

# The

# JOURNEY

Practical ideas for job creation in South Africa

Job Moraka

# **THE JOURNEY**

**PRACTICAL IDEAS FOR JOB CREATION IN SOUTH AFRICA**

**Job Moraka**

© Job Moraka 2017

The Journey: Practical Job Creation Ideas for South Africa

Published by Mycoma Publishers 2017

A Division of Mycoma (Pty) Ltd

PO BOX 50710

Wierdapark

0149

info@mycoma. co. za

ISBN 978-0-639-9067-0-6

2 4 6 8 10 9 7 5 3 1

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form by any means electronic, mechanical, photocopying, recording or otherwise without the written permission of the copyright owner.

#### Disclaimer

Care has been taken to ensure the accuracy of the material in this publication. The author or Publisher cannot accept any responsibility for errors in compilation or interpretation of this publication. In the event that some material used in this book was not acknowledged accordingly care will be taken to include such exclusions in the subsequent editions of this book.

Editors: LETSEDIT

Cover design: Abednego Amponsah

Layout by Boutique Books

Printed by Digital Action

---

---

## Dedication

---

---

To my brother, Pati Johannes Moraka.

Your support and unselfish approach to life is missed. These two powerful attributes that defined who you were made me think twice about who I am. While mourning you, life became worthless and offered me no joy. To fill the void that you left in my heart, *The Journey* was born. This is to you and what you could not finish. The Journey continues. It is too soon since your passing to have realised all the promises and dreams that we shared, but I am, however, resolute to complete the mission as discussed, sooner rather later.

Many would say it is the thought that counts. However, you went beyond this basic rhetoric. You executed without hesitation.

*“Robala ka Kgotso Mmina Pula.”*

I have learned so much from you.

*Job Moraka, September 2017*



---

---

## PREFACE

---

---

**“Evaluate *isiphithiphithi*” or a “evaluate confusion”** are now fashionable words. These words were uttered by the president of the Republic of South Africa, President Jacob Zuma, during a parliamentary session in 2017. Although these words were said in relation to something completely different, little did the President know that *“isiphithiphithi”*, which he refused to evaluate, was already upon us. The president was reacting to the opposition parties’ questions concerning the performance of the Minister of Social Development regarding the sensitive issue of social grant payments. What happened subsequently has now gone down in history as a very close, nerve-wracking encounter which the country does not want to find itself in ever again. The courts had to interfere and direct the minister as to how to do her work. Her performance should have been evaluated before the parliamentary session. There was no need to wait for the grants to be paid at the end of March 2107 before evaluating her performance. It was very clear at that stage that things were completely out of control under her watch.

The words *“evaluate isiphithiphithi”* were said in a jovial mood by the president. I was watching this clip on one of the television news channels and burst out laughing. According to the president, the meaning behind this expression was straightforward. How could he dismiss the Minister of Social Development before her department had failed to pay the grants when they were due for payment at the end of March 2017? The president was saying that the minister could not be disciplined in advance when the potential infringement of her department

not being able to pay the social grants as scheduled, had not yet happened. The payment of social grants was already hanging in the balance at that stage because the company that was tasked with the payments of grants wanted an extension of the contract which had come to an end without the necessary procurement process.

The interaction on this day showed a very confident president lashing out at the opposition parties, and making sure that they were buried for good. Some days after watching this interaction, I started to reflect deeply on what had happened on that day and wondered where the whole debate was going. I was particularly thinking about the implications of the two words in the South African political context.

The month of April 2017 truly became *isiphithiphithi* for South Africa. There were marches, comrade attacked comrade and rating agencies went berserk. The citizens were angry. Most South Africans were against the cabinet reshuffle that the president had executed by removing the newly-appointed Finance Minister (Pravin Gordhan) in a very short space of time and replacing him with another minister who had to navigate the country through tough economic times with very little experience in running a similar portfolio. The new minister was thrown into a sea infested with sharks and had to quickly adapt and find a way of stabilising the economic situation of the country. This is not going to be an easy assignment for him; however, people do adapt to the circumstances and challenges that they face. For the sake of the country, he must succeed with very little margin of error.

