as a person.

BT: If a community feels that a traditional leader is not acting in their interests as a custodian, do they have legal powers to go to court?

MT: They do. In restituted lands, they have what are called CPAs [community property associations] that represent the community. The Bakgatla-Ba-Khafela in the North West went to the Constitutional Court and won their case. The community has power. When there is development, the traditional leader calls the community and usually they have traditional councils. They take a resolution to agree that this is the way we move. If the leader owned it as a person, he could just do as he pleased.

BT: Have you looked into any sort of modernisation systems?

MT: Yes, we have to find new scientific ways of doing things to benefit our people. The impact of climate change is so huge that we cannot ignore it anymore. The NDP advocates irrigated agriculture and we are putting up a Centre of Excellence in Irrigation Technology at the Taung Agricultural College. The Danish company Haldor Topsøe has contributed US$1 million to that, and we have started to build a new soil- and water-testing laboratory within the agricultural college. We have sent a team to China and I just came back from South Korea. As a department, we have agreed that we have to find a new way, a modern way, of doing things so that we can sustain agriculture in this province.

BT: Irrigation takes quite a lot of financing.

MT: It does, but it is also the political will ¬¬– because if we don't take decisions and act now, we will never win. For the past few years, we have been investing in the Taung irrigation scheme. This year we are expanding it by 30 000 hectares, and we are targeting irrigation schemes for other dams and areas as well. We have the strength because the president has pronounced that agriculture is the way to go, and the premier has put agriculture as the apex driver of the economy now. Where we have this strategy and this political will, it has to be funded.

BT: What did you learn in South Korea?

MT: It was an eye opener, I must admit. The scientific way of agriculture in South Korea is at an advanced stage and we want to tap into that knowledge. They are good in hydroponics. They use little spaces for production. For example, in a small container, like the old public phone booths that aren't used anymore, they put in trays of barley and water them hourly with drip system. In seven days, it is able to feed over 50 goats or sheep. It says to us that, even in our small little back yard, if we practiced that, we should not have issues with grazing anymore. If we are struck by drought, this is the way to go. We were looking into accessible scientific methods for doing things here and we think we should be able to tap into something.

WOMEN IN AGRICULTURE

BT: Are there any special programmes for women and agriculture?

MT: All our programmes are biased towards women and youth, as directed by the premier. For women, we are also assisted by the national Female Entrepreneur Awards. When it was first launched, it was called "Female Farmer of the Year". Before women can be identified to compete at the provincial or national level, we have an obligation to build them. They get preference through our training programmes, including financial management skills and everything. We have the Kgora Farmer Training Centre, we finance their machinery, and we take them to the level where they are ready meet the criteria. Women are the ones who have been doing subsistence farming all of this time in their yard gardens. Now we find them space here and there.

BT: Some critics would say that this "here and there" is tokenism and that it is not substantial. How would you answer?

MT: The way we do it, we do not say to people, "Come, there is an opportunity". Not everybody is a farmer – we must be forthright about that. We go to people who have started something. Or after the roadshow, where we talk about what is happening in the department, the people who come to us and say they want to participate. We support them to expand in whatever they are doing. It is not only about ploughing. Here you have livestock, poultry, piggeries and a whole range of things.

But it is now fashionable in the North West, because it is the economic driver, and everybody wants to go into agriculture. We take the proposals and assess them because we don't want to throw government money away.

BT: Thank you. This has been extremely interesting.

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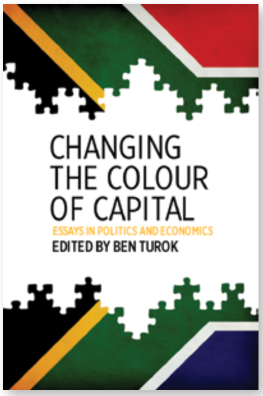

CHANGING THE COLOUR OF CAPITAL

ESSAYS IN POLITICS AND ECONOMICS

EDITED BY BEN TUROK

Publication date: September 2015
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'A wide-ranging collection of essays addressing many of the basic questions about policy-making and transformation in South Africa today.'

Changing the Colour of Capital is a wide-ranging collection of essays addressing many of the basic questions about policy-making and transformation in South Africa today. If you have an interest in law and politics, South Africa's political economy and the processes of policy-making in a parliamentary context, this is an essential read. The advancement of black South Africans in ownership and management in the private sector is growing steadily. This growth is aided by government scorecards that penalise corporations that fail to include black people in senior positions and management. Some claim that this process will lead to a more fair, less racially biased economy. But will this transform the structure of the economy to benefit the people as a whole? *Changing the Colour of Capital* unpacks the fundamental character of the South African economy and examines the relationship between the political system and the economy. The book is based on a series of lectures that were delivered during a course entitled "Political Economy of South Africa – Current Debates". This was a course designed for ANC members of Parliament, researchers and administrators. It includes an essay on the role of Parliament in processing legislation. The course was certified by the University of Cape Town.

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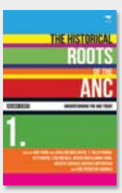
INSTITUTE FOR AFRICAN ALTERNATIVES (IFAA) 2014-15 BOOK CATALOGUE

Understanding the ANC Today **is a series of books developed for the ANC Parliamentary Political Education Committee to provide short informative introductions to ANC history, politics and policy. Written by leading thinkers within the ANC, they provide both ANC supporters and the wider public with assessments of ANC thinking in order to stimulate wider debate on leading issues of the day.**



Volume 1 looks at the principles and processes that led to the founding of the ANC in 1912, and how these have influenced ANC policy and practice in the following hundred years. Contributors include Kgalema Motlanthe, Nkosazana Dlamini-Zuma, Pallo Jordan, Adekeye Adebayo, Febe Potgieter-Gqubule. Edited by Ben Turok. (Jacana, 2010)
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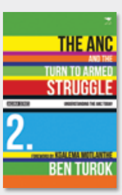

Volume 2 was originally published in the late 1960s at a time when the ANC was forced by events to confront major issues concerning armed resistance to apartheid. Many of these debates remain unresolved and relevant. By Ben Turok. Foreword by Deputy President Kgalema Motlanthe. (Jacana, 2010)
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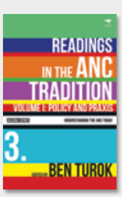

Volume 3, a companion volume to *The Historical Roots of the ANC*, provides a selection of documents that have shaped the ANC's political and policy thinking during the course of its history. Edited by Ben Turok. (Jacana, 2011)
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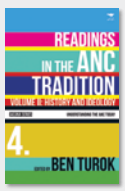

Volume 4 is a second companion to *The Historical Roots of the ANC*, with documents and texts that have influenced the thinking of liberation movements around the world, including the ANC. It includes historic statements by leading figures of the ANC and international torchbearers like Kwame Nkrumah, Frantz Fanon and Julius Nyerere. Edited by Ben Turok. (Jacana, 2011)
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Volume 5 reflects the increasing understanding that political power has not been accompanied by structural change in the economy. New lines of thinking are required, which this book sets out to provide. In a clear and user-friendly way, it sets out the challenges of development, analyses the current political economy of South Africa, and considers the constraints of the global environment. By Ben Turok, with essays by Ha-Joon Chang and João Carlos Ferraz. (Jacana, 2011)
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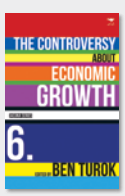

Volume 6 asks what needs to be done to meet the challenges of deep poverty, high unemployment, and growing inequality that still mark the nation after 20 years of democracy. Despite South Africa's wealth of natural resources, South Africans do not proportionally share in their benefits – often due to difficulties in the realm of public decision-making. Contributors include Neva Makgetla, Simon Roberts, Nimrod Zalk, Ben Cousins and others. Edited by Ben Turok. (Jacana, 2011)
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DIRE STRAITS

By Ben Turok

> Is the poor performance of the economy linked to poor governance?

Prof Ben Turok

Pravin Gordhan, the minister of cooperative government and traditional affairs (COGTA) and a man known for his competence and integrity, speaks in this issue about the work being done to tackle municipalities that are badly served by officials. He is clearly disturbed about corruption, wrongdoing and inefficiencies in public service, especially at local government level.

Our economy is in dire straits. Growth per capita as a percentage of GDP is zero. The Treasury is struggling to meet stringent financial targets while performance in our mining, manufacturing and agriculture sectors is well below its potential. Unfortunately, the unions are in recess as far as political issues are concerned, civil society organisations are fragmented and largely ineffective, and business has no coordinated voice.

We understand that corruption is associated with political patronage, cronyism, and the wide discretion that officials are given in supply chain management. Malpractice is ignored and tainted officials not dealt with, even as whistleblowers are left unprotected and dismissed from their jobs. The press regularly draws our attention to scandals in the state-owned enterprises, in government departments and even in parliament.

Is the poor performance of the economy linked to poor governance? Although this is hard to measure, it would be surprising if the current electricity supply crisis were not a function of inappropriate appointments and changes of top management at Eskom.

We cannot allow our splendid history of struggle to end in a whimper of self-pity. *New Agenda* will continue to raise critical issues and press for an escape from the current stagnation. NA

BACK TO BASICS: TAKING LOCAL GOVERNMENT IN HAND

An interview with ***Pravin Gordhan***

Gordhan is the minister of cooperative governance and traditional affairs (COGTA)

The national department is busy on several fronts to address complex issues in local government performance.

HOW BAD IS IT?

Ben Turok: Local government gets very bad press these days about billing problems, service protests and corruption. How bad is the situation really?

Pravin Gordhan: When we came into this administration in May last year, one of the first things we did was an analysis of all 278 municipalities. It showed, broadly speaking, that about a third of the municipalities do well. About a third have risks – it may be a billing system, some governance defaults or an audit opinion problem – such that, if these were attended to, they could graduate to doing well. And a third of the municipalities – some big, some small – do poorly.

BT: What criteria did you use to evaluate their performance?

PG: First, we looked at political stability. You could have instances where a mayor and a speaker or a chief whip and speaker do not get along. These relationships can be quite crucial to maintaining good governance.

The second key is good governance. Are they meeting as a council? Do they make decisions in line with the law? Do substructures like the municipal public accounts committee exist? In some instances, the ruling clique within that municipality will say, "we do not want to be accountable" and scrap the committee. In other instances, things work well.

Pravin Gordhan, Minister of Cooperative Governance and Traditional Affairs

The third area was the question of financial management, some of which falls into the Treasury's terrain. What kind of audit opinions do they get, why do they get disclaimers, do they keep basic records, does the municipality have the ability to produce their own financials, do they comply with all the supply chain rules? That's a big area in terms of integrity and in terms of the law, and it's the biggest area of corruption apart from human resources.

The fourth element is service delivery. Are you doing the basic things you are required to do? Are your streets clean? Do robots work? Are potholes filled quickly? Do residents have a regular supply of water of the right quality and, if there is a breakdown, do you attend to it quickly? Those are the issues that citizens complain about, and we put the issue of "responsiveness to the community" into the department's Back to Basics campaign. Do you have a petition committee structure? Do your work committees work and do you have feedback meetings? Do you consult properly on your budget and your IDP [Integrated Development Plan]? Community involvement and participation is very mixed across the country. Some parts work well. Many don't.

Then there is the area of institutional integrity. Are you hiring the right people? Do you have the right competencies in the right jobs?

The approximation we had in September last year is still pretty valid. In some places, there is just pilfering of public monies and mismanagement of tender processes. In other places, it works reasonably well, with the right kind of integrity.

We have collected over a hundred forensic internal order reports from various municipalities. We have evaluated those, and we get information on whether those reports were formally tabled in council meetings, and whether councils acted upon them, if the recommendations against specific individuals were followed. In some places, internal auditors play very useful role, but again: is action taken? We regularly receive reports from trade unions, business people or individuals. »

Our approach is that the MEC [member of the executive council] in the province must investigate or launch some kind of forensic process.

BT: You ask for that?

PG: Yes, there is a provision in the Municipal Finance and Management Act which requires MECs to do that. The constitutional and legislative structure leans a lot towards provinces; they don't give the national level many independent powers to intervene. Under the Back to Basics campaign, we are now using this analysis to create joint committees with provinces, to look at the weakest of the municipalities, the worst of the issues we are confronted with, and supply assistance. They may require a support package to be put in place, like a finance person or an engineer to work there for six months to help them get it right.

The right political leadership plays a big part. If you have well-meaning leaders and the right balance between the political structure and the municipal structure, and the right understanding of the prerogatives of each, then it works very well – and the precise opposite if we get it wrong. Within the ANC itself, there have been lots of discussions about how to get the balance right. You don't want day-to-day political interference in the way municipalities function, but you do want the modernisation and professionalisation which will enable them to do the right things.

> **"In some places, there is just pilfering of public monies and mismanagement of tender processes.**

To sum it up, the picture is not as bad as what the media generally portray. There was also an analysis about a year ago of the so-called "service delivery protests". In many instances, they are actually about internal competition within political structures, or if there is an election coming up, you will see a heightened level of mobilisation, given the high levels of unemployment particularly among young people. In other instances, there are very genuine grievances that municipalities could have dealt with if they had the right approach to their citizens. When they don't, they turn people up the wrong way.

BT: If it's political, what can you do about it?

PG: One of the first places we went was Mogalakwena municipality in Limpopo, previously known as Potgietersrus. It took us a few months, but eventually we brought political stability. It took the province a few more months to change the mayor and six months to stabilise the place. Today it is stable. You allow all sorts of political opportunism if you don't get it right. The ANC gave the lead in Nelson Mandela Bay, where mayors and mayoral committees have been changed. The new team is now trying to get the right stuff in the right place, to act upon various forensic reports, and do more forensic reports where necessary.

Over a period of time, the national department became largely a policy- and rules-making regulatory kind of department. It now needs to add a hands-on approach and we are trying to strengthen the ability to monitor municipalities on a day-to-day basis. Part of our mission is to strengthen provincial COGTA departments so that they also have the right kind of capabilities, and some premiers have asked for our help to diagnose their strengths and weaknesses. We are moving in the right direction, although the task is still a massive one.

RENEWED COMMITMENT

BT: The 1998 White Paper that set out the design of local government had all sorts of ambitions about developmental local government and active citizen participation. Was it all too ambitious?

PG: It was *idealistic*. But I think that is what constitutions and white papers are about: to set an aspiration.

What we've learned since then, firstly, is that aspirations are not met overnight. Secondly, aspirations are buffered by all kinds of developments and forces, so you need people and processes and a culture at all levels in order to sustain a progressive direction. Thirdly, the lure of power – of money and patronage and the corrupting influence of greed and materialism – is a big factor in diverting even so-called "good people" once they get into office.

The aspirations are correct. They act as a beacon to where we need to go and they are implicit and explicit in what municipalities have done – in a very short period, by the way. We've only had 15 years of democratic local government as of the fifth of December this year. Remember that every claim we make about progress in South Africa happens within the municipality. When you say more people have access to water, sanitation, waste removal, electrification: all of that has happened on the ground, and much of the credit, although not all of it, can go to the fact that we do have structures that are working in the right way.

We now need to renew that commitment of developmental local government. Renew the commitment to get to people more directly involved, change the culture of sitting back and expecting the government to deliver everything. There are some interesting community initiatives by NGOs, community-based organisations, burial societies and stokvels, all of which cohere communities by common interest. We don't often take account of that formally when we look at local government. I think you have to go back every few years to remind yourself of those aspirations and keep reinforcing them in order to sustain that culture.

BT: As the minister, you advocate bottom-up participatory development?

PG: Yes, and that is what the law requires – but it takes the local political agents and bureaucrats to make it work. There are about 300 000 people employed in municipalities. Can we say that we've invested enough into turning them into agents of development, into progressive forces who do not look at their own pockets but keep looking at what the community needs, and react appropriately when those needs are identified? It does happen, but there is a lot of work to do in that area.

> **In many instances, so-called "service delivery protests" are actually about internal competition within political structures.**

URBAN BREW

BT: Do the metropoles work? Was too much expected of them when they were set up?

PG: Metropoles are, in a sense, self-catering entities. By definition, there is a high concentration of economic activity, a high density of population, and interconnections in both the social and the economic dynamics. Cities like Johannesburg or Durban or Cape Town presented themselves as metropoles, and recognising them as such in the Constitution and the law was recognising that reality.

But the rate of urbanisation is something we did not fully anticipate. That is the first thing. The second factor is metropoles as magnets, as sources of attraction in terms of economic opportunity compared to what is available elsewhere in the country. Thirdly, the capacity of metros to plan ahead as opposed to planning reactively needs to be evaluated a lot more carefully. Fourthly, the work done – not just in metros but in other cities as well – in delivering housing and identifying where to locate it to promote spatial integration also needs a careful review.

I think the ambitions are correct. To some extent they have been met and to some extent we probably need to rejig what is happening currently.

BT: The apartheid city seems to replicate itself, even in the metros.

PG: We need to understand the dynamics of spatial integration a lot better. The Integrated Urban Development Framework (IUDF) will now create a policy framework to ensure that there is integration, better access, and growth and development opportunities operating within the cities. We have a forum of metro mayors and municipal managers where we have these sorts of dialogues at a national level. Cape Town hasn't been coming. But we will intensify that alignment to ensure the IUDF becomes more pervasive in terms of what people do on the ground.

There are various pieces of planning legislation in South Africa, like the SPLUMA [Spatial Planning and Land Use Management Act], that we need to integrate and begin to give some real substance to. It's a question of getting the right capabilities, both in our own department and elsewhere, to monitor those developments and see what actually happens. The other area is budgets and their effects. Technically, this falls within the Treasury's domain, but all of us should be looking more carefully, because they define the priorities that municipalities set for themselves and for the processes of development.

BT: In the municipal funding model, they raise their own rates. In what proportion are they funded nationally? Is the model working?

PG: After paying interest on debt, 9 percent of the national fiscus goes to the municipal sphere. That's about R90 billion as an equitable share. Much of that is meant for sustaining indigent families, but in addition they get conditional grants for housing, municipal infrastructure, municipal support and so on. The Treasury and »

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We are replete with plans! We are not replete with the capability to understand the environment and make something of it.

COGTA are currently working on how these grants can be rationalised and packaged better, but there is also recognition of a genuine lack of a revenue base in some instances, which will have to be attended to.

There are challenges in terms of development on communally owned land that is controlled or managed by traditional leaders and which is not rateable at this point in time. Another is municipalities' reliance on a surcharge added to electricity and water tariffs, which is part of the legacy we inherited. There is a growing dynamic that we should review this total picture and try to evolve to the next generation of a municipal finance system, recognising the kind of imperatives that municipalities actually face.

In any event, municipalities need a revenue-collection capability. That's essential. The question is whether, when you have municipalities that are less able to attract the necessary kind of expertise, we can create a shared service model at a district level. A small municipality might not be able to get a high-calibre accountant, but maybe a district could. Those are all ideas that we're thinking through right now in order to overcome some of the weaknesses in the system.

We need to create a culture among municipal leaders, both political and administrative, that understands economic potential, understands how they can attract investment into the area and what infrastructure and other support they can give to newly established businesses. It could be co-operatives, NGO-run businesses, formal commercial enterprises, informal traders or big firms coming to establish a factory that will create 300 jobs. If you look after them in terms of water, electricity and so on, they'll do well. You create your own rates base by constantly looking for opportunities to grow the economic base.

We often speak about economic development in macro terms, but we have to think about what happens on the ground in micro terms as well. For example, how do bylaws either facilitate or limit business creation and operation? A recent World Bank study showed how different municipalities approve plans at different paces. There are some municipalities – and big ones, too – where planning departments seems to have a problem in terms of "brown envelopes". Plans won't be passed until a brown envelope is actually left on the table. Now, while you are engaging in that self-satisfying level of enterprise, it is costly in terms of investment in that municipality, with implications for jobs, for business creation and for the rates base. You've got to take this more holistic view, and some municipalities are doing it well.

BT: It sounds like a new Reconstruction and Development Programme (RDP) at the city level.

PG: As far as I'm concerned, we've got all the plans and thinking in the world. What you need now is the capability to make it a reality, and also the ability to be strategically and tactically agile. If your conditions demand x, then do it in the x way, and if your conditions demand *y*, then do it in *y* way. One of the lessons, clearly, is that there is no one-size-fits-all formula. There are no two metros in South Africa that are the same. Go to Buffalo City: it has rural villages within the metro area. What you want now are political leaders who understand these differences and understand the potential, who don't just become formal politicians but become development politicians who understand that potential and can build the kind of social contracts that are required to get great cities going.

BT: We had that ideology very strongly in 1994, in the RDP days.

PG: It can be revisited. The policies are there. Whether it's "Ready to Govern", the RDP, the White Paper on Local Government, the National Development Plan or any other plan you want. We are replete with plans! What we are not replete with is the capability, in all parts of South Africa, to understand the environment and make something of it.

BT: What is the state of our three-tier (local, provincial and national) system of government now? I think you have spoken of an imbalance between them.

PG: The constitutional framework allows for exclusive powers for national, exclusive powers for provinces and exclusive powers for municipalities as well. That framework is there. In the early period after 1994, we thought national government's job was to produce policy and provinces would implement. We're learning now that national departments also have the responsibility to create what Section 44 of the Constitution calls "national norms and standards", whether it's in education, healthcare, spatial integration, water delivery or whatever the case might be. That's beginning to evolve.

Secondly, we are "a unitary state with federal characteristics". Sometimes the federal part gets overemphasised...

BT: Is that because of power plays?

PG: It's in the nature of institutional development. An institution develops its own dynamics that you can't anticipate when you formulate it. As you know, much of what we have is an outcome of a negotiated process as well, although there are enough checks and balances in the Constitution.

So, there is room for creating greater coherence in the state as a whole. Secondly, there's room to improve the management of the implementation of national policies so that it is done in a common way across the country. Thirdly, there's need to strengthen delivery and implementation systems and culture to ensure that policy decisions are actually carried out on the ground. Fourthly, we now have a department of performance monitoring and evaluation in the Presidency that is beginning to strengthen its capabilities and will give us interesting feedback on what's working and what's not working. Ultimately, you require the political decisiveness to make tough calls on what works and how to strengthen it, and what doesn't work and how to change it.

Municipalities themselves, while recognising the kind of the distinctive role they are given in the Constitution, still have another ten or fifteen years, or more, of development to undergo. On the one hand, we need to give municipal leaders enough space to exercise their creativity, give vent to their vision, and do things in an experimental way so we can compare what works in one place and another. On the other hand, the Constitution talks a lot about supporting municipalities, but support has to come with careful monitoring. This hands-off approach must change, I believe. Not to interfere in the day-to-day work of the municipality, but if a municipality is going off the mark we must intervene, whether it's administratively, politically or technically.

> **Are you giving people enough information to hold you accountable?**

As we move towards the municipal elections next year, more careful consideration needs to be given to how key leadership positions in municipalities are filled: the calibre of people, their experience, their local popularity, and their leadership qualities as well, their ability to play that kind of developmental leadership role within the local context. If we get that done even in half of the main municipalities in South Africa, we would have taken a big step forward.

The Back to Basics campaign is attracting a lot of currency within government, and after nine months of experience, we need to move into the next phase. We will continue to strengthen municipal performance but also educate South Africans about what to expect from municipalities and how to monitor their local representatives and hold them accountable.

BT: Was it idealistic to think that the ward committees would support broad citizen participation?

PG: It clearly works in some places where you have good management of the ward committee. In other cases, it's become a formality or it has collapsed or been abused. But ebbs and flows are in the nature of democracy. That's why we still require direct participation in public meetings and public fora at a district level to get people engaged. The ward committee still has a role, but the general population usually doesn't have an intense day-to-day engagement.

Today, social media is an important communication tool that we need to utilise better. You've got to create that interest and use municipal and other resources to keep people informed and give them information so that they can hold you accountable. That's the key thing about democracy. Are you giving people enough information to hold you accountable? Sometimes the information is there. We have a very transparent budget process. But who uses that information and how is it actually used? Those are some of the challenges on our side.

I'm optimistic that we'll do our bit in the next few years to place municipalities on a slightly different footing, but at the same time we must acknowledge that there are tough battles to be fought, in terms of the integrity of people, in terms of the ethics of both administrators and politicians, in terms of public cynicism or doubts about whether we are working in the public interest or for ourselves. It's up to us to change the public's perception and experience of us by the way we act. If we follow what we're saying in the Back to Basics campaign, if we work at it, we can win public confidence again. NA

THE MAGIC POTION

FOR PUBLIC ADMINISTRATION, EDUCATION AND LEARNING IN THE BUBBLING CAULDRON OF THE SOUTH AFRICAN DEVELOPMENTAL STATE

The National School of Government was established on 21 October 2013, in responding to the imperatives of building a capable and developmental state, articulated in the National Development Plan. With a public service population of 1,3 million developing and implementing public policy affecting a South African population of nearly 55 million, coupled with a training budget in excess of R2 billion annually, can the National School of Government influence the knowledge, skills and behaviour of this public service corps towards living up to the legitimate expectations of a nation?

Prof. Richard Levin, *newly appointed Principal for the National School of Government provides an institutional perspective, including some of the challenges, and how the School is positioning itself in response to the building of a capable and developmental state.*

> By 2063, Africa will be a continent where the institutions are at the service of its people. Citizens will actively participate in the social, economic and political development and management. Competent, professional, rules and merit-based public institutions will serve the continent and deliver effective and efficient services. Institutions at all levels of government will be developmental, democratic and accountable. *(Agenda 2063, African Union)*

Ghana's Kwame Nkrumah (1909-1972) delivered, arguably one of the most defining speeches by an African leader, at the founding of the Organisation of African Unity (OAU) in 1963 when he addressed other African heads of state in appealing for African unity. He implored for concerted effort, urging that "we must unite now or perish".

Fifty-two years after the seminal speech, the African continent, despite impressive economic growth rates experienced in some countries in recent years, still faces the challenges of underdevelopment, poverty and social inequality.

The African aspirations are eloquently captured in Agenda 2063 – The Africa We Want, developed by the African Union. Aspiration 3 of Agenda 2063 envisions an Africa of good governance, democracy, and respect for human rights, justice and the rule of law, wherein by 2063 Africa will have capable institutions and transformative leadership in place at all levels. A competent public service imbued in developmental public administration is key towards driving Africa's growth, development and prosperity.

South Africa, too, needs to build a prosperous and united country. In our democracy, public administration is development-oriented and the Constitution of the Republic of South Africa (1996) guarantees all citizen rights to services, such as access to adequate housing, access to health care services, sufficient food and water, and social security. The National Development Plan (NDP) envisions the building of a capable developmental state with capable institutions and the capacity to provide relevant and responsive interventions for the benefit of South African citizens. The future requires a state that is capable of playing a developmental and transformative role, with skilled public servants who are committed to the public good and capable of delivering consistently high-quality services to all South Africans. The NDP identifies critical interventions to build a professional public service and consequently a capable state. The anticipation of well-run departments staffed by skilled public servants, who are capable, motivated and ethical has significant implications for public administration education and learning programmes, and the impact they are intended to have on the functioning of the state.

In October 2013, President Jacob Zuma signed a proclamation for the replacement of the Public Administration Leadership and Management Academy (PALAMA) by the National School of Government. The evolution of this institution over the past 21 democratic years has been influenced by policy directives and political will.

Drawing from experiences of the pre-democratic Public Service Training Institute (PSTI) which monopolised in-service management training, the White Paper on Public Service Training and

Education deemed it expedient that the succeeding training institution (South African Management Development Institute – SAMDI) challenge this monopoly by encouraging competition with other training providers. The rationale, according to the White Paper, was that if SAMDI competes with other providers, this will serve to promote the improvement and quality of its courses but to ensure self-sufficiency in the longer term, SAMDI would inevitably have to charge departments for services rendered. This would lead to a gradual decrease of SAMDI'S budget allocation until it has sufficient capacity to be completely self-supporting.

The transformation of the public service, post-1994, was strongly influenced by elements of New Public Management with some unintended consequences, including a focus on customers rather than citizens. Notable within the transformation of the public service was the shift from a career-based to an open recruitment-based public service, with the obvious intentions of redressing the equity imbalances of the past and broadening the span of public service delivery. This resulted in different entry points into the Public Service. Individuals are appointed and join the public service with their own attitudes, ideas, thoughts and practices and specific views based on their personal and social histories and experiences. Newly appointed public servants require a mind-shift to focus on the public good and common developmental goals.

The 1998 *White Paper on Public Service Training and Education* sought to address crucial aspects of public service training and education, such as the fragmented and uncoordinated approach to training and education across the public service; lack of a strategic, needs-based, outcomes-based and competency-based approach to training and education, directly related to the developmental and workplace needs of the public service; and the inappropriate nature of training and education that is provided by many in-service and external providers.

The *White Paper* considered four policy options (centralised vs. decentralised provision, decentralised non-state provision; centralised norms and standards with decentralised state and non-state provision). The policy option of centralised setting of norms and standards, together with decentralised provision by state and non-state providers in a competitive framework was selected, as the White Paper notes, "because it combines maximum creativity and flexibility at the delivery end, but without undermining the need to build a unified public service with a common culture and value system." We must question whether this policy option was the correct one for the South African developmental state. Like the opening of Pandora's Box, there seems to be little or no control of the training providers that have mushroomed and occupy the public administration education and learning space.

> "The process of building a new public sector cadre forms part of the major tasks for creating a developmental state. There are those placed in positions of responsibility who do nothing, either through incapacity or unwillingness, to address the concerns of the people they are meant to serve. Where people are found to be incapable of performing the tasks assigned to them, we must work with speed to either capacitate such people or replace them with more capable people. To be a public sector cadre means service to the people and a caring attitude in dealing with citizens" *Statement of the ANC NEC, 8th January 2010*

A 2007 report by the Presidency (requested by then President Mbeki on the factors constraining performance in the public service) found that "the decentralisation of human resource management has had some adverse unintended consequences" in functions such as job evaluation and organisational structures and the lesson learnt was that "public service policy makers must focus on making the hybrid system of centralisation and decentralisation work, which may include regulating or recentralising where this is required".

The establishment of the National School of Government in 2013 has been in the making since 2009 with political overtures of a different approach towards training public servants. At the January 2011 ANC Lekgotla, Cabinet was instructed to transform PALAMA "to be a government school that will be used to give meaningful training and empowerment to senior civil servants".

This was again discussed at the ANC's NEC Lekgotla of July 2011, wherein it was resolved, inter alia, that a formal campus be established or partnerships with other public sector institutions be explored; there is access to the 1% skills development fund; and for the institution to develop the necessary norms and standards for public service training irrespective from where it is delivered.

The National School of Government provides generic compulsory and demand-driven training focused on improving education and learning in the leadership, management and administration (including front-line services) levels in the public service. In addition, the School provides compulsory induction to all newly appointed public servants, and orientation for unemployed youth graduates aspiring for internship, learnership and employment opportunities in the public service.

Consistent with its curriculum philosophy and approach, the National School of Government adopts a strategy » that is designed to ensure that the whole system of education and learning is geared to improving public service performance, promoting development and increasing impact. Through a combination of interventions, services and processes, the NSG gives attention to the pre-service, induction and in-service professional development needs of public servants.

The National School of Government carries out these education and learning activities in the public service and other organs of State based on requests from institutions, and public service employees for training aligned to departmental workplace skills plans and individual personal development plans. It also undertakes research on public service education and learning, and carries out training needs analyses in order to determine the education and learning needs of the institution. The National School also designs, develops and quality assures curriculum for programmes and courses, which are aligned to government priorities and public service policy frameworks. It also works in close co-operation with accrediting bodies such as the Public Service Sector Education and Training Authority (PSETA) and the Quality Council for Trades and Occupations (QCTO) to enable the accreditation of certain programmes/ courses aligned to the National Qualifications Framework (NQF). Currently, the School has a total of 141 programmes/ courses, 98 of which are accredited with the relevant quality assurance bodies.

The provision of education and learning activities is carried out through a blended approach of face-to-face classroom learning and the use of mediated technology (e-Learning), and facilitated by existing public servants, independent individual contractors and partnerships with higher education institutions.

The ANC raised its concern (*ANC NEC Lekgotla, July 2011*) that "academic institutions are not supplying sufficient skills to the public sector". In August 2011, the Council for Higher Education (CHE) released a *Good Practice Guide for Work-Integrated Learning*, which notes that "there is considerable interest, both in South Africa and internationally, in curricular and pedagogical reform that will both support students from diverse backgrounds and prepare them for the challenges of the global economy and responsible citizenship". The Guide responds to the concerns about student development and graduate attributes and "interest in fostering university learning that is less didactic and more situated, participative, and 'real world' oriented." The National School of Government will also intensify and co-ordinate its engagements with the higher education institutions to ensure the requisite levels of preparedness by students for public service duty.

Local government, by default of current contesting legislation, remains a largely unchartered territory for the National School of Government although pockets of education and learning are undertaken on demand. The School remains committed towards supporting the "Back to Basics" initiative by Co-operative Governance Minister Pravin Gordhan, and towards building the skills base in local government. When the NEC of the ANC met in July 2013, it agreed that a separate school for local government must be built and that this school must be integrated with PALAMA (now the National School of Government) at a later stage.

The National School of Government, by the nature of its delivery model and New Public Management influences, has placed significant emphasis on the outsourcing of training facilitation to independent consultants and higher education institutions. A strategy is being developed to transform the model and to make use of existing and retired public servants and leaders to serve as training facilitators. Without a doubt, the public service has a wealth of knowledge, experience and expertise in our public servants, which must be utilised for the benefit of future generations of public servant and leaders.

The NSG seeks to contribute to the capacity development of public servants who display the knowledge, skills and values necessary to diligently and with commitment serve the citizens of South Africa. It further seeks to enable the development of required competences for improved performance in the work place. To support these goals, the School will be convening a series of high level leadership discussions focusing on the key priorities of government and the leadership obligations of all managers in realising national developmental goals.

Can the National School of Government provide the magic potion for public administration education and learning in the bubbling cauldron of the South African developmental state?

We believe so. We are constitutionally bound to build a public service that will promote a high standard of professional ethics, be development oriented, be accountable, and maximize human potential. We believe in building the human capabilities of the State by establishing and maintaining uniform and high entrance requirements and standards and emphasizing professionalism, discipline and commitment to serve. In espousing the long-term vision and plan for a better life for all South Africans, the National School of Government is committed to implementing education and learning programmes to develop a world-class public service corps.

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THE CLOCK IS TICKING: REGIONAL INDUSTRIALISATION AND INTEGRATION

By **Rob Davies**

The author is South Africa's minister of trade and industry. This is an edited version of his keynote address to the 2015 Trade and Industrial Policy Strategies (TIPS) forum[1]

How do we, as a continent and as a country, promote regional industrialisation through developing regional value chains? What are the focuses? And where are the institutional processes that will give effect to this vision?