It does not look like anyone will ever win the argument as to whether the actions of the president, in reshuffling the cabinet, were rational or not. I daresay not even a court can pronounce on this matter. The Constitution gives the president the power to effect such changes. It is very difficult to win the argument

as to whether the decision was rational or not because all that the president would say is that there was no longer a working relationship between him and the erstwhile Minister of Finance. After all, ministers know that they serve at the pleasure of the president. While the debate rages on about the rationality or irrationality of the decision, there is only one loser: brand South Africa. The country is taking a hammering from all quarters.

The events that happened on and following the 7<sup>th</sup> of April were unprecedented. Things happened so quickly. First, there was a march organised by the Organisation Undoing Tax Abuse (OUTA) in collaboration with other civil society organisations that took place on the 7<sup>th</sup> of April 2017. The Opposition parties like the Democratic Alliance (DA), Economic Freedom Fighters (EFF) and other opposition parties also launched a massive march on the 12<sup>th</sup> of April 2017 against the President's cabinet reshuffle of the 30<sup>th</sup> of March. While the cabinet was being reshuffled, the rating agencies were also reshuffling the country's credit rating. Standard & Poor were the first rating agency to downgrade the country, on the 3<sup>rd</sup> of April 2017. The downgrade happened four days after the cabinet reshuffle. The second rating agency, Fitch Ratings, announced their decision to downgrade South Africa to so-called junk status on the 7<sup>th</sup> of April 2017.

Suddenly, my manuscripts for this very book did not make sense anymore. Things that I had not planned for were happening. The idea of writing a book about job creation in rural areas was no longer sustainable. Where was the money going to come from to create jobs in rural areas, I wondered? Surely, new priorities would now come to the fore, superseding the need to develop rural areas. The government should be more concerned about the potential impact of the downgrades on economic growth and the potential concerns that the investors may have about South Africa as a junk state. Investors want a return on their investment and will take their money elsewhere if the slightest possibility

exists that their investments may be at risk. I wondered whether the development of rural areas would still be a viable option for the government in the short to medium term.

History was repeating itself again. Rural development once again had to go to the back of the queue in terms of priorities. Alternatively, the rural economic development initiatives were going to be either deferred or paid lip service. The development of small towns, as hinted by the ruling party, the African National Congress, seemed to be at risk due to the expected budgetary constraints.

So, this book is not completely coherent because the events that took place during its transition were also incoherent. It will be challenging for anyone to talk about rural job creation without thinking twice about where the money to implement the rural development initiatives will come from.

There were many incoherent things which were said or done during April 2017. Some are still unexplainable – like the government’s official response to the credit downgrades, the quick response from rating agencies in downgrading the country, and the unity demonstrated by marchers under the banner of South Africa Incorporated against the cabinet reshuffle. To complicate things further, for the first time in the history of our country, business changed its hard stance towards production demands and allowed employees to vote with their conscience on the streets of South Africa.

The government’s response was not clear. In fact, the government was silent. The president attributed the countrywide march to racism, even though many black people took part in the march.

The president further said in his answering affidavit against the United Democratic Movement (UDM) application for a secret vote on impeachment that the rating agencies acted on suspicion and not facts by downgrading the country. It is a well-known fact

that the rating agencies swiftly downgraded the country within days of the cabinet reshuffle. The question is whether they were going to downgrade the country anyway in June 2017.

The issue is confusing. It is too late now for that question to be answered because I believe that the rating agencies cannot answer that question in hindsight. South Africa was due for review by the rating agencies in June 2017. The credit downgrades that happened in April 2017 were not scheduled and happened clearly because of the cabinet reshuffle. The credit agencies were probably going to downgrade the country whether there was a cabinet reshuffle or not if the conditions precedent set by them were not met by the government. One of the conditions that the rating agencies were concerned about related to the economic growth of the country. The country's economy has been struggling to attain growth over the last ten years. There were also issues around the economic policy uncertainties which were often raised by the agencies prior to the downgrade.

This book, therefore, is about uncertainties. It is about guesswork. It is about economic soul-searching in the light of what is happening in South Africa and the world. It is amazing that at the time when this book was written, the Rand was still steady and holding on to respectable levels. The volatility of our currency is a well-known factor.

There is no doubt that the effects of the downgrade will ultimately have an impact on all citizens, rich and poor. One hopes that the impact will not be so severe that it hampers the job creation initiatives which the government had already embarked upon. It is hoped that the country will remain resilient and overcome all obstacles.