Dr Rob Davies, Minister of Trade and Industry

INDUSTRIALISATION IMPERATIVE

Asked how they see the future of the continent, any number of African leaders will say that, having been identified as "the next growth frontier", Africa has to industrialise and move up the value chain. There are very good reasons for this. Among others, it is that the drivers of growth in the previous period are no longer present. The oil-producing countries are now the last to join the rest of us in seeing the end of bonanza rents from the mineral commodities "supercycle". This is not just a cyclical matter; it is also structural. The biggest demander of many of those mineral commodities – the People's Republic of China – is changing its growth strategy. China is emphasising consumption in its own economy and moving into a more diversified services economy. This is a much less resource-intensive growth path, and, by the looks of it, no other consumer is going to jump in and fill that [demand] gap.

In South Africa, if we look back to 1994, we had 5 percent growth in only 16 of 84 quarters. What drove growth during those periods? Consumption and mineral commodities. With the balance of trade as it is, we can no longer expect to live on a consumption-driven growth path, and nor, as I've said, can we rely on the commodities supercycle. We obviously need to promote higher levels of *inclusive* economic growth. I want to emphasise inclusivity, but we need high levels of growth. We have to move up the value chain.

This corresponds with all sorts of other research. A KPMG study called "Africa Risen", presented last year, said that Africa receives US$6 billion from coffee that it produces and exports. But that same coffee is converted outside of the continent – roasted, blended, packaged – into products that fetch $100 billion. In other words, the production and export of raw coffee beans captures only $6 billion of the $100 billion value chain. Another example was that that Italy earns more from the production and export of gold jewellery than South Africa does from the production and export of gold. The worst place to be integrated into global value chains is as a producer and exporter of primary products and as an importer of finished goods.

Volkswagen South Africa plant, Uitenhage, Eastern Cape. *Photo: Volkswagen South Africa MediaClubSouthAfrica.com*

Even if we were to say that many jobs could be created in service sectors, evidence shows that those sectors will be more secure and of a higher quality if they are part of an economy whose productive base is diversified and moving up the value chain, rather than if they are simply footloose – as, for example, Cyprus's banks were.

After much debate, there is now a consensus that the next phase of African growth has to be driven by industrial development, diversification, moving up the value chain and inserting the continent into a different place in the global division of labour.

Look at the situation in South Africa and the industrial development drivers identified in our Industrial Policy Action Plan (IPAP). First of all, we have a consistent trade surplus in Africa and our exports to African countries have a higher proportion of value-added products than our exports elsewhere.

In ongoing processes in the region, such as infrastructure-driven industrialisation, we're looking to use our own domestic infrastructure programme and some of its localisation measures to drive reindustrialisation, particularly focussing on capital goods and transport equipment. But those firms must also become part of a continental process, where infrastructure development programmes will also provide opportunities.

> **"Italy earns more from the production and export of gold jewellery than South Africa does from the production and export of gold.**

Mineral beneficiation as a driver of industrialisation is a hard nut to crack, but clearly we will be able to effect the necessary policy changes more easily if we act together as a region and a continent than if we just act as individual countries.

How can we develop regional value chains that support industrialisation, not just in South Africa, but also in the region and continent? A new African growth spurt will benefit industrial development here in South Africa as well. This is the perspective on regional industrialisation that we support, and we see increasing support in large numbers of other African countries.

BROADEN FREE TRADE AREAS

A few years ago, the debate was about deepening integration within existing regional communities and setting timeframes for the Southern African Development Community (SADC) to move beyond the current free trade area (FTA) and become a customs union and then a monetary union. The focus of attention was to move further up "Jacob Viner's ladder" of regional integration.[2]

We were, as South Africa, extremely wary of those debates and started to ask very fundamental questions. What does moving from an FTA to a customs union bring in terms of promoting intra-regional trade? The answer from the researchers was: nothing.

People were telling us that we could lock in low tariffs and we would then benefit because we would somehow-or-other be integrated into global value chains. That approach to integration was extremely simplistic and didn't take account of a number of very important dynamics in the global economy. South Africa has, for example, successfully managed to integrate one of our sectors into the global value chain –the automotive sector. That required a significant, costly effort by government. It didn't come simply on the basis of trade liberalisation.

We've seen other examples. An international company that produced fire alarms in Cape Town was bought by another international company that came in and said, "Now you're part of our global value chain and we're taking all the manufacturing business elsewhere. You're going to be a depot for our products." Fortunately in that case, the managers worked with our team and we managed to establish a local South African company that is producing better products than they used to produce before. But it shows that integration into global value chains simply on the basis of trade policy does not necessarily mean that you get industrial development. In fact, you can get precisely the opposite: deindustrialisation. We can't see the benefit of this.

In the old Regional Indicative Strategic Development Plan (RISDP), we were supposed to have had a customs union in SADC by 2010 and a monetary union by 2016. Now, think a bit about Greece, which is in a monetary union with a currency that is set by a stronger economy. Apart from all the debt issues, Greece is facing massive deindustrialisation. Is that a model that we want to bring in? And isn't the whole approach shaped by a view that Europe or elsewhere has something like this and that we would be more integrated if we prioritised highly ambitious institutional arrangements over developments on the ground? I think that's the real issue.

If you go back to the work of Jacob Viner, he argued that regional integration made sense where you had high levels of complementarity, where one country produced what the other country needed and vice versa. That was the case in Europe. In Africa, many of the barriers to intra-regional trade are not because of high customs duties, but because of the nature of our productive sectors. We are producers and exporters of copper and iron ore, and we don't have much to trade with each other. That's our place in the global division of labour.

The issues have much more to do with promoting real-economy diversification and addressing other serious barriers to intra-regional trade, such as inadequate infrastructure that connects the mine to the port but doesn't connect us one to another. Even things like soft infrastructure – border arrangements and other regulations – are often more important than tariffs.

We have come to the conclusion – and this is the consensus driving the current programmes – that what we need is not to deepen regional integration within existing regional communities, but to *broaden* regional integration at FTA level *across* our existing regional communities, but within a framework which is developmental. In other words, we need a development integration approach.

There are a number of very practical reasons for this. And again, they've got to do with the state of the world economy. There was once an idea that we could all flood the European Union (EU) and the US with manufactured goods and that would drive industrial development. Even if that possibility existed in some earlier phase, which is debatable, it certainly doesn't exist now. The United States and the EU countries are themselves trying to reindustrialise. They are much less receptive to large influxes of goods from other parts of the world.

"If we look at the African continent as a whole, we're talking $2 trillion and a population of about 1.5 billion people. We start to hit the numbers that can provide the basis to support regional development and economic diversification.

Look at China and India. How are they seeking to drive the next phase of their industrialisation and economic diversification? They are emphasising their domestic market, and those emerging economies all have a large domestic market. So here comes the challenge for Africa: colonialism divided us into 54 different countries. None of us – certainly not South Africa, not even Nigeria – has a domestic market sizable enough to support industrial development and diversification. But if we look beyond our countries, beyond our regions? SADC, COMESA [the Common Market for Eastern and Southern Africa] and the East African Community [EAC] together have about 500–600 million people and a combined GDP of over $1 trillion. If we look at the African continent as a whole, we're talking $2 trillion and a population of about 1.5 billion people. We start to hit the numbers that can provide the basis to support regional development and economic diversification. I think that this definition of the project is the right way to go: broadening integration with a developmental paradigm.

STATE OF PLAY

This doesn't mean that there is no trade integration component. We have to have an FTA in place – not least because all of us are also negotiating with the EU. Without an FTA, we'll be trading with each other on worse terms than the EU, which can't be the basis of developing regional value chains.

For pragmatic reasons, we're not going to reopen the trade protocols that exist within each regional economic community. Instead, we're going to focus on negotiations with those countries or groups of countries in the tripartite area [COMESA-EAC-SADC] where each of us does not have any kind of trade preference.

A legal agreement for the establishment of the Tripartite FTA (TFTA) was adopted at summit in Egypt in June 2015. The summit also set a timeframe of one year to conclude the outstanding tariff schedule negotiations that have been started in one form or another. In our case – negotiating as the Southern African Customs Union (SACU) – we have already had a few rounds of negotiations with the EAC. We are pretty close to finalising the offer that we will submit to Egypt. That does leave Ethiopia, Djibouti, Sudan, and quite a number of others, but I think those two main ones are on track to be concluded by the end of the year.

The infrastructure project that goes along with the TFTA is the North–South Corridor, but it is running behind. One of the reasons we have been so keen on the new BRICS Development Bank is that we see an opportunity to tap into funds that can support infrastructure development across the continent and provide greater connectivity between our countries. Donald Kaberuka, the former president » of the African Development Bank, has said that the infrastructure deficit was costing Africa the equivalent of 2 percent growth.

A special conference was held about a month ago that was entirely devoted to developing the SADC industrial development strategy. That strategy document covers much of the same ground as our own national industrial policy framework and is worth looking at. It indicates the potential actions that can support industrial development, with a big focus on – and a big expectation of – regional value chains. The other critical issue is financing. Private credit extension is not going to support productive investment, by and large. The question of the role of development financing institutions (DFIs) in regional industrial development is a massive challenge.

At the level of the continent, it's the same. The AU has reached the obvious conclusion from the tripartite process: what about the rest of the continent? What about West Africa? What about the rest of North Africa? We need to move towards a continental FTA. Negotiations were opened at the AU Summit in Johannesburg, but the timeframe – let me put it as diplomatically as I can – is extremely ambitious. The negotiations are supposed to be concluded by 2017. That includes a trade-in-services component, which the TFTA put into phase two.

MAKING THE LINKS

Let me conclude with a few remarks about the challenges. First, regional value chains. In very broad conceptual terms, we've identified that there are things called regional value chains, which can include manufacturing, which involves inputs from different parts of the region or the continent, and that the identification and development of these is a critical component of African industrialisation. Getting down and dirty and really understanding and analysing these regional value chains is a challenge. What should we be doing to support an inclusive set of industrial activities? Because the temptation for some countries is to see the domestic market, and not the regional value chain, as the driver of industrial development. That can lead to a view that "there's no need for us to respect the SADC protocol", and that, in practice, would undermine the emergence and development of regional value chains.

Second, South Africa has supermarkets and exporters in all countries, with a high proportion of South African products on sale, and I think this model is going to have to change. We're going to have to move into a different spot in regional value chains. There are a few practical examples that are showing us the way. We were, for example, involved in very earnest engagements with Nigeria about their automotive programme and provided technical input into its design. At the same time, we are looking for South African companies to be suppliers into the Nigerian market of components that will be used in knock-down kit assembly and also some of the finished built-up units that would enter under the programme. As Nigeria begins to manufacture vehicles, maybe some of those will also find their way into South Africa. That's the kind of model that we're looking at.

Another practical example is a consortium, including Score Metals, that has established a plant to manufacture grinding material for the West African mining industry in Accra, Ghana. Before that, this material was imported from South Africa. Now there's a manufacturer there – but the components have come from South Africa. These are signs of things to come. We're going to occupy a somewhat different place in these value chains. What is that location for South Africa? For other countries? How do we promote an inclusive industrialisation based on regional value chains?

The other challenge, as I said, is the question of investment and finance. Does it all come from DFIs? We can promote some foreign investment in industrial activities. The portfolio investment into manufacturing – despite what's happening in mining – is actually holding up reasonably well. Quite a number of companies are betting that the regional market will integrate, that South Africa is critical in the industrial development of the continent, and that this is the place to invest in productive manufacturing activity. We've seen this in a number of different sectors. But how do we address the question of industrial financing? That is a very critical question.

This stage requires a very significant research input. SADC is at the level of identifying potential actions that can support industrial development across the region. The secretariat was given the mandate to turn this into a plan that must be tabled for adoption next year. The clock is ticking. In particular, the identification of regional value chains and how we promote some kind of inclusive involvement is critically important.

The last point is the World Trade Organisation (WTO). How do we defend the policy space to develop and support regional value chains against what I think will be a series of demands to lower industrial tariffs. The ostensible benefit is access to markets that are very distant from us – the risk is that the regional value chains will be undermined by the import of finished products coming from outside the region. NA

NOTES

1. This year's TIPS Annual Forum was co-sponsored by the University of the Witwatersrand, the United Nations University World Institute for Development Economics Research (UNU-WIDER) and the USAID Southern Africa Trade Hub, in association with the departments of trade and industry, performance monitoring and evaluation, and the National Treasury. It took place in Johannesburg on 14–15 July 2015.

2. Canadian economist Jacob Viner (1892–1970) laid out a framework theory of economic integration which moved from preferential trading agreements through customs union and common market to complete economic integration. ("Economic integration", Wikipedia)

LEAVING MUCH UNSAID

A RESPONSE TO "THE IMF'S ADVICE ON FISCAL POLICY"

By Luke Simon Jordan

The author is a development specialist and analyst


Luke Simon Jordan

A response to Axel Schimmelpfennig, the IMF senior representative in South Africa, whose article was featured in New Agenda *Issue 58*

The International Monetary Fund (IMF) has undergone a profound intellectual transformation over the last ten years. Whether this was caused by the 2008 global financial crisis or only accelerated by it is difficult to tell. What is clear is that the Fund's research department, the former experts in the art of paradigm maintenance, have become adherents – even leaders – of a subtle, fact-based and context-sensitive economics. The result has been a growing stream of publications that are astounding to anyone accustomed to the IMF of the 1980s through the early 2000s. Taking just a few of the more prominent findings published by the Fund or its staff:

- "Trickle down" economics does not work; that is, lower inequality does not come at the expense of growth, and high levels of inequality are negative for growth (Dabla-Norris, Kochhar, Suphaphiphat, Ricka and Tsounta, June 2015).

- Public spending has multiplier effects, in particular when monetary policy has reached its lower bound, and so cuts to spending can cause significant economic harm (in a range of publications from 2008, most recently the World Economic Outlook 2014).
- Intervention in foreign exchange and currency markets can be effective, and, when there is a "disorderly adjustment" in capital flows, capital controls can be valid(Blanchard, Adler and Filho, July 2015).
- Labour market liberalisation has a negative short-term impact on productivity and at best a neutral long-term effect, in particular under conditions of tight monetary policy (World Economic Outlook, Chapter 3, April 2015).
- The most beneficial structural reforms tend to be more aggressive intervention to increase competition in product markets, and greater public investment in skills and research and development (R&D) (ibid.).
- Levels of unionisation have little to no effect on unemployment or economic growth, but reducing union strength does increase inequality (Jaumotte and Buitron, March 2015).
- The private property rights of "hold out" bondholders can be violated in a restructuring of distressed government debt, as in Argentina and Ukraine (IMF Staff Paper, September 2014).

Some of these research-based shifts in outlook and advice are reflected in the article by Dr Schimmelpfennig. For example, running fiscal deficits in the aftermath of the global financial crisis is not condemned, as one might have expected from the IMF in the era of structural adjustment. Of particular note is the emphasis on investment in deficit-funded infrastructure and social safety nets for the poor as valuable, in fact desirable, forms of stimulus.

In that light, however, it is disappointing that the comment did not take the natural next step of questioning whether that is what South Africa's fiscal deficit has in fact paid for. If there is one lesson of the research by the IMF and others into austerity and fiscal spending, it is that the composition of spending can matter as much or more than its level. In an economy characterised by low savings and investment, high consumption and a high current account deficit, fiscal stimulus weighted towards yet more consumption will clearly be less effective than one weighted towards investment. Yet our post-2008 deficits were fuelled by higher public wages and lower taxes: that is, they were weighted in precisely the wrong direction.

> **Among developing countries, finding a correlation between debt levels and interest rates requires leaving out so much else of importance that – especially when combined with taking tax increases off the table – it might seem just a way of reintroducing austerity dogma through the back door.**

The comment not only leaves this unsaid but, in not tackling it, goes on to make a false inference. If a badly structured fiscal stimulus did not generate growth, it does not follow that no fiscal stimulus will generate growth. It is similarly a straightforward mistake to state, as the article does repeatedly, that fiscal stimulus does not affect long-term growth potential. This is the case if the stimulus operates through consumption, via the public wage bill and tax cuts. It is not the case if the stimulus concentrates on infrastructure and skills.

A more troubling set of omissions relates to tax policy. The article is cautious in its use of language, except when it comes to creditors and taxes and value judgements proliferate. Upfront is a normative treatment of creditors' rights *vis-à-vis* a public sovereign, in the statement that "one person's debt repayment is another person's income". There follows a statement that debt sustainability should be analysed "without changes to the tax system", and the tax "burden" is discussed exclusively in the context of its "reduction".

This implicit bias persists through the remaining sections, in which tax rises are put to one side, and higher debt is a straightforward negative. The asset side of the public balance sheet is ignored, as are domestic savings and liquidity, the financial system, and a host of other factors. Leaving those out leads to the quite remarkable statement is that "the higher the debt, the higher the interest governments have to pay." This is flatly contradicted by the experience of the entire developed world at present, from the near-zero yields on Japan's debt (six *times* South Africa's), to the fact that US Treasury yields are rising precisely when US deficits are coming down. Among developing countries, finding a correlation between debt levels and interest rates requires leaving out so much else of importance that – especially when combined with taking tax increases off the table – it might seem just a way of reintroducing austerity dogma through the back door.

A similarly peculiar statement is that failing banks may "need to be bailed out by the government to protect small depositors". Little could be further from the truth. Small depositors are protected by deposit insurance schemes, where such exist. Bank bailouts occur to protect large institutional creditors - or banks that have successfully fought off the expense of an insurance scheme. It is curious that the IMF itself has called for deposit insurance in South Africa in its Financial Sector Stability Assessment (FSSA) in December 2014, but that call is absent here. It might be argued that the article focuses on fiscal policy, but, when highly concentrated in a small number of "too big to fail" banks, as Spain, Ireland and the UK have shown, the financial system can be by far the largest risk to fiscal headroom.

This brief survey of what is left out could easily be expanded. The IMF's most recent Article IV assessment of South Africa makes important points about low consumption taxes, dangerously low levels of foreign exchange reserves (only Ukraine is more vulnerable than we are), and, in particular, breaking open the monopolies and cartels in our product markets, transport and finance. Nodding towards the laundry list that is the National Development Plan (NDP) is a poor substitute, especially when the one item not on that list is more aggressive competition policy.

In sum, the article might be said to land somewhere in a disappointing middle. Implicit biases aside, it is not, like the Fund's actions in Greece earlier this year, a wilful disregard by the mission staff of the research department's work. It provides a good overview of why fiscal austerity is harmful, points out that our fiscal stimulus was not successful in the way it was structured, and shows that we need both a better fiscal balance and deeper reforms.

However, it avoids spelling out the implications of the IMF's own research, not only through its global research, but inherent in the Fund's own recent consultations and reports on South Africa. Combining the research listed at the outset with the facts in the Fund's most recent FSSA and Article IV, four such implications are clear:

> **Caution may simply be one more symptom of the more general cause of our policy paralysis: namely the capture of our institutions by opposing, evidence-immune intellectual factions.**

- first, that effective "structural reform" means making private and public monopolies and cartels vulnerable, not making workers vulnerable. Labour market reform is not a panacea, and is probably ineffective. Competition policy is much more important, especially in key product markets and the financial sector
- second, that the fiscal and tax structures need to rebalance aggressively and quickly towards investment and away from consumption. Investment should be in skills and R&D as well as infrastructure; the bias against consumption can operate both through restraining the public wage bill and higher consumption taxes
- third, that our "fiscal headroom" is dangerously exposed to overly large, connected banks with high capital but low liquidity buffers, in the absence of a deposit insurance scheme to cope with a bank failure or national reserves sufficient to deal with a "sudden stop"
- fourth, that, given our levels of inequality, we need to maintain or extend the progressivity of our tax system, and should reject as unsubstantiated the argument that increasing marginal taxes at higher income levels will negatively affect growth. It may be asking too much for the Fund to be this explicit. Aside from its formal documents, it tends to be cautious in public articles. Moreover, its principal interlocutors here are Treasury and the Reserve Bank. The latter has become, remarkably, a redoubt of the dogma that the IMF itself has largely discarded. In the latest Article IV, the Reserve Bank is reported, implicitly and at times explicitly, to reject increasing foreign exchange reserves, any deviation from the dogma of fully flexible exchange rates, and increasing competition in the financial sector.

So the caution in the article may simply be one more symptom of the more general cause of our policy paralysis: namely the capture of our institutions by opposing, evidence-immune intellectual factions. Rather than an excuse, that diagnosis is an injunction. By making clear how far it has moved, the Fund's most valuable contribution to our policy debate may be to make clear how hidebound we have become. NA

GET IT TOGETHER: SOUTH AFRICA'S MINERALS POLICY AND ITS REGULATORY REGIME

By Sivalingum V Rungan

The author is a lecturer at the University of the Witwatersrand, with research interests in the mining sector and development

Both government and mining companies need an effective, coherent and consistent policy and regulatory framework. This brief assessment calls for a review and reconsideration of the Mining Charter and the MPRDA.

Regulatory certainty is a major concern for any mining company. Regulations, however, change in response to the changing dynamics of society. Regulatory regimes thus seek to ensure stability both by establishing regulations and by establishing confidence in the transition from one regulatory regime to another. Any assessment of a regulatory regime must also include the policy framework which precedes it and upon which it is based.

Mining companies in South Africa have to comply with a number of legislative prerogatives, including the Mine Health and Safety Act, the Mineral and Petroleum Resources Development Act, the Mineral and Petroleum Resources Royalty Act, the Labour Relations Act, the Basic Conditions of Employment Act, the Employment Equity Act, the National Environment Management Act, the National Environment Management Act, Air Quality Act, the National Water Act.

To highlight the complexities that a mining company faces to order to comply with the current regulatory regime, this commentary will consider only the Minerals and Mining Policy (White Paper of 1998) and the Mineral and Petroleum Resources Development Act (Act No 28 of 2002) (MPRDA), and in particular the Social and Labour Plan and Section 100 of the MPRDA.


Sivalingum Rungan

MINERALS POLICY

In 1998, after wide consultation with interested parties, the department of minerals and energy (as it then was) published its white paper, A Minerals and Mining Policy for South Africa. It covered the following themes:

- business climate and mineral development
- participation in ownership and management
- people issues
- environmental management
- regional cooperation
- governance.

With a wide-ranging assessment of the state of mining in the country and internationally, it comprised a general discussion of the various themes and sub-themes, providing the government's intention in relation to each, the policy measures required to give effect to it, alternate views that had been received, and then the government policy.

Essentially, all aspects of the White Paper were shown to be carefully considered and the relevant policy justified. The policy document led to the enactment of the MPRDA, also after wide consultation with interested parties.

THE MINERAL AND PETROLEUM RESOURCES DEVELOPMENT ACT

After the Mine Health and Safety Act, the MPRDA was arguably the most comprehensive piece of mining legislation in South Africa at that time. Its transitional provisions provided for easy integration and a smooth transition from the Minerals Act 50 of 1991. It also sought to protect the security of tenure of mining companies.

This was of particular importance because of Section 3, which provided that:

(1) Mineral and petroleum resources are the common heritage of all the people of South Africa and the State is the custodian thereof for the benefit of all South Africans.
(2) As the custodian of the nation's mineral and petroleum resources, the State, acting through the Minister, may –
   a. grant, issue, refuse, control, administer and manage any reconnaissance permission, prospecting right, permission to remove, mining right, mining permit, retention permit, technical co-operation permit, reconnaissance permit, exploration right and production right; and
   b. in consultation with the Minister of Finance, determine and levy, any fee payable in terms of this Act.
(3) The Minister must ensure the sustainable development of South Africa's mineral and petroleum resources within a framework of national environment policy, norms and standards while promoting economic and social development.
(4) The State royalty must be determined and levied by the Minister of Finance in terms of an Act of Parliament. (DMR 2002)

Section 3 was particularly important because it changed the common law position on mineral ownership, which had held that whoever owned the land owned the minerals within it. This is effectively a nationalisation provision that reflects the Freedom Charter demand that South Africa's mineral wealth should "be transferred to the ownership of the people as a whole".

These developments required mining companies to motivate for the retention of their existing mining operations, and for the recognition of their intentions to mine or prospect. In these engagements, mining companies transitioned from the previous regime to the newer MPRDA regime.

As part of the added legal compliance, the MPRDA requires mining companies to submit a Social and Labour Plan (SLP) with their applications for mining rights. The SLP contains:

- a human resources development programme, which must include
  - a skills development plan
  - a career progression plan
  - a mentorship plan
  - an internship and bursary plan, and
  - employment equity statistics;

"The Mining Charter represented a negotiated consensus that was agreed to by industry, labour and government, ensuring that all parties had an interest in ensuring its success.

- a local economic development programme, which must include the
  - social and economic background of area where the mine operates
  - key economic activities of that area
  - impact that the mine would have on local and sending communities
  - infrastructure and poverty eradication projects that the mine would support in line with the Integrated Development Plan
  - measures to address the housing and living conditions of the mine employees
  - measures to address the nutrition of the mine employees, and
  - procurement progression plan and its implementation;
- processes pertaining to management of downscaling and retrenchment, which must include the
  - establishment of a future forum
  - mechanisms to save jobs and avoid job losses and a decline in employment
  - mechanisms to provide alternative solutions and procedures for creating job security where job losses cannot be avoided, and
  - mechanisms to ameliorate the social and economic impact on individuals, regions and economies where retrenchment or closure of mine is certain;
- financial provision for the implementation of the SLP in terms of implementation of
  - the human resource development programme
  - the local economic development programmes, and
  - the processes to manage downscaling and retrenchment.

From the above, it is clear that mining companies would need to undertake an in-depth study of these issues prior to applying for a mining right, and they would need to be absolutely certain of the financial viability of the resource to ensure that it could meet the objectives as outlined.

THE MINING CHARTER

Section 100 of the MPRDA required the development of a housing-and-living-conditions standard for the minerals industry, a code of good practice and a broad-based socio-economic empowerment charter.

The first of these to be developed, in 2002, was a proposed charter. After its ownership provisions proved controversial, this was replaced in 2010 by the Amendment of the Broad Based Socio-Economic Empowerment Charter for the South African Mining Industry. The following discussion is based on this amended Mining Charter, which has provisions for: »

- ownership
- procurement and enterprise development
- beneficiation
- employment equity
- human resource development
- mine community and rural development
- housing and living conditions
- sustainable development and growth of the mining industry
- reporting (monitoring and evaluation), and
- non-compliance.

The Charter's vision was to "facilitate sustainable transformation, growth and development of the mining industry". Essentially, the issues covered in the SLP were to be fast-tracked by their inclusion in the Charter. It is worth noting that the Mining Charter represented a negotiated consensus that was agreed to by industry, labour and government, ensuring that all parties had an interest in ensuring its success.

The initial review was supposed to have been done in 2009, but was completed in September 2010. A second review, to assess the impact of the Charter, was to have been ready in 2014. On 31 March 2015, the minister of mineral resources presented a briefing on certain aspects of the review, but at the time of writing there is still no indication as to when the completed review will be released to the public.

Review and assessment

The minister's briefing (DMR 2015) included the following results.

*Housing and living conditions:*63 percent of right holders with hostels have converted hostels to family and/or single units. The drive to improve the living standard of mineworkers has not fully been realised. More needs to be done to address the broader objective of ensuring that mineworkers live in decent accommodation.

Employment equity: The percentage of right holders that met the 40 percent target for each category are:

- top management (Board) – 73 percent
- senior management (EXCO) – 50 percent
- middle management – 56 percent
- junior management – 68 percent
- core and critical skills – 79 percent.

Procurement and enterprise development:

- 42 percent met the target of procuring capital goods from historically disadvantaged South Africans (HDSAs)
- 33 percent met the target of procuring services from HDSAs
- 62 percent met the target of procuring consumables from HDSAs.

Human resource development: 36.8 percent of companies have spent the targeted 5 percent of total annual payroll on training.

Mine community development: 47 percent of mine community development projects are between 75 and 100 percent completion.

Sustainable development: Except for the analysis of samples in South Africa, the performance on sustainable development has not met expectations.

> **Clearly, the mining industry as a whole has not committed enough to the process to meet the targets. At the same time, there is a high level of compliance and the industry has actually changed.**

The issue of ownership is glaringly absent, but this is due to a dispute between the mining industry and the department of mineral resources (DMR) that has been referred for judicial review.

Clearly, the mining industry as a whole has not committed enough to the process to meet the targets. At the same time, there is a high level of compliance and the industry has actually changed. It would take a different form of assessment to ensure that the changes occasioned by the Mining Charter have been properly assimilated into the industry and that a better business practice has been developed.

The current minister of mineral resources has indicated that a new Mining Charter will be drafted. However, as the SLP is already legislated and the Mining Charter has reached its agreed conclusion, it is perhaps best for the DMR to begin to hold mining companies accountable in terms of their SLP commitments, without reference to the Mining Charter.[1]

THE CODES OF GOOD PRACTICE

The Codes of Good Practice for the Minerals Industry was gazetted on 29

April 2009, approximately a week after the national elections. After a general outcry from the mining industry about the lack of consultation, the DMR withdrew the Codes, acknowledging that a precedent of negotiated consensus had been established with the Mining Charter. The current state of the Codes is not known.

HOUSING AND LIVING CONDITIONS STANDARDS

The Housing and Living Conditions Standards for South African Minerals Industry was also published in April 2009. Its stated principles for housing were to:

- ensure a decent standard of housing for mine workers
- develop socially, physically and economically integrated housing
- be responsive to the housing demand
- ensure the involvement of employees in the housing administration system
- ensure security of tenure for employees
- provide best practices and compliance with minimum norms and standards, and
- promote the use of transparent and accountable financing schemes.

The principle of the standard of living conditions was to ensure proper healthcare services for mineworkers and families. As the minister reported, these standards have not been "fully realised" (DMR 2015). Much more needs to be done.

AMENDMENTS TO THE MPRDA

There have been two attempts to amend the MPRDA since its inception. The first (Amendment to the MPRDA, Act 49 of 2008) was signed during Thabo Mbeki's presidency. Various mining companies immediately issued notices of their intent to sue the DMR for various reasons, mostly relating to expropriation. The director-general announced that the Amendment would not be implemented and a new one drafted. This new amendment was approved by parliament and submitted to President Jacob Zuma just before the 2014 elections, but the new minister of mineral resources, Ngoako Ramatlhodi, expressed reservations and the president subsequently rejected the amendment as unconstitutional.

CONCLUSION

The minerals policy of 1999 ushered in a new regulatory regime that was encapsulated in the MPRDA. This led to the development of the SLP, the Mining Charter, the Codes of Good Practice and the Housing and Living Conditions Standards. The provisions of Section 3 of the MPRDA have occasioned significant changes to the minerals regulatory regime, and attention shifted to the Mining Charter.

> **"Parliament's inability to draft effective mining legislation is responsible for creating a situation in which mining companies can't take the legislative process seriously.**

The Charter in turn has been blighted by unnecessary and unqualified extensions of its deadlines. There are indications that the industry has changed, but improvement is still warranted and compliance issues have not been resolved. Government statements suggest that a new mining charter will be drafted, but the SLP provisions must be considered as an alternative way forward.

The two amendments to the MPRDA failed quite spectacularly. The first, which went through the full parliamentary legislative process and is a properly constituted law, could not be implemented. The second went through the process only to be found unconstitutional. Parliament's inability to draft effective mining legislation is thus responsible for creating a situation in which mining companies can't take the legislative process seriously.

In addition, the mining industry has changed in South Africa and internationally since the implementation of the MPRDA. Legislation must take account of such events as the global financial crisis, Marikana, and the protracted mining strike of 2014. Considering that the White Paper was published in 1998, this an opportune – if not critical – time for the DMR to review the county's minerals policy and to ensure that the regulatory regime becomes more current and more certain. NA

NOTE

1. Nokuhle Madolo (2015) sketches a future for the mining industry beyond the Mining Charter. Her strategies should be considered and an appropriate decision made by all parties, instead of simply implementing a new Mining Charter.

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Evander, Mpumalanga. *Photo: Graeme Williams, MediaClubSouthAfrica.com*

STATES, DEVELOPMENT AND MACROECONOMIC POLICY

REFLECTIONS IN A SOUTH AFRICAN CONTEXT

By Vishnu Padayachee

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Over the past forty years, the proper role of the state in economic development has been hotly debated in both development strategy and macroeconomic policy circles. The powerful rise of a new neoclassical view in the 1980s shaped the policy choices of many countries, including South Africa's ANC-led government after 1994. This article sets out that context and indicates the way forward.

"The end of history lasted for such a short time. If the early 1990s raised hopes of a broad-based consensus on economic policy for growth, equity and poverty reduction, the late 1990s dashed them" (Kanbur, 2001:1083).

The orthodox neoclassical view of the priority of markets in economic development rests on three pillars:

- developing countries should pursue closer integration with the world economy
- governments should desist from intervening in the economy in general, and particularly in industrial development
- the privatisation of public enterprises should be a key element of any strategy of growth.

Dutt, Kim and Singh (1994) return again and again to these pillars to support their opposing contention that both states and markets have played important roles in development. Studies of developing economies in East Asia and Latin America demonstrate that many of these countries sought only "strategic integration"; that governments in Taiwan, South Korea and Japan played a vigorous economic role and pursued a highly active industrial policy; and that there is neither theoretical nor empirical evidence to suggest that public enterprises are intrinsically inefficient or that they perform poorly (Padayachee, 1996: 428).

By 2001, former World Bank economist Ravi Kanbur could point to a surprising amount of agreement – or, more accurately, not as much disagreement as 30 years previously – about the old markets-vs-state debate. Kanbur (2001) suggests that one major reason for this consensus was practical and pragmatic, arising from the grounded work of non-governmental organisations (NGOs) and other civil society organisations. In the consultations, the positions of NGOs working directly with the poor were particularly interesting and influential. Not burdened by ideologies that favoured state over market or the other way round, the issue for them was always what worked to improve the standard of living of the people they were helping. It seems to me that this legacy has survived the 2008 crisis, albeit somewhat bruised.

Certainly the state's role in ensuring infrastructural development (e.g. for road, rail, water, energy, education, and information technology) is now universally accepted as a critical foundation for growth and development. There is even some limited consensus on the need for industrial policy in certain contexts. Referring to the state-market debate in industrial policy, Cambridge economist Ha-Joon Chang comments:

> Once the adversaries in the debate abandon theoretical grandstanding and focus on more practical issues, there are vast and fertile middle grounds to explore. This is not to say that there won't be disagreements in those grounds. However, there at least the two sides can have productive debates on pragmatic things without thinking about destroying each other. Would that be too much to ask? (2009: 36)

Decisions based on fiscal conservatism then – e.g. not to support Eskom's request to extend its capacity-generation programme, or the closure of technical, vocational and teacher-training colleges – are impacting massively and negatively on the economy today.