There is no doubt that change is needed in South Africa to kick-start the economy. It does not matter what this new phenomenon for change is called. Some call it *Radical Economic*

*Transformation* while others refer to it as *Inclusive Growth*. It does not matter which definition is politically correct. What is required are jobs and the economic advancement of South Africa. Whatever economic policy the country decides to adopt, it will have to be underpinned by the delivery of the socio-economic improvements that have been promised to the South African masses on many occasions.

# **THE JOURNEY**

**PRACTICAL IDEAS FOR JOB CREATION IN SOUTH AFRICA**



---

---

## Table of Contents

---

---

Chapter 1: THE EFFECTS OF 4/7 . . . . .	1
Chapter 2: RANDOM RANTING . . . . .	11
Chapter 3: DIVERSITY IS POWER . . . . .	17
Chapter 4: RHETORIC . . . . .	20
Chapter 5: ILLUSIVE EXECUTION . . . . .	23
Chapter 6: LAMENT OF THE DESTITUTE . . . . .	25
Chapter 7: POINT OF NO RETREAT . . . . .	27
Chapter 8: THE REAL CHAMPIONS . . . . .	31
Chapter 9: BLACK INDUSTRIALISTS . . . . .	36
Chapter 10: THE JOURNEY . . . . .	42
Chapter 11: ECONOMIC EVILS . . . . .	45
Chapter 12: LEGALITIES . . . . .	56
Chapter 13: RURAL INFRASTRUCTURE. . . . .	63
Chapter 14: ENVIRONMENTAL IMPACT. . . . .	75

Chapter 15: BIOPROSPECTING . . . . . 79

Chapter 16: TOURISM . . . . . 81

Chapter 17: RURAL ECONOMIC DEVELOPMENT . . . . . 84

Chapter 18: COUNTERFEIT GOODS . . . . . 90

Chapter 19: CORRUPTION . . . . . 93

Chapter 20: MEGA FACTORIES . . . . . 96

Chapter 21: FUNDING . . . . . 101

Chapter 22: CHANGE OR POPULISM . . . . . 104

Chapter 23: MY 12-POINT PLAN . . . . . 107

---

---

## Chapter 1: THE EFFECTS OF 4/7

---

---

**The ideas that are shared** in this book are commonplace and can be articulated by anybody. There is nothing novel about them. At best, all that I have really done is to write them down.

South Africa is a diverse and democratic country. Unity among the different race groups has always been suspect. There are occasions when South Africans display a true spirit of unity. For instance, the world soccer cup of 2010 demonstrated that the country was united, and the 1995 Rugby World Cup that South Africa won on the home soil by beating the All Blacks did the same. The march against the cabinet reshuffle by the president presented similar signs of unity. The march of the 7<sup>th</sup> of April 2017 showed what united South Africans stood for: their love for their country.

The 7<sup>th</sup> of April 2017 was a telling day. The South African political and economic landscape changed on this day, whether by commission or omission. Was it for better or for worse? What happened on this day will be felt for many years to come, both on a political and economic level. The power of forward planning became irrelevant on this day. People were rattled and business was concerned about the impact that the credit downgrade would have on their services and products. Ordinary South Africans were uncomfortable about the uncertain territory that the country was entering.

To the ordinary person, an economic downgrade brings affordability issues relating to the daily needs for survival. A country that has been downgraded to junk status is bound to have many economic challenges. The first challenge is that the

investors get nervous about investing their money in a country that does not have a clearly defined economic policy. It is not a secret that South Africa has been changing economic policies rapidly since 1994, without anything to show for it. Investors want economic policy certainty. Investors are crucial because they invest in the country's infrastructure which in turn creates jobs. Junk status means less investment and by implication fewer jobs. Ordinary people suffer when the country is rated junk because people must do more with less money in their pockets. The demand for products increases and product supply becomes low because of business failure or closure. Capital becomes more expensive as interest rates go up due to the inflationary environment created by the high prices of goods.

Many South Africans were worried as they have witnessed the country reach its lowest economic ebb before. They probably remembered that interest rates once touched the 25% mark in this country prior to the dawn of democracy. The results were devastating during those years. Houses and vehicles were repossessed due to high interest rates which made everything expensive, and consumers, as a result, could barely survive. Bulldog lawyers were set on the defaulters and they hounded them like common criminals to recover every cent owed to creditors. When the interest rate was at those levels, the working class barely survived while investors smiled. It, therefore, becomes an academic exercise as to whether the gap between the rich and the poor will ever be closed. During difficult times, rich people make more money because they have cash and can invest with guaranteed higher returns.