MACROECONOMIC DISPUTES

Far less consensus can be found in respect of macroeconomic policy. Three major theoretical propositions have shaped and reshaped our views over the course of the last century.

First, there is the position articulated by John Maynard Keynes more than seventy years ago. Keynes emphasised the importance of an activist macroeconomic policy to deal with deep slumps and depressions, believing that events like the Great Depression were not one-off, but an intrinsic feature of capitalist development. Governments therefore had a crucial role, principally (but not solely) through fiscal policy, to ensure that this did not happen – not just after the fact, through state-led investment and consumption spending, but continuously, in areas such as monetary management and bank regulation.

In Keynes's view, financial markets are inherently unstable, an argument that was brilliantly developed by one of his greatest followers, Hyman Minsky. Minsky's *Stabilizing an Unstable Economy* (1986) shows how the banking system is the achilles heel of instability in the modern capitalist economy. But rather than proposing its elimination, as do some modern conspiracy theorists, Minsky argues for a greater role for state/public investment in the economy to support job creation, and rigorous regulation of the banking sector. In his emphasis on the government's function as "employer of last resort" even at relatively low wages, Minsky, following Keynes, harks back to the mercantilist idea that a nation is strong and healthy when its population is fully employed. In 1971, after taking his country off the gold standard, even US President Richard Nixon said he was now a "Keynesian in economics".

But since the rise of neoclassical economics in the 1980s, Keynes's position has been caricatured beyond recognition, to the point that few economics department in the Western world even teach it any longer. Conveniently forgotten in this caricature is Keynes's argument that government budgets should normally be in surplus and his belief in stable prices. These are hardly the views of a socialist hell-bent on destroying capitalism! Of course he did argue, correctly in my view, that it was "idiotic to worry about inflation when prices and output were in free fall" (Skidelsky, 2009: xvii).

One final point here, by way of reminder, was Keynes's concern that, if governments failed to stabilise market economies at close to full employment, this would open up space for extremists whose solution could involve abolishing markets, peace and liberty (ibid.: xviii). Who among us cannot see the danger of this, given high levels of unemployment, especially among restless young people, across all parts of the world, and in the context of our increasingly violent, unstable and unequal world? The stakes are surely too high to worry about ideological correctness.

EGREGIOUS INTERVENTION

Two propositions of the neoclassical revolution have influenced our views about the role a state can and should play in macroeconomic policy formulation. The first relates to what economists rather poshly call the "dynamic time inconsistency theorem", where the best plan or policy made now for the future may no longer be optimal when that future period arrives. In this view, uncertainty about the consistency of policy into the future and about the true intentions of policymakers will serve to slow down or curtail private-sector investment, and it would therefore be best to remove direct governmental power wherever possible.

I do not have the time to develop this complex argument here. Suffice to say that it has had the most traction in the area of central bank independence and monetary policy. It argues that, if a central bank is not independent from government, the government may have an incentive to change an "optimal" monetary-policy decision because of political expediency. And the solution to the possibility of such "egregious" political intervention is an independent central bank that operates free of government intervention.

This was arguably the critical theoretical argument that led at least 30 countries, spanning five continents, to legislate increased statutory independence for their central banks between 1990 and 1995 (Maxfield, 1997: 50). Why would governments voluntarily give up power over monetary policy? The answer rests on issues of international credibility and market creditworthiness that were especially important for countries with regular balance-of-payment difficulties that needed capital inflows. As Maxfield observes, "put telescopically, the likelihood that politicians in middle income countries will attempt to signal creditworthiness by increasing central bank independence is an increasing function of their nation's objective need for balance of payments support" (1997: 35). This was certainly true of South Africa in the 1990s.

Photo: Yunus Mohamed

> **In six short years, the ANC had made the shift from nationalisation to neoliberalism, hardly pausing to catch breath.**

Related to this is the "policy ineffectiveness proposition". Neoclassical economists argued that private agents will recognise and adapt to all fully anticipated changes in monetary policy, thus rendering ineffective such policy interventions to systematically manage the levels of output and employment in the economy. Again, the implication is to neutralise activist state or central bank policy.

A second new proposition applied to fiscal policy. Over the past forty years, new neoclassical economists have contributed to a public policy discourse that now takes for granted the belief that high public debt consistently stifles economic growth. In a famous and influential paper, Reinhart and Rogoff (2010) argued that, over the period 1946–2009, advanced economies with a public-debt-to-GDP ratio above

90 percent had an average real annual GDP growth of -0.1 percent. Where the ratio was lower, average annual growth ranged between 3 and 4 percent. Public debt levels of such a magnitude, in other words, were bad for growth.

However, in a powerful rebuttal, Herndon, Ash and Pollin replicated the Reinhart and Rogoff (RR) analysis for the same countries over the same period and found that growth rates for the first group in fact averaged 2.2 percent – not -0.1 percent. Their conclusion notes that:

> the debate generated by our critique of RR has produced some forward progress in the sphere of economic policy making. In particular, it has established that policy makers cannot defend austerity measures on the grounds that public debt levels greater than 90 percent of GDP will consistently produce sharp declines in economic growth. (Herndon et al, 2013: 279)

Despite this critique, the RR paper remains dominant in the US and Europe. Although written in 2010, it captures the spirit of the neoclassical position on debt that has dominated thinking on fiscal policy since the early 1980s. Nobel Prize laureate Paul Krugman – a critic of the paper – says that "Reinhart-Rogoff may have had more immediate influence in public debate *than any previous paper in the history of economics*" (quoted in Herndon et al, 2013: 261, emphasis added).

The effect of these new neoclassical interventions since the 1980s has been to severely limit, if not exclude, a role for a democratic state in macroeconomic policy. It is not our intention to engage that debate here, save to use it to show that policymakers who are concerned about growth can be spooked by such analyses. They are persuaded to hand control of monetary policy over to an independent central bank or to focus their attention solely on reducing public debt – even at the expense of growth-enhancing public investments. It is time for some degree of pragmatic re-balancing.

THE CASE OF SOUTH AFRICA

The dominant neoliberal culture of the 1980s appears to have been deeply impressed on the minds of ANC policymakers (in the making) in the early 1990s. Senior figures and some of their academic advisors argued that the levels of debt left by the apartheid regime precluded any possibility of a state-led public investment programme. Understanding apartheid (correctly) as a perverse form of state intervention, both politicians and policymakers appeared to want (incorrectly) to minimise all forms of state intervention. In the process, and forgive the cliché, they threw the baby out with the bathwater. Decisions based on fiscal conservatism then – e.g. not to support Eskom's request to extend its capacity-generation programme, or the closure of technical, vocational and teacher-training colleges – are impacting massively and negatively on the economy today.

> **"Who among us cannot see the danger of this, given high levels of unemployment, especially among restless young people, across all parts of the world, and in the context of our increasingly violent, unstable and unequal world?**

In his first speech after being released from prison in 1990, Nelson Mandela proclaimed from the balcony of Cape Town City Hall that nationalisation of the banks, mines, etc. in terms of the 1955 Freedom Charter was official ANC policy. This was short-lived rhetoric. By the end of 1993 – when the ANC leadership unceremoniously dumped the broadly Keynesian recommendations for a state-led public investment programme focussed on housing, education and healthcare delivery proposed by its own thinktank, the Macroeconomic Research Group (MERG) – a choice had been made. The Reconstruction and Development Programme (RDP) that the ANC national executive committee (NEC) finally approved in early 1994, after seven rewrites, had been watered down and all its radical interventionist ideas exorcised. In June 1996, the highly market-friendly neoliberal Growth, Employment and Redistribution (GEAR) programme was hastily modelled and introduced as a non-negotiable policy document in the context of a serious currency crisis. In six short years, the ANC had made the shift from nationalisation to neoliberalism, hardly pausing to catch breath.

Noted Berkeley sociologist Michael Burawoy sets out the context within which these changes in ANC economic thinking occurred:

> Without a critical stance toward ... Soviet socialism, having never partaken in the debates about the meaning of socialism – real and imaginary – the liberation movement in power found itself without a cognitive map to navigate the enormous problems of national reconstruction. An exodus without a map, as Adler and Webster call it, became vulnerable to a neoliberal redemption, especially when the entire globe [was] spellbound by the magic of the market. (1997:1)

We fully respect that tough decisions had to be made by people who were quickly coming to terms with economic theory and choices for which they were largely untrained. But we are now 25 years away from those early » challenges: our economy, which arguably performed well in terms of growth and employment only in the early years of the new millennium, has consistently underperformed. The global financial crisis has compounded, not caused, our economic and financial difficulties. While it is laudable that the state now provides social grants of many forms that reach over 16 million citizens, this is also, in my view, the most chilling barometer of the failure of both the state and the private sector to make the investments and the policy interventions that would have accelerated economic growth and job creation. Capital flight has reached crisis proportions, even if we go by the low estimate of the sums involved. With the notable exception of the Treasury and the South African Reserve Bank (SARB), our key state and parastatal institutions face serious crises of governance, capacity and delivery.

Is it not time to revisit the very foundations of our thinking about the economy, to abandon theoretical grandstanding and ideological straightjackets and come up with fresh new ideas to regenerate our economy that are based on boosting growth, industrialisation and investment, rather than consumption, finance and hand-outs?

To my mind, such an approach would need to include the following approaches.

On macroeconomic policy: I do not believe there is anything to be gained by reversing the constitutionally entrenched independence of the SARB (although it is true that it is now among only a handful of central banks in the world with private shareholding). To the contrary, such a move could backfire on the country through loss of credibility and reputation. The key is to institutionalise new and more transparent mechanisms for policy coordination between the SARB and the Treasury/government, designed *primarily* to accelerate economic growth while managing inflation and the deficit within reasonable parameters, and, critically, to use exchange rate policy to prevent or stem the long-term illegal haemorrhaging of capital.

> **“Unless a country’s development strategy and its macroeconomic policy are effectively coordinated in terms of objectives, financing, timing and sequencing, one may as well not bother with either. The role of the state in making this possible is vital.**

On development strategy: I have little faith in the vague, unprioritised claims and policy prescriptions of the National Development Plan (NDP), which has failed to win support even within the ANC alliance. Far from offering a new vision of structural development economics as an alternative to the Washington Consensus, the NDP constrains the restoration of a more activist role for the state, endorsing the view of Harvard economist Dani Rodrik that the state can do little more than facilitate entrepreneurs in their processes of “self-discovery” (Hausmann and Rodrik, 2003). What is needed rather is a coherent, funded, labour-absorbing industrial policy aimed to diversify the economy away from its stultifying historical roots in a minerals-energy complex by increasing manufacturing production, employment and exports. Such a full-blown industrial policy action plan, coupled with a revitalised, well-governed set of state institutions and state enterprises in areas such as energy generation, and the provision of finance, especially for industry and small business, should be the centrepiece of any national development plan.

Ultimately, unless a country’s development strategy and its macroeconomic policy are effectively coordinated in terms of objectives, financing, timing and sequencing, one may as well not bother with either. The role of the state in making this possible is vital. NA

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UNIVERSITY OF LIMPOPO AGRO-FOOD STATION REACHES OUT TO INDUSTRIES AND RURAL COMMUNITIES IN LIMPOPO, *Dr Maboko Mphosi reports*

Dr Maboko Samuel Mphosi is the managing director of the Limpopo Agro-Food Technology Station (LATS)

BACKGROUND

The Limpopo Agro-Food Technology Station (LATS) was established in 2008 to achieve the eight anti-poverty targets known as the Millennium Development Goals, within the context of the National Development Plan Framework. LATS is funded by the Technology Innovation Agency (TIA) in terms of the Technology Innovation Agency Act No. 26 of 2008 and is housed in the faculty of science and agriculture (FSA) at the University of Limpopo (UL).

The station is well aligned with the university's community engagement strategy, which catalyses partnerships between small, medium and micro enterprises (SMMEs), industries and universities to develop enabled agro-processing innovation for global competitiveness. As a centre of excellence within the FSA, LATS identifies agro-processing industry challenges. The station also serves as the bridge between SMMEs and research academics, working closely with three schools in the faculty: agricultural and environmental sciences, molecular and life science, and physical and mineral sciences.

As a service-providing arm of the University of Limpopo, LATS reduces barriers to expensive high end-skills and equipment for agro-processing innovators by providing and improving SMME's technology-based agro-food products and processes through tailor-made technology-transfer trainings offered by competent food technologists who work closely with UL research academics. This has made the station a vehicle to facilitate the development and improvement of agro-processing, technology innovation, and commercialisation of agro-food products by start-ups and existing small entrepreneurs in Limpopo province.

SERVICES

The Limpopo Agro-Food Technology Station provides the following services:

- **Food product testing and analysis.** LATS tests food products and diagnoses the presence of pathogenic and spoiling microorganism in food products that are ready for markets, using high-tech equipment like Vitek 2 and ICP. Chemical analysis involves minerals and proximal analysis. Tests on food products includes fats, crude fibre, protein, ash, moisture, carbohydrates by difference, energy, vitamins, minerals, antioxidants, polyphenols, tannin and mineral elements
- **New product development:** The SMMEs are involved from idea generation through to product design and detailed food "engineering". The Station ensures that the newly developed food products meet SABS standards and that health risks are eliminated
- **Product and process improvement:** This involves improving the quality of substandard products or processes already in use to the standard required by SABS and the departments of health and agriculture. The SMMEs are also introduced to management systems in which food safety is ensured through the analysis and control of biological, chemical, and physical hazards all the way from raw material production, procurement and handling to manufacture, distribution and consumption of the finished product.
- **Technology audit and training:** Food technologists visit SMMEs in order to audit food-product processing equipment and processes onsite. The SMMEs are trained in good manufacturing practice (GMP) and hazard analysis and critical control points (HACCP).
- **Research and development:** The Station ensures that research questions related to SMME agro-processing are addressed through the use of the university's research academics. Research projects include chemical and microbial profiling of indigenous food product, new product development and food product shelf life.

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REFLECTING ON THE STRUGGLE FOR DEMOCRACY

A REPLY TO JOHN SAUL

By **Ben Turok**

The author is a veteran member of the African National Congress and editor of *New Agenda*

When noted Canadian academic/activist John Saul spoke about the "success or failure" of the South African liberation struggle at the University of Johannesburg recently, the invited respondents were Ben Turok and Albie Sachs

THE ARGUMENT

John Saul is well known for his many writings on the liberation movements of southern Africa. In recent years, he has focused on South Africa and particularly the African National Congress (ANC). He is a sharp and persistent critic with a significant following in academic circles.

His paper, "The struggle for South Africa's liberation: Success or failure?"[1] asked if our current situation was "precisely the moment for South Africa … to choose between … the 'exhausted' … and 'failed' nationalism of the ANC and … the politics of 'the working class and the poor'". His argument developed the following points:

> **Why did the ANC soft-pedal economic issues during the transition period?**

- that prior to 1994, the stage was set for "a capitalist-friendly ANC" to "settle the problem" of colonial apartheid through a negotiated accession to formal power – despite the belief of some that South Africa was ripe for revolution. He quoted Ronnie Kasrils' assertion that, "[i]f we had held our nerve, we could have pressed forward without making the concessions we did"
- that the ANC and the South African Communist Party (SACP) were entrapped in negotiations and became crucial in guaranteeing a new post-apartheid system of class power. Saul makes reference to Frantz Fanon's view of former leaders of liberation struggles who became "intermediaries" acting "in their own class interests but also on behalf of capital".

Saul's main case is that a "new class" – "the national middle-class-in-the-making, the nationalist elite" – "represented by the ANC" gained power "on the back of the liberation struggle".

TUROK'S RESPONSE

Many of us have been mulling over the transition to democracy for some time. I do not agree that the transition can be considered either a success or a failure. It was both. The liberation movement won some of its objectives – the replacement of the apartheid regime by a democratically elected government in a unitary state and a constitutional order based in equal rights for all – but it did not win others. Even on the main count of political power, the ANC modestly speaks only of "a democratic breakthrough". I believe it was bigger than that, and even Saul acknowledges that "overthrowing apartheid was a remarkable step forward".

But the struggle had two main components: political power and socioeconomic transformation as set out in the Freedom Charter, especially (but by no means only) in its economic clause. There is now abundant evidence of a slippage on economic issues in the discussions that Thabo Mbeki and others held with representatives of the apartheid regime in the 1980s. I recall a meeting of the ANC branch in London where we were briefed on a proposed bill of rights for the Constitutional Guidelines document. The omission of socioeconomic rights was obvious.

This downplay of economic issues was in contradiction to the ANC's 1969 Morogoro Consultative Conference view that the broad purpose of the struggle was "the complete political and economic emancipation of all our people and the constitution of a society which accords with the basic provisions of our programme – the Freedom Charter". It was also against the position of the SACP (e.g. Slovo's "South Africa: No middle road"), despite its strong presence in the ANC national executive of the time. So why did the ANC soft-pedal economic issues during the transition period?

The answer has yet to be developed clearly. It is hoped that ongoing research by Vishnu Padayachee [see his article in this issue] and Rob van Niekerk will provide the evidence once and for all. However, Saul's suggestion that it was due to a "nationalist elite" acting as "intermediary" for capital is not persuasive. The leadership of the ANC in exile was far from an elite. It included working-class communists such as Moses Kotane, JB Marks and Joe Slovo and many other leaders who came from African township or rural backgrounds.

There was a negotiated settlement; that is a fact. But was it arranged between a conniving regime and a "capitalist-friendly" ANC? Or was it due to the threat of an impending civil war that neither side could win or escape without huge cost? It is too easy to forget the crisis in the country in the late 1980s. In his 1985 Rubicon speech, state president PW Botha had insisted they would never give in to black demands. The following year, he declared a national state of emergency that was renewed in 1988.

"I find Saul's formulation of a political choice between "a failed nationalism" and "the working class and poor" unsatisfactory, but there is undoubtedly an urgent need to address the question of change.

Political organisations and progressive newspapers were banned, and activists faced indefinite detention, torture and death. While South Africa's "border war" continued in Namibia (then South-West Africa) and Angola, the South African Defence Force now moved in into the townships. The regime also attacked ANC and MK locations in Swaziland and Mozambique – Albie Sachs almost lost his life in a car bombing in Maputo in 1988 – and the frontline states were forced to reconsider their support. Inkatha (with links to the regime) and the ANC were caught up in a brutal civil war in Natal. In the face of all of this, popular resistance grew. It was met by even greater levels of repression and suffering. At the same time, the armed struggle lost an important mainstay with the collapse of the Soviet Union. A negotiated settlement had to come, and its terms were the subject of long and difficult debates.

There were also people in the regime who knew that this situation couldn't go on. In his recent *Secret Revolution: Memoirs of a Spy Boss* (Tafelberg), Niel Barnard, former head of the National Intelligence Service, recalls his realisation that, since the police could not keep order and their political and military approach "offered nothing in the way of a permanent solution", a negotiated settlement "was the best possible way". And with the success of the ANC's campaign to isolate South Africa internationally, Barnard concluded that "we should not hesitate any longer, because the scales were tipping against us."

Both sides appreciated that an intensification of the struggle was not a feasible option. Was the move towards a negotiated political transition a sell-out by an intermediary elite? A failure of revolutionary nerve? Given the context, such claims seem ungenerous at best.

NEW MINDSET NEEDED

The argument about concessions on economic transformation is more interesting. Evidence is accumulating that in the early discussions between Mbeki and people like Willie Esterhuizen who were clearly flying kites for the ruling class, an economic transition was not on the agenda. This position seems to have persisted even at the Convention for a Democratic South Africa (Codesa) negotiating forum, where the property and sunset clauses were a guarantee against radical economic measures.

As the transfer of political power loomed, other cautionary pressures came from the Bretton Woods institutions and foreign capital.

Photo: Yunus Mohamed

The ANC leadership was continually fed alarming data on the country's financial accounts. In his 2009 biography *Thabo Mbeki: The Dream Deferred* (Jonathan Ball), Mark Gevisser reports that Mbeki felt a "profound disempowerment" upon taking office. The new government was forced to acquiesce to the Washington Consensus on macroeconomic policy when it implemented the controversial Growth, Employment and Redistribution (Gear) programme in 1996. "Financial prudence" became the watchword of Treasury policy, and it has remained so ever since.

So what now? The ANC has been in power for two decades and is still the dominant force in the country. It controls parliament, the cabinet, the public service, the army and police, state-owned enterprises and many other institutions. I find Saul's formulation of a political choice between "a failed nationalism" and "the working class and poor" unsatisfactory, but there is undoubtedly an urgent need to address the question of change.

We live in a world where capitalism

> **Was it arranged between a conniving regime and a "capitalist-friendly" ANC? Or was it due to the threat of an impending and unwinnable civil war?**

has shown remarkable resilience, and countries like China and even Cuba are diluting the role of the state to allow for the expansion of private enterprise. In South Africa, we have a private sector that dwarfs the state sector, large as it is. To overcome the apartheid legacy, the state will have to exercise its powers to intervene in the cause of transformation. (But we should also recall what Marx said about the capitalist capacity to grow the means of production.) We specifically need to grow our productive sectors to create employment and generate taxes to realise the dreams of the Freedom Charter.

This requires a new mindset about the present conjuncture. References to the legacy of "colonialism of a special type" are wholly inadequate to guide us through. The need to transform remaining pockets of colonial relations and racism cannot override the need for a proper characterisation of the present economic system and its contradictions. Kgalema Motlanthe has offered the idea that the principle contradiction now is between the political power of the liberation movement and the huge inequalities in society. This seems a good point of departure, but it needs a rigorous formulation that will also be a guide to action. There is much theoretical work to be done.

I wish to conclude with some remarks about sources. Saul quotes extensively from cadres who withdrew from the struggle disappointed and discouraged and who may be tempted to review their experiences in a negative light. Such anecdotal views amount to "cooking the rice out of the pot" and their evidence should be located in historical fact to test their merit. NA

NOTE

1. John Saul (York University) presented "The struggle for South Africa's liberation: Success or failure?" to the UJ Sociology, Anthropology and Development Studies Wednesday Seminar on 5 August 2015. The full paper is available online at http://www.uj.ac.za/EN/Faculties/humanities/departments/sociology/seminar/Documents/Seminar%20papers/Saul%20 2015%20Freedom%20Charter.pdf

BETWEEN PRETORIA AND GEORGE GOCH HOSTEL

GOD IN SOUTH AFRICA IN 2015

By **By Tinyiko Maluleke**

The author is a professor in the faculty of theology at the University of Pretoria. He is also assistant to the vice-chancellor in the development of the university's Africa Strategy

The three men in charge of South Africa's executive, judiciary and parliamentary opposition are all involved in charismatic churches while, at the lower levels of society, self-proclaimed prophets lead their flocks in ritual acts of humiliation. For this writer, all these are signs of a toxic and pervasive model of leaders and followers.

UNTIL JESUS COMES

One of the controversial and often repeated utterances of South African President Jacob Zuma is the suggestion that the ANC will rule until Jesus comes back. Some media practitioners have described this as Zuma's "Jesus tendency", and it seems to become more pronounced during election campaigns. In a largely Christian country such as South Africa, the return of Jesus – which is central to Christian hope and belief – is one of society's root metaphors, one that connects with the masses and is variously imagined in popular art, literature and spirituality.

But Zuma's pairing of the return of Jesus with a political party's term in office seems particularly innovative. Indeed, some people have taken offense. The ANC and the Presidency responded swiftly and strongly that the president speaks only metaphorically and as a Christian and that, since no one has a copyright on Jesus, he has as much right as anyone to appropriate for himself the meaning and message of Jesus.

Prof Tinyiko Maluleke

However, Zuma's vision is not the most radical one in South African history. In 1981, Mbongeni Ngema, Percy Mtwa and Barney Simon scripted an imaginative and outrageous depiction of the return of Jesus to a South Africa in the throes of apartheid. *Woza Albert!* was a pulsating political satire aimed directly at the apartheid regime's claim to be a Christian government.

The Jesus of *Woza Albert!* lands in the township among the poor and the marginalised. Such is his shock at this situation of dehumanisation, he not only joins the people in their struggle but ends up getting arrested like so many others at the time. One of the many poignant moments comes when Jesus pleads with his followers to "forgive the powers that be for they do not what they are doing". His followers respond, "But Morena (Lord), these ones know, they know exactly what they are doing." The play ends with Jesus calling the great heroes of liberation – Albert Luthuli, Steve Biko, Lillian Ngoyi, Robert Sobukwe and many others – back to life, resurrecting them one by one.

GOD IN SOUTH AFRICA

In 1988, at the height of anti-apartheid ungovernability, a South African Dominican friar named Albert Nolan published a daring book called *God in South Africa*. It was meant to "rescue" God from the clutches of apartheid, a political system that was recognised around the world as a crime against humanity.

Nolan suggested that God was not to be found in the corridors of the Union Buildings, nor in the pulpits of whites-only churches, nor in the affluent whites-only suburbs. Instead, he argued, God was to be found among the suffering masses daily humiliated by a system that sought to allocate value to human life according to race. Anyone looking for God in South Africa was likely to find God among the workers – objectified, cheated, overworked and underpaid – for whom work had become a curse. God lived among the squatters, and was one of the homeless who roamed the streets. For Nolan, God was a prisoner at John Vorster Square, tortured, starved and wantonly killed. Worse still, maybe God had left South Africa, exiled from the land in a desperate attempt to not be implicated in the dehumanisation of humans by other humans under the system of apartheid.

In the Kairos Document of 1986, Nolan and his contemporary theologians and pastors distinguished between what the state propagated about God (state theology), what the church propagated about God (church theology), and the insurrectionist, counter-hegemonic, subversive beliefs about God that they called "prophetic theology". After twenty-one years of democracy, this three-tier distinction remains a useful tool of analysis. Where are the prophetic voices to be found today? Where is God in South Africa today?

IF JESUS RETURNED TODAY

The serious question raised by both *Woza Albert!* and Albert Nolan is this: if Jesus were to return in present-day South Africa, what would he do? Where the president imagines Jesus returning only after many years of ANC rule, Ngema and Co. envisaged a quicker return, in our lifetime. Where the president seems to suggest that his government rules on behalf of Jesus, the *Woza Albert!* Jesus appointed no proxy authority and adopted no earthly government.

> **This Jesus is furious at the way things are – the poverty, the hunger, the corruption and deceit that reign while the innocent suffer.**

Where the Zuma Jesus returns to confirm the government of the day, the *Woza Albert!* vision is totally disruptive. There never was and never will be a peaceful handover of power between the *Woza Albert!* Jesus and the earthly powers that be. It will ultimately be nothing short of a hostile takeover. In *Woza Albert!*, Jesus returns not as a friend of those in power and not as a neutral. In contemporary parlance, the Jesus of *Woza Albert!* comes back to kick butt.

What of today? Our young democratic South Africa cannot be likened – even remotely – to apartheid South Africa, but comparisons are inevitable, given the long shadow cast by history. But if you can imagine a returned Jesus who would resurrect Andries Tatane, who was shot and killed by police during a service-delivery protest; Reeva Steenkamp, who was shot to death by her boyfriend; Anene Booysen, who was raped, stabbed and left to die; Nelson Chisale, who was fed to the lions of Phalaborwa; Mido Macia, who was publicly tortured and later killed by police; Ernesto Nhamuave, who was burnt to death in the xenophobic attacks of 2008; Emmanuel Sithole, who was stabbed and killed the 2015 xenophobic attacks in Alexandra Township; and each and every one of the 44 men who were killed in Marikana in 2012, then you have a fair estimation of the Jesus of *Woza Albert!*.

The *Woza Albert!* Jesus is not resting in peace somewhere in the sky while the South African president rules leisurely and joyfully on his behalf. This Jesus is similar to one in *Chesa Mpama* ("a hard slap"), the hit song by the late kwaito star Senyaka Kekana: an angry Jesus who smashes the counters and scatters and merchandise of those who wheel and deal in his church. This is not the Jesus of "it is well, it is well". This Jesus is furious at the way things are – the poverty, the hunger, the corruption and deceit that reign while the innocent suffer.

Were Jesus to return today, he would find a country not only battling with the triple challenges of poverty, unemployment and inequality, but also with the challenges of corruption, bad religion and toxic leadership. I suggest that all of these are at play in the bizarre practices of a few charismatic church groups and their leaders, such as the "snake pastor" phenomenon that has raged in our media in the second half of 2015. But before we turn to the gory details of these churches, we need to paint a broader context of God in South Africa today.

THE GOD OF JACOB ZUMA

Leading South African academic Barney Pityana has noted that at least three top South African public officials hold leadership positions in conservative Christian churches: President Jacob Zuma, Chief Justice

Photo: GCIS

Mogoeng Mogoeng and Democratic Alliance leader Mmusi Maimane.

In 2007, while still deputy-president of the ANC, Jacob Zuma was reportedly made an "honorary pastor" by a group of independent charismatic churches. Apart from the "until Jesus returns" claim, Zuma has suggested that a business that donates to the party will win the favour of God and the ANC and therefore prosper. At an election rally in Mthatha on 4 February 2011, the president reportedly admonished his audience not to waste their votes, saying, "When you vote for the ANC, you are also choosing to go to heaven. When you don't vote for the ANC, you should know that you are choosing that man who carries a fork ... who cooks people." In a 2006 interview, he declared that he conducts his life "from basic Christian principles. Christianity is part of what I am; in a way it was the foundation for all my political beliefs".

An organisation called the National Interfaith Leaders Council (NILC) was formed 1997 as an initiative of the ANC's religion desk. In 2011, during Zuma's first term, the NILC and the National Religious Leaders Forum (NRLF) combined to form the National Interfaith Council of South Africa (NICSA), led by Pastor Ray McCauley of the charismatic Rhema Church, who has become close to the Presidency and to the ruling party.

More recently, during the Presidency budget debate in parliament, in a performance designed to deride his detractors in the Nkandla saga, President Zuma introduced a new, if somewhat baffling, "Jesus tendency" utterance, exclaiming "*thixo wase George Goch!*" In a City Press column on 31 May 2015, Mondli Makhanya joined the multitudes "scratching their heads as to why the godforsaken men's hostel was being given a god". The phrase, apparently borrowed from mineworkers' fanakalo, probably refers to a power-hungry mine boss or induna who thought he was "the god of George Goch" hostel. If so, he was a plastic, domestic and entirely local god, hence the scornful tone of "*thixo wase George Goch*".

A theological trajectory is discernable from the president's statements. It includes a Jesus at whose pleasure and on whose behalf the ANC will rule from now until the end-times. The god of the gospel-according-to-Zuma is completely aligned with the ANC, which is his chosen vessel and representative in South Africa. God blesses those who bless the ANC and the ANC in turn will bless those who bless it. This god and Jesus are card-carrying party members.

The uncanny irony is that President Zuma's clowning about the megalomaniacs of George Goch might just as well refer to his own striving. That he is, within the ANC, its most powerful president since democracy is no longer much doubted. Nor have his power tussles with the National Prosecuting Authority, his control of cabinet appointments, as well as his firm grip on both the Union Buildings and Luthuli House gone unnoticed. »

THE GOD OF MOGOENG THOMAS MOGOENG

The chief justice is a lay preacher in the local branch of the Winners' Chapel International Church. (Its founder, David Oyedepo is the richest pastor in Nigeria, and probably in Africa, with Forbes magazine estimating his net worth at $150 million.) Mogoeng told the Judicial Services Commission that God wanted him to take the appointment.

In a 2014 address at Stellenbosch University, entitled "Law and religion in Africa: The quest for the common good in pluralistic societies", Mogoeng argued that,

> if a way could be found to elevate the role of love and the sensible discouragement of divorce, through legal mechanisms, [then] marital and family sanctity, and stability would be enhanced. A legal framework that frowns upon adultery, fornication, separation and divorce, subject to appropriate modification, would, idealistic as this may appear to be, help us curb the murders that flow from adultery, help us reduce the number of broken families and the consequential lost and bitter generation that seems to be on the rise, which in turn cause untold harm to society.

As noted by several observers at that time, and despite subsequent denials by the chief justice, it seems that he would like to elevate the Odeyepo brand of charismatic Christian ethics into a national, if not continental, legal framework. On the face of it, the preceding quote is potentially at odds with South African law and the Constitution. Adultery may be undesirable, but it is not a crime. Divorce is definitely also not a crime. In fact, it may be the best thing to happen in circumstances of marital abuse and violence. As to how adultery leads to murder, only the chief justice could say.

There is indeed a bitter generation in South Africa and many broken families. But the suggestion that these emanate from adultery and fornication is neither scientific nor probable. These bitter young people are not at school, at work or in training. They are children of the poor, without hope for the future. What they need is a growing economy that can provide more employment opportunities, to be educated in the skills the country needs, and to become active citizens of our democracy. Outlawing adultery and divorce will not help families that are broken by death, disease and poverty.

> **We may sneer at pastors like Mnguni, Daniel and Motsoeneng – but corporate and political leaders are doing the same thing.**

In an article entitled "God help us: Mogoeng Mogoeng takes the Constitution to church" (30 May 2014), Daily Maverick columnist David Poplak quotes other statements from the same lecture, including "theft is the semen that breeds fraud and corruption", perjury is "on all fours with the … biblical injunction that 'thou shall not bear false witness'" (whatever that means), and "an oath in the Name of God must be taken seriously or else".

THE GOD OF MMUSI ALOYSIAS MAIMANE

The leader of the official opposition in parliament is also a pastor of Liberty Church, a conservative charismatic church in Randburg. In a sermon there in May 2015, he proclaimed his desire for the kingdom of god to come. Like Mogoeng, Maimane believes that he has been called to politics and that he is a politician "infused with godly values". He tells a story of being asked to prophesy for a boy was called into politics, only to realise later that he himself was that boy. According to DJ McPhail, the founder of Liberty Church, Maimane was called to both politics and the church, not either/or.

Columnist Gareth van Onselen (Business Day, 3 September 2015) suspects that Maimane's attack on Zuma during debate on the 2015 State of the Nation Address as a "broken President" echoes McPhail's regular use of "brokenness" as a metaphor for sin. Van Onselen discovers two Maimanes – Mmusi the politician, who is sworn to uphold the Constitution, and Aloysias the pastor, who is as conservative as his mentor, McPhail. The Liberty Church teaches that sex is holy and should never be engaged in outside marriage. McPhail also believes homosexual sex is sinful. The church is so concerned about pornography that McPhail is promoting anti-pornography "accountability" software that will enable church executive members to monitor each other's computer usage. Maimane also believes that South Africa must be led by a Christian.