The workers almost single-handedly created the smiles on the investors' faces. Workers pay for investors' high returns on interest because they approach the banks and microlenders for loans. They cannot escape increased taxi fares and school fees. The notorious food inflation also eats into their miserly salaries

as shareholders unashamedly chase multiple returns on their investments. Workers pay heavily with less money in their pockets. The grant recipients are in a worse situation. They will feel the impact more severely because they can no longer stretch that Rand to buy the necessities of life.

Many people have pondered what the ramifications of the credit downgrade will be. People are thinking about their economic well-being and realise that they may have to go back to the drawing board. They realise that they may have to sell their home. The power of forward positive planning has now become the will to salvage overnight what is left. How does one plan for the unknown?

The world is moving rapidly and countries are competing for investors. South Africa may still be under the illusion that it is the gateway to Africa in terms of investments. Does that belief still carry weight? Many African countries like Rwanda are fast becoming the destination of choice for many investors. More African countries are getting their houses in order in terms of their politics and economic policies. Populist politics are being shelved in pursuance of unity and prosperity.

Political uncertainty creates confusion as citizens always wonder where and how the fracas is going to end. However, on the day of the marches against the cabinet reshuffle, the people's demands were clear. The marchers said that they did not want their president anymore. This was the day when people nailed their colours to the mast without any fear or favour. Many people across the colour line and party line stood for what they said they believed in: "their South Africa and nothing else".

As expected, there were two schools of thoughts about the general events that happened in our country caused by the cabinet reshuffle. There were those who were for and those who were against the changes made at the National Treasury by the president of the country, in removing the finance minister and

his deputy. South Africans who took part in the various marches against the cabinet reshuffle preferred continuity and wanted the treasury team of Pravin Gordhan and Mcebisi Jonas to continue running the department. Their removal prompted a quick credit downgrade from two ratings agencies.

The debate surrounding the marches also degenerated to a numbers game and was no longer about principles. It became an emotive issue. Questions such as how many people there were at the march were asked. People wanted to know whether the marchers were black or white. The debate was no longer about the real issues but side issues. The real issue was the downgrade that South Africa had witnessed, and how the country was going to dig itself out of that massive hole. Two options are on the table. It is a choice between accepting the downgrade and being happy that some good will come out of it or that the downgrade was bad and somebody must be held accountable. Unfortunately, as expected, the authorities continue to dig their heads in the sand with no sense of urgency.

The reaction of the day from the people who were in favour of the cabinet reshuffle was mostly based on denialism, probably due to political party loyalty, and taking cheap shots at anybody and everybody who held a different view from theirs. The government of the day also missed a glorious opportunity to take the nation into its confidence as things were playing themselves out in the street. All that the people wanted to hear was why the changes had been made, and what was to happen going forward.

There should be no excuses ten years from now about what the impact of the credit downgrade meant for the country, irrespective of the success or failures of the economy at the time. There should be no lines like, "I was not aware that apartheid was happening in this country". Equally so there should be no lines like at the time of the downgrade, "We were driving

transformation at all costs and did not anticipate how well or badly the economy was going to perform”.

People have adopted opposing stances regarding the credit downgrade. There are those who do not care about the consequences of the downgrade, and those who are terrified of the uncharted waters that the country is approaching.

What is left now is the question of accountability. Who is going to shoulder the blame or be glorious ten years from now? Two things are certain: the economy will either be flourishing or it will be worse off.

In 2011, I published a book that seemed irrelevant at the time. The message that I attempted to portray was not of interest to the potential readers of the book. The book was about small business failure. The concept of “business rescue” seemed foreign to everybody whom I approached at the time; I had hoped that the book could be of some assistance to them. Business people who did not see the need for the book then are now calling and asking where they can get a copy. The weird idea of “business rescue” is suddenly becoming clearer to those who own businesses. I am certain that, as things stand, financial institutions are more worried about recovering what they have already invested in various projects than about investing in new projects. The financial institutions or investors want returns and will not invest their money in the world of uncertainty. It is, therefore, possible that the explosion of small business that everybody is talking about may have to be postponed for another five years.