Maimane, Mogoeng and Zuma must be pleased to know that the executive, the judiciary and the opposition of our country are led by Christian men.

THE GODS OF OTHER "MEN OF GOD"

While members of the elite in South African society involve themselves in conservative charismatic Christianity, they are not the believers who eat grass, reptiles, live rodents or human hair, drink petrol, strip naked, or lie down to be trampled upon by the expensive shoes of the "men of god" who lead their churches.

These churches, through their beliefs and practices, not only reproduce prevailing social stratifications, they affirm and reinforce them in ways that are contrary to the Constitution. As in the economy and in contemporary society generally, young black women and men are at the bottom of the pile. These "children of a lesser god" are prey to both the religious experimentation and the capitalist exploitation embedded in church practices. These churches worship a god who apparently enjoys people being humiliated as part of their quest for blessings and prosperity.

The god of Lesego Daniel of Rabboni Ministries in Garankuwa asked young women and a few young men to eat grass. And they did. The same god later desired members to partake in the drinking of petrol, and again the young women took the lead. Patriarchy is in charge in the church as it is in society.

Not far away in Soshanguve, "Prophet" Penuel Mnguni – apparently mentored by Pastor Daniel in the performance of miracles – ordered church members to commit all the gruesome acts mentioned above in order to prove that nothing is impossible with his god. To do such things, the members must be gullible, have lots of faith or be paid well, or all of the above. Being paid "well" in a situation of abject poverty is, of course, relative.

In the East Rand, near Alberton, is another "man of god": Paseka Motsoeneng, better known as Pastor Mboro. The god of Pastor Mboro would be called the "divine gynaecologist", as he specialises in women's reproductive organs. Pastor Mboro is often required to touch those parts – which he euphemistically calls "biscuits" – as he prays for the afflicted women. He, too, is called by god to put his expensively clad foot on the back of a "demon-possessed" woman crouching before him. So far, neither the police or our Chapter Nine institutions have been able to catch up with Pastor Mboro.

The gospel according to these pastors appears to teach that the way to salvation is via humiliation and indignity.

TOXIC LEADERSHIP

Why do people patronise these modern-day prophets? The answer is complex, but at the heart of it is a toxic model of leadership. And while these "men of god" may be the most dramatic examples, they are also part of a large and growing guild of leaders who display the same warped values in various sectors of society.

In each sector, their followers must declare daily that rats taste like chocolate, petrol like juice and grass like pasta. They dare not say anything to the contrary, at the risk of losing blessings, patronage and status. The entire source of their livelihood could evaporate. We may sneer at Mnguni, Daniel and Motsoeneng – but corporate and political leaders are doing the same thing in other ways. The levels of inequality and poverty in our society are ripe conditions for toxic leaders to thrive.

The demand for bad religion, as practiced by these "men of god" stems from material desperation and high levels of ignorance: an ignorance that is born from cultural and spiritual immaturity as well as from a lack of education. People whose poverty includes cultural, psychological and spiritual bondage are easy pawns for bad religion. Some observers dismiss these events as insignificant, inevitable outcomes of the wilful gullibility of the so-called victims. This is partly true, but an empty stomach has been known to reduce human consciousness to magical and delusional thinking. Others dismiss bad religion as a "problem of the black", thus resuscitating age-old racial stereotypes.

But leadership is clearly central to the problem. More precisely: a sick, co-dependent relationship between the "men of god" and their followers. Locked into a form of spiritual sadism, the sick leaders and the sick followers need each other every step of the way. The followers symbolically seek a portion of the leader's power and charisma for their very sustenance, survival and meaning. And what they seek is pre-eminently material in nature, from the cash they may receive for helping the prophet to the protection they feel as members of a group in a context where each one is alone and exposed to harm.

Consider that fewer than 10 million South Africans are on medical aid. This means that more than 80 percent of South Africans have little else available to them but the services of prophets and palm readers. They watch relatives and friends die prematurely from entirely preventable diseases due to a lack of medication, money and functioning clinics. Add to this an unemployment rate that has seldom dropped below 20 percent and is now around 25 percent. Desperate South Africans, especially the young, are looking for miracles.

The demand for miracles is heightened by rampant corruption, dysfunctional processes, and collapsed community and state institutions. What should be normal straightforward processes to obtain a job application, a driver's licence, an identity document or an RDP house are fraught with difficulties. Faced with these odds, it seems to the poor that only a miracle can help them.

Ultimately, the grass-eating, petrol-drinking and rodent-eating congregants are chasing the dream promised by their government – the dream of a better life for all in a country where disadvantage is acknowledged, effort is rewarded and merit recognised. But many of our compatriots are losing hope. They are part of the desperate and bitter generations to which Chief Justice Mogoeng referred, children of the cruel gods to be found between Pretoria and George Goch.

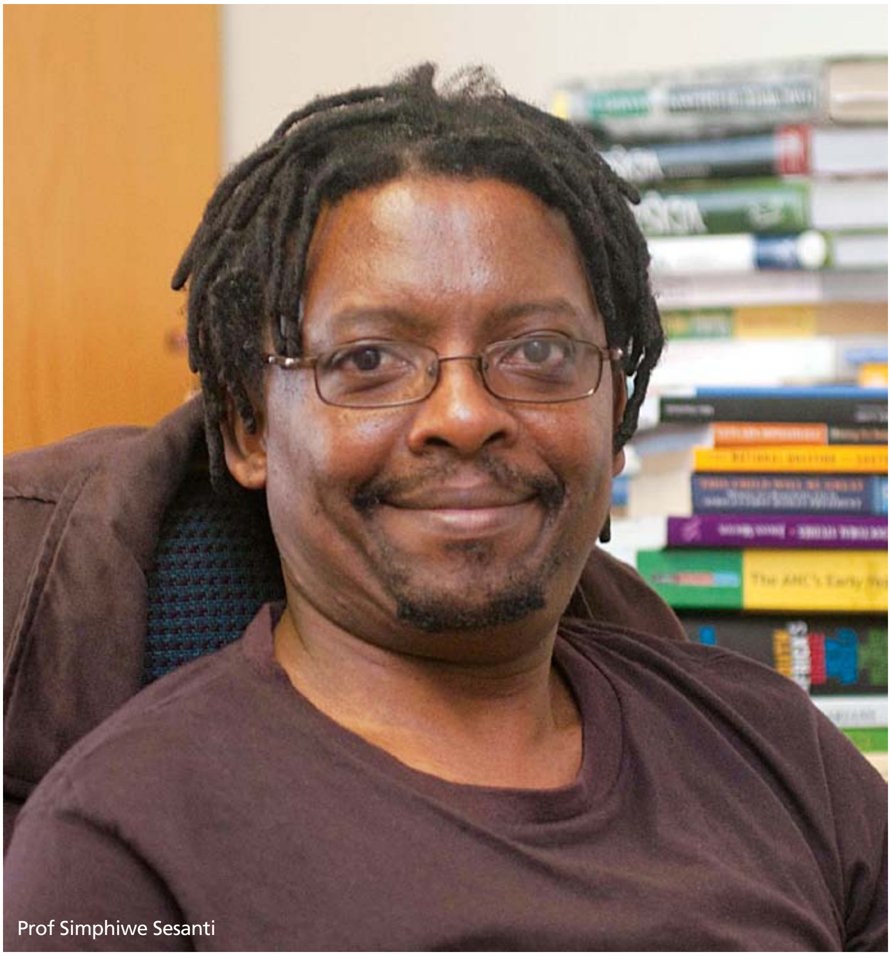
Have they been totally abandoned by the Jesus of *Woza Albert!* and the god of Nolan and Kairos? Perhaps God still dwells among the poor and the marginalised, among those who are made to eat grass and drink petrol. Perhaps it is God who is being humiliated. NA

RHODES MUST FALL
A COMMENT

By Simphiwe Sesanti

The author teaches journalism at the Nelson Mandela Metropolitan University

The statue has been brought down – now what?



Prof Simphiwe Sesanti

The Rhodes Must Fall (RMF) movement at the University of Cape Town (UCT) has received mixed reactions since it first captured media headlines. There were those who felt it was a fruitless exercise about a trivial issue – the removal of a statue. Others felt that the students were unreasonable, that removing the statue was an attempt to delete history. But this is not how the roaring young lions saw their task. For them, the figure of Cecil John Rhodes was an insult to the dignity of African people, a symbol of their dispossession, and a reminder of their pain. If it was taking time for Africans – who continue to be the face of poverty – to secure their complete freedom, at least there must be no towering figure symbolically rubbing salt into their wounds.

Unbeknownst to many, when Chumani Maxwele, the native who threw the faeces at the statue, performed his deed, some black consciousness and pan-Africanist-oriented students at UCT were already engaged in serious discussion among themselves about what it means to be black and African in a white-dominated space that was perceived to be Eurocentric even as it was promoted as a world-class African university. When Maxwele came to the stage, they instinctively felt that he would be vulnerable and under siege if fellow black students failed to surround him in a show of solidarity. And so, they organised and mobilised.

Rhodes' statue was only a trigger for the articulation of bigger issues. One of them was a call for an Afrocentric education. Scholars like Molefi Kete Asante emphasise that Afrocentricity is not a mere reaction to Eurocentrism, nor the flip-side of it. It must not be taken for granted that everyone –whether its promoters and detractors – understands this. As Asante once wrote, "Afrocentricity is a paradigm based on the idea that African people should re-assert a sense of agency in order to achieve sanity."

As these struggles were taking place, Miriam Makeba's Soweto Blues kept echoing in my mind: "*Benikuphina madoda xa abantwana bejikejela ezi zimbokodo, benikuphi na?*" "Where were you, men, when the children were throwing stones, where were you?". While the song addresses black men's paralysis in 1976, when children were being crushed by the mighty arm of apartheid, I could not help feeling guilty that the young people at UCT are waging struggles that were supposed to be waged by us, their parents.

It was a personal guilt because I was aware of some courageous black academics who gave support to the young ones. But, as our African ancestors would have it, an opportunity came my way when New Agenda editor Ben Turok phoned me to express his frustration with what he referred to as "a rejection of white students" by the RMF movement. A white student had told him that the movement was holding exclusively black meetings, which brought back painful memories of the 1950s for Turok, reminding him of the hostility of African nationalists within the ANC who rejected white involvement in Congress politics.

Turok strongly believes that a strong alliance between progressive white people and black people is necessary to defeat race-based forces of oppression. This was the case initially with RMF; progressive young white people had supported and joined the movement. Why this change, now? Knowing my black consciousness and pan-Africanism background, Turok invited me to Cape Town to go meet with RMF activists and write an opinion piece. I like Turok because I think that he is a well-meaning white comrade who paid a heavy price through incarceration for his stand against the apartheid system. I told this to the students so that they could decide if they wanted to talk to me or not.

Before our meeting commenced, I saw a white student sitting alone nearby and asked one of the young lions if he was a member or not. The answer was yes, as was confirmed when he participated in the meeting. So, if it was not true that RMF has no white members, where do the claims that the movement marginalises white students come from? They told me it was true that they wanted to be alone as black people in some meetings. This let them speak frankly together about their pain without holding back, and without worrying about whether white students would express unacceptable views because, being white, they did not understand the problem. The white student said that he saw nothing wrong with this approach; all he wanted to do was to give support without imposing.

> **"The figure of Cecil John Rhodes was an insult to the dignity of African people, a symbol of their dispossession, and a reminder of their pain.**

Coming from my background, the students made perfect sense to me. Coming from his Congress tradition, I can relate to Turok's difficulty. I can empathise with the white student who feels rejected by white people for identifying with the black cause, and then the pain resulting from perceived rejection by blacks.

But I side with the black consciousness approach of the Rhodes Must Fall movement. They also have their own difficulties. Radical black young women are raising serious questions with their male counterparts in the movement. They see and confront the insensitivity of male black consciousness adherents who think and speak in ways that marginalise black women in the struggle. Some think that, in the same way that whites are requested not to participate in blacks-only meetings, black women must have black-women-only meetings. As a black-conscious, pan-Africanist revolutionary, this makes perfect sense to me. NA

THE IFAA SUNDAY FORUM

BLACK CONSCIOUSNESS AND FEMINISM

Report by ***Michael Smith***

The author is a researcher with the Institute for African Alternatives and coordinator of the IFAA Sunday Forum. He is also a masters student in political philosophy at the University of Cape Town

On 9 August 2015, the IFAA Sunday Forum invited Kealeboga Ramaru and Mbali Matandela, two students from the Rhodes Must Fall movement, to speak at Cape Town's Centre for the Book on "Black consciousness, feminism and intersectionality theory". This is a summary of their presentation.

Black consciousness has emerged on university campuses in contemporary South Africa due to the exclusionary culture of local higher education institutions. According to Ramaru and Matandela, the University of Cape Town (UCT) was founded as an exclusively white, elite male institution. For the Rhodes Must Fall (RMF) movement, this university retains fragments of its colonial legacy within its institutional culture. Their task, to put it simply, is to decolonise the university.

The movement draws on the ideas of black consciousness and intersectionality in resistance to what

Mbali Matandela *(centre)* during the early Rhodes Must Fall protests during the Cape Epic. *Photo by Xola dos Santos* they call "the exclusionary archetype of the elite white male". This archetype was embodied by the statue of Cecil John Rhodes that was removed on 9 April 2015 due to radical protest.

RMF follows Steve Biko's definition of "black" as a political identity that describes "those who are, by law or tradition, politically, economically and socially discriminated against as a group in the South African society". It refers to all people of colour. Black consciousness, in turn, is a mental attitude that seeks to emancipate people of colour from a racially oppressive South African society.

Intersectionality theory is used in conjunction with black consciousness thought to properly account for and counteract the numerous sites of oppression for black students. With its roots in feminist sociological theory, intersectionality attempts to describe the ways in which oppressive systems are interconnected. In light of this, Rhodes Must Fall recognises the fact that racial oppression exists alongside, and is linked to, equally oppressive systems based on gender, sexuality, able-bodiedness, class and mental health.

> **"RMF follows Steve Biko's definition of "black" as a political identity that describes "those who are, by law or tradition, politically, economically and socially discriminated against as a group in the South African society".**

The presenters argued that the adoption of a black feminist critique of previous black consciousness movements – one that recognises black lives as multi-faceted – will lead to greater inclusivity within the Rhodes Must Fall movement. They assessed the complexity of the black narrative, emphasising the need for black feminist thought in a discourse and political ideology that silences the voices and concerns of women.

After the talk, the following issues were raised from the audience:

- the problem of using the phrase "people of colour" when referring to non-whites
- intersectionality and hierarchies of oppression: if we use class, race, gender, sexuality as different forms of oppression, can we say one is reducible to the other? What is the relationship between them?
- race as a social construction, not a biological fact
- the reasons for the exclusion of black feminist thinkers in black consciousness discourses. NA

ABOUT THE PRESENTERS

Kealeboga Ramaru is a gender and transformation honours student at the University of Cape Town who identifies as a black (conscious) feminist. She completed her undergraduate degree majoring in politics, public and policy administration, and gender studies. Her activism is located within the South African Young Feminist Activists organisation as well as RMF, and she is a peer-educator for the African Gender Institute (AGI)'s Young Women's Leadership Project on Sexual and Reproductive Health Rights (YWL). She is also interested in forming transnational links on black consciousness discourse.

Mbali Matandela is a gender and transformation honours student and a black radical intersectional feminist. Matandela completed her undergraduate degree in international relations, gender studies, and business French at UCT in 2014 and was awarded the 2014 Mellon Mays Undergraduate Fellowship. She is an activist on various platforms, including the South African Young Feminist Activists (SAY-F), the Collective Social Movement and the AGI YWL project. Believing that activism is a lifestyle, her writing seeks to empower women through different forms of expression. She has written for the Mail and Guardian in South Africa and is a member of the writers collective at Kaleidoscopes: Diaspora Re-imagined.

THE IFAA SUNDAY FORUM

The Institute for African Alternatives (IFAA) Sunday Forum is an open discussion group facilitating the democratisation of socially relevant ideas and discourses. Our forum aims to connect local postgraduate students in the social sciences with each other and with a public audience. Presentations and discussions are primarily based on topics in political philosophy, political economy and development economics and are given in a conversational and non-technical style as far as the subject permits. For new events, find "IFAA Sunday Forum" on Facebook.

THE IFAA SUNDAY FORUM

YOUTH DIALOGUE ON THE TRC
REFLECTIONS AND POSSIBILITIES

Report by ***Claire-Anne Lester***

The author is working towards an MPhil in justice and transformation at UCT. She is an intern at the Institute for Justice and Reconciliation and an IFAA associate member

Young South Africans considered the legacy of the Truth and Reconciliation Commission (TRC) at a discussion jointly hosted by the Institute for Justice and Reconciliation (IJR) and the Institute for African Alternatives (IFAA) on 11 August 2015

By six o'clock, when the event was to begin, every seat in the room was full and young people were finding places against the walls. A panel of four students was set to respond to the question, "Is the Truth and Reconciliation Commission a desirable model of transitional justice?"

Considering South Africa's current political and socio-economic difficulties, a discussion of the TRC might initially seem anachronous or futile – a topic with "a foregone conclusion", as Brian Kamanzi noted when he began his presentation. It was soon apparent that the nature and outcome of our negotiated transition in general, and the inner workings of the TRC in particular, remain fiercely relevant to the younger generations.

Although each presentation was unique, there was consensus on a few issues. All agreed that the TRC's conceptualisation of justice, as primarily retributive and restorative, was a decisive and fundamental flaw. That its inquiry was framed by the vocabulary of human rights also determined its neglect of socio-economic injustices that many South Africans continue to experience as a direct consequence of apartheid legislation. One example of such legislation is the Bantu Homelands Citizenship Act of 1970, which catalysed the legal classification of South Africans into citizens and subject races.

Mwinji Siame described the TRC as a "sanitised, legal-rational-ish process, couched in the biomedical language of healing and the authority of human rights". Abigail Branford noted that the TRC focused on "the visceral" – those "*gross* human rights violations" – which had the effect of shocking the audience while "the possibilities that existed within the TRC findings have been squandered by both the machinery of the TRC and the secondary and tertiary education sectors". Kayin Scholtz spoke of the dire economic conditions of poverty and unemployment in South Africa, linking the TRC's failure to assign criminality to economic oppression with the view today that "we do not seem to think that economic injustice counts". This has led to an unfortunate tacit acceptance of vast, racially defined inequality in contemporary South Africa. Despite the TRC's focus on human rights, we remain plagued by unequal access to the law, to safety, and to the protection of basic human rights more than two decades into our new dispensation.

By individualising oppression, many complicit hands were washed of responsibility; but perhaps more importantly, young South Africans inherited an inaccurately constructed history that has bred a misunderstanding of our past and present conditions. Kamanzi spoke of people growing up in an "ahistorical context … trying to deal with collective memory and intergenerational trauma in an individualised sense", while many beneficiaries of the apartheid system remain ignorant of the cost of their privilege. There is a need to grapple with the negative heritage of the past if we are to forge a viable future. One cannot talk about nation building without recourse to multiple pasts, and in South Africa, it is necessary to understand that the systems of slavery, colonialism, and apartheid all make claims upon the present.

Each panellist presented a unique and sophisticated critique, showing that the decisions made during South Africa's transition are being judged by a new set of standards. Each speaker also suggested a practical way forward. For Branford, the TRC findings need to be harnessed into education programmes that encourage debate, reflexivity and critical thinking, rather than attempt to teach abstract concepts like "reconciliation" and "empathy". Civic or peace education as currently taught, she said, is like reading a grammar book: "abstract rules that kind of make sense, but unless you see it in practice, you don't really know what they're on about".

> **One cannot talk about nation building without recourse to multiple pasts.**

Kamanzi urged us to steer away from the narrative of "South African exceptionalism". If we rather understood our experience as an example of late colonialism, we could engage with central questions related to reparations and the colonial legacy within a global effort. In Siame's view, we cannot begin to talk about truth and reconciliation when black people do not own their land – "the very way in which we hold our memories". Scholtz had a very different take on ownership as "what exists in the present". If ownership is fundamentally dispossession that has been codified into law, while equality is intrinsically just, he said, then perhaps a society should be judged according to its level of inequality. Seen through that lens, South Africa is incredibly unjust. For Scholtz, to ensure equality we need to think seriously about issues around inheritance and estates to discern ways to distribute wealth in the most just way possible.

The question-and-answer session that followed revealed a further multitude of perspectives and anxieties regarding South Africa's current socio-political moment. Emotional chords were struck as audience members reckoned with such sensitive issues. Ultimately, this proved to be a timely conversation, given the present calls for more radical transformation of institutions of higher learning. As TRC chairperson Archbishop Desmond Tutu wrote in the final report:

> Others will inevitably critique this perspective – as indeed they must. We hope that many South Africans and friends of South Africa will become engaged in the process of helping our nation to come to terms with its past and, in so doing, reach out to a new future. NA

NOTE

An audio recording of the panel, "TRC Youth Dialogue Full Audio", is available on YouTube and the IFAA Sunday Forum Facebook page, as well as some video.

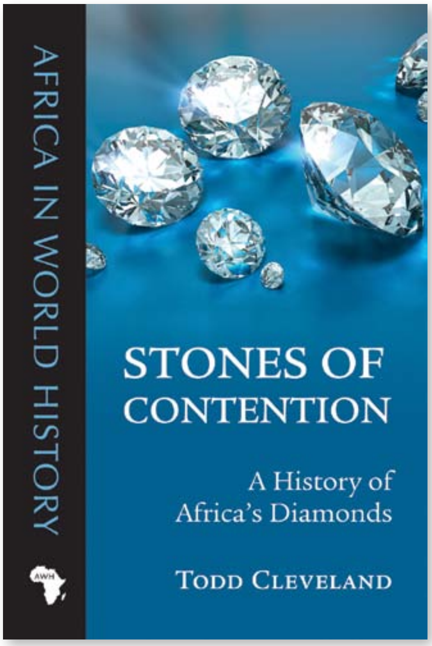
ABOUT THE PANEL

Abigail Bradford is a transitional justice honours student at UCT and a Mandela Rhodes Scholar of 2015. Her research interests include truth commissions, gender politics and sanitation provision in informal settlements. Abigail manages and coordinates the Gender and Sex Project, which conducts workshops in high schools in Cape Town and Grahamstown.

Brian Kamanzi is a Cape Town-based spoken-word poet, engineer, and a budding Pan-Africanist eager to form cross-cultural connections with others in the struggle.

Kayin Scholtz is a social worker, working primarily in educational interventions in Philippi. He currently manages the Impact Centre at the South African Education and Environment Project.

Mwinji Siame is currently completing a master's degree in sociology. She explores the promise of biography and literature to express and understand the experiences of black women. Her short fiction has appeared in Munyori Literary Journal and Bluestockings Magazine.



STONES OF CONTENTION:

A History of Africa's Diamonds

Todd Cleveland

Ohio University Press: Athens OH, 2014. 225pp

Reviewed by **Howard Smith**

Africa has supplied the majority of the world's diamonds since soon after the discoveries in South Africa in 1867. While first India and then Brazil had held this position in earlier periods of mercantile trade, the Kimberley mines were the first to be developed in the era of modern imperialism and this book lays bare the awful consequences for Africa's indigenous people. With a real effort to record the conditions and views of the workers affected, history professor Todd Cleveland has written an informative and very readable account of this history.

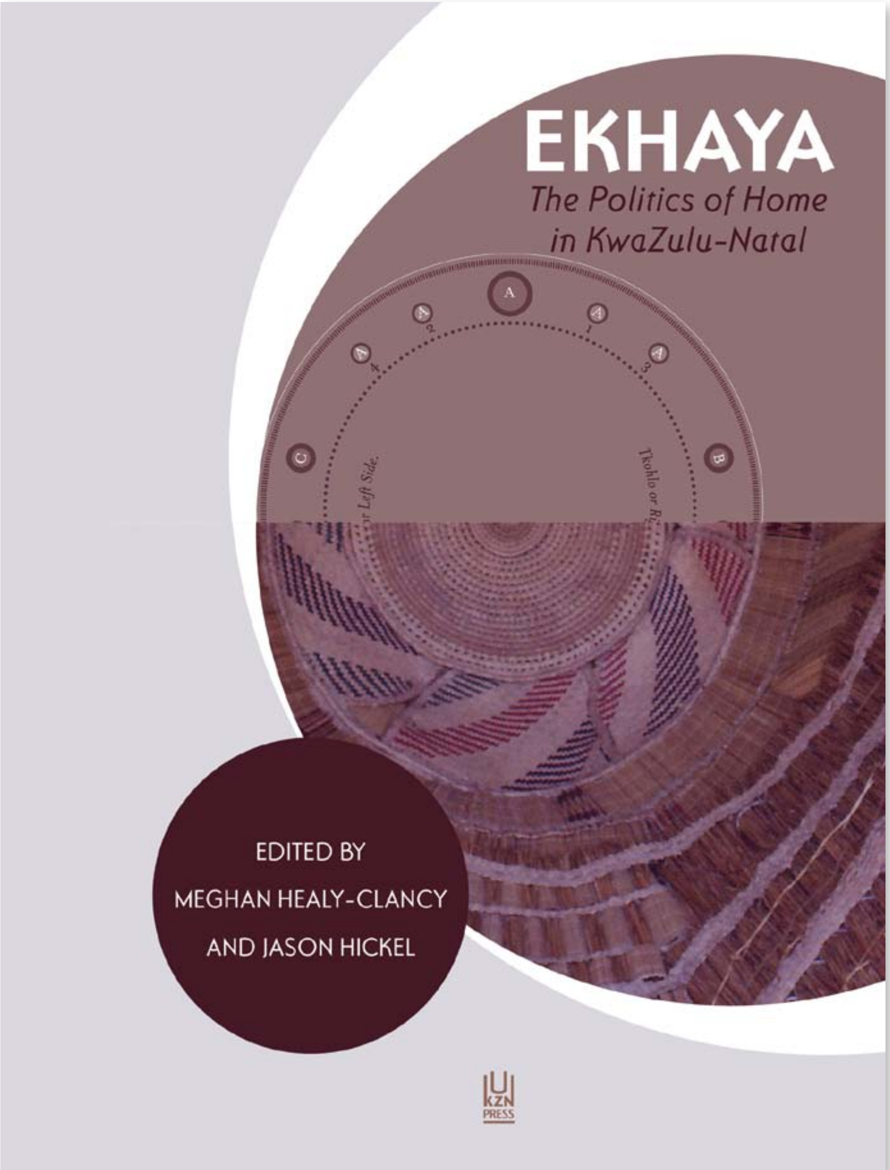
Anyone looking for reasons to support the current Rhodes Must Go protest movement at the University of Cape Town will find plenty of material here. Within less than a decade of the discovery of diamonds around Kimberley, Cecil Rhodes and his partners had monopolised the extractive industry and export sale of diamonds. From 1884 until 1932, their De Beers mine utilised convict labour under an arrangement with the Cape Colony government – under Prime Minister Rhodes. From 1890 to 1905, the government received a meagre annual fee of £1000, while De Beers paid no wages to the workers but fed and housed them in its own company prison. Here is the origin of the notorious compound system that became a feature of industrial mining operations in much of Africa. Rhodes' scholarships and other bequests to benefit white South Africa were small disbursements from the fortune he amassed from this systematic exploitation, and the recent redress falls far short of the compensation Africa should exact for the theft of its wealth.

Acquired by Ernest Oppenheimer in the 1920s, De Beers continued to operate within the Anglo-American stable. The company's relentless drive for a worldwide monopoly over diamonds was not confined to control of the trade: diamond mines in South West Africa and Angola, the Congo, Central and West Africa, and Tanganyika were to become part-owned or controlled by De Beers companies. While Cleveland does not hold De Beers responsible for the "blood diamonds" mayhem in Sierra Leone or the role of diamonds in fuelling Angola's civil war, his account clearly identifies the connection between the way the industry was organised and the horrors that unfolded in the independence and immediate post-colonial periods.

The book also addresses the contemporary question of whether diamonds are a "resource curse" or a potential asset for the development of Africa and its peoples. Cleveland contrasts the ordered development of diamond mining in post-colonial Botswana and its reorganisation in Angola – where, in both cases, De Beers operates in partnership with government – with the recent disorder in the artisanal mining field of Marange in Zimbabwe, linking elite and senior military figures to abuses of governance in the exploitation of that rich find. The Kimberley Process (KP) – an agreement drawn up by governments, the industry and civil society – is also addressed. While it has had some success in stemming the flow of "conflict diamonds" into the market, the KP is limited by its mandate to stop the exploitation of diamonds by rebel movements to fuel and fund conflict, but not the industry's exploitation of workers and often devastating impact on local communities.

The inclusion of selected readings and discussion questions enhances the book's educational value. It is, however, inexcusable that an academic publication fails to identify original sources. To give just one example: one reads that "the nationalisation of the mines is ANC policy" (94) only to find that this 1992 ANC statement is attributed only to Cleveland's secondary source, a 2006 article in a US economic journal (n. 25, 216).

Stones of Contention is a useful and comprehensive introduction to a terrible history that is so defining of colonial dispossession and oppression, and the potential future, given progressive policies, for development in the period of African Renaissance.



EKHAYA:

The Politics of Home in KwaZulu-Natal

Meghan Healy-Clancy and Jason Hickel (eds)

University of KwaZulu-Natal Press: Scottsville, 2014. 288 pp

ON THE POLITICS OF HOME (EXCERPT)

Ranging from the rural to the urban and the pre-colonial era to the presidency of Jacob Zuma, this volume emphasises the affective and ideological dimensions of *ikhaya*. It offers insight into how the home, which embodies both modernist aspirations and nostalgic longings for the past, has become the touchstone for popular discontent and political activism in recent decades.

If it can be said that colonialism in South Africa was a colonialism of the home, then it can equally be said that politics in South Africa are a politics of the home. Perhaps no region illustrates the dynamism of South Africa's domestic transformations more dramatically than present-day KwaZulu-Natal, a place that has been an extreme instantiation of the political, economic and social transformations that have shaped colonial Africa and much of the global south.

Experiments with colonial governance through traditional authorities, pioneered in Natal in the mid-nineteenth century, manipulated kinship and patriarchy in rural homesteads in order to facilitate minority control. The region's massive migrant labour system worked by articulating domestic reproduction in the rural homestead with capitalist production in industrial areas – epitomising the violence of colonial exploitation.

Some of the world's most extensive exercises in urban social engineering through forced relocations sought to remake African homes in the mould of European domesticity – drawing upon missionary precedents as well as new global models of "slum clearance", and shaping new expectations of modernity. And post-industrial decline and an entrenched housing crisis have radically transformed family forms, leading to dramatically reduced marriage rates and new modalities of kinship – creating a crisis of social reproduction emblematic of the limited promises of global development. The chapters reveal that, throughout the modern history of this region, the constitution of the domestic domain – be it the rural homestead, the Christian home, the township house or the urban shack – has been crucial to organising activities in the political realm.

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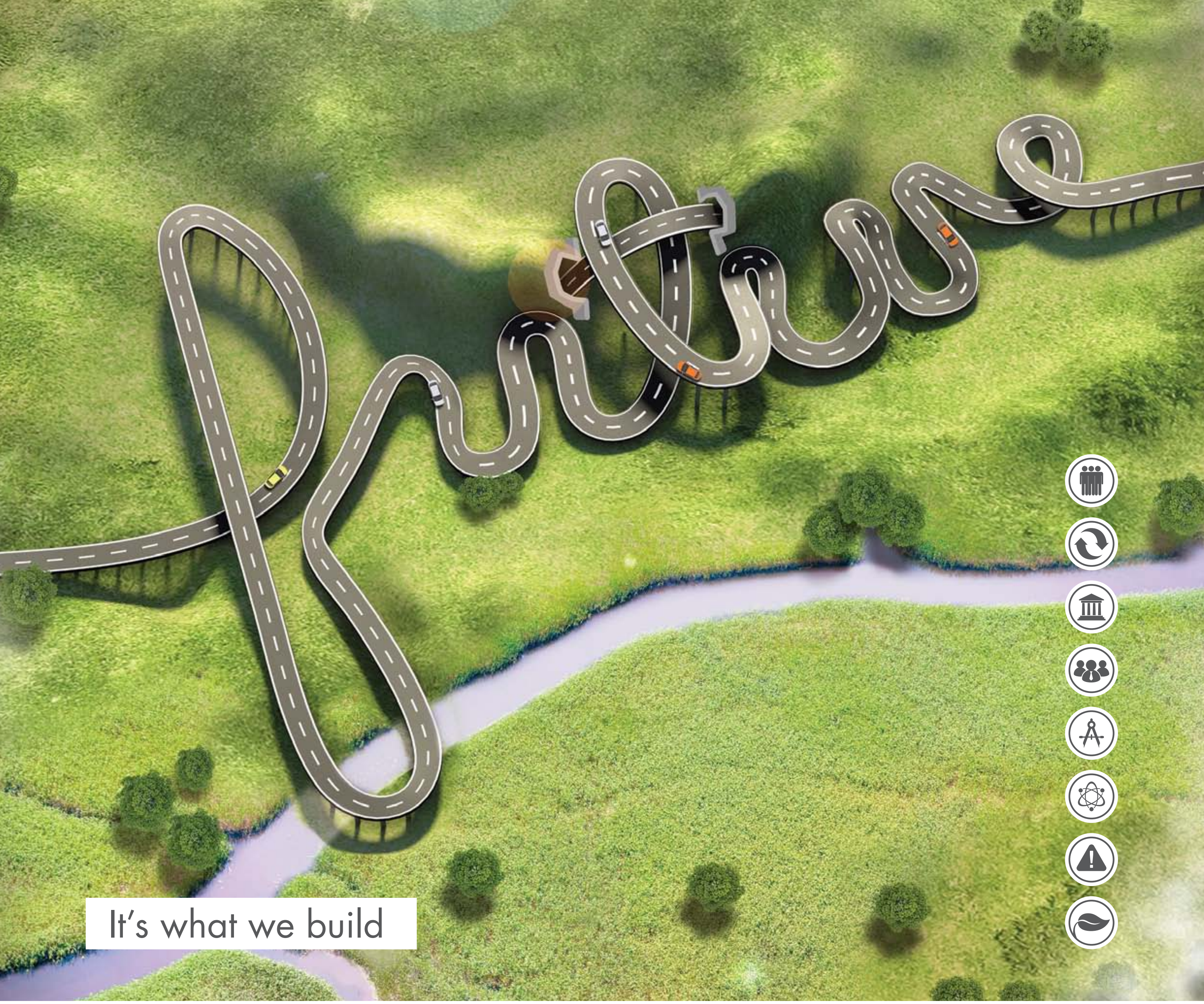

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