As a lay person, it is difficult to make sense of the whole situation in relation to what the downgrade means for the economy of the country, beyond rhetoric and power play. Now that the country has been downgraded by two rating agencies, where to from here? Will the situation become worse or for now

have things maybe settled and the country can plan and move forward?

Perhaps the government will come with counter measures to minimise the effects of the downgrade on the economy. This could be a near impossible mission as investments are needed and the country may have chased the investors away. Again, it is a moot point whether the country might have been downgraded, regardless of the cabinet reshuffle. The least that the government can do is to assure the public that they have a plan and will implement the necessary measures to ensure that the country is back on track economically as soon as possible.

It may also be helpful for the government to take a stand and advise its citizens whether a credit downgrade is a good thing or bad thing in the current South African economic context. This is a very important position to articulate because there is so much confusion in the public space. Some politicians believe that there is nothing wrong with the downgrade; however, most of them speak from a political party position. The voice of the government in this matter is more urgent than ever to clarify the plan of action.

In the midst of the confusion, there is no doubt that things are going to change. For instance, the *City Press* carried an interesting article about what the banks are doing to drive transformation initiatives.<sup>1</sup> According to the article, the banks are doing a good job in transforming the financial sector and the economy in general.

The article suggests that four of the big banks in South Africa have jointly invested more than R200 billion in various transactions related to transformation. The paper reported that the R200bn that the banks invested went into Black Economic Empowerment business transactions, black people's loan application for housing loans and also loans towards the development and establishment of Small and Medium size

black businesses. It was also reported that the banks have spent considerable amounts towards the training of black business. This news is welcome because many people hold the view that South African commercial banks are reluctant to fund small businesses.

There are many people who have tried to obtain business funding and were rejected by most banks after submitting what I call a “business plan thesis”. It may seem an exaggeration to talk about a business plan thesis; however, in the real world, that is what the funders want. Some funders ignore the fact that the small business requesting a loan has a legitimate contract in place to enable the smooth repayment of the loan. Some financial institutions insist on a business plan that ticks all the boxes and ends up being turned down in any event.

It is, nevertheless, good news that the commercial banks have had a change of heart regarding transformation. They are probably now seeing risk for what it is. Risk in the business world can be equated to a business owner with a grand idea of a coffee shop, with resources from the bank, and eager customers but which is forced to close because Côte d’Ivoire, which produces cocoa, is experiencing civil unrest and cannot supply the coffee beans. Because of the non-supply of coffee beans customers opt to walk away because they only frequented the establishment for that brand of coffee and not the Brazilian coffee. It could also be that at the time when the banks decided to fund or not to fund this entrepreneur, civil unrest in the Ivory Coast may not have been factored into the equation. Closer to home, the Amcu Marikana strikes were not factored into strategic business plans. Business expects strikes to happen, but normally do not plan for a six-month-long strike. Many businesses in Rustenburg, which were sound prior to the strike, had to close down because the mines were not in full production, and did not need their services. This is what risk entails.

The same analogy applies to the banks themselves. Did the South African banks tick all the risk boxes to ensure that their businesses were sound and would easily avoid losses which occurred because of the credit downgrade? Did the banks factor this unusual move which wiped out billions of Rand from the South African economy? If they themselves did not see that coming, why are the funders, in general (mostly banks), insisting that a passionate entrepreneur with skill but no resources must tick all the boxes associated with risk before being considered for a small loan?

In business, risk seems to be everywhere. It affects both small and big business alike. Highly experienced and educated managers make the same mistakes as the lone entrepreneur. The plus factor for big business is that they tend to survive due to their unlimited resources. Small businesses do not have that luxury.

They are consistently in survival mode and a few thousand Rand loan can go a long way towards their survival and job preservation. That is the challenge that funders must look at: how to keep small businesses afloat while of course mitigating their funding risks. There will be hopeless cases of small business that cannot be saved but many of them can be saved with some introspection on the part of the owner and support from the lender.

Tough times are already upon us. Even the government is talking about the concept of “tightening the belt” in economic circles. Our government had already embarked on the process of belt tightening in 2016. Spending has been carefully monitored since then.

Business failure is an important topic in the South African context because statistics reveal a high rate of business failure, particularly with small business. Business failure is not favourable for any of the stakeholders involved and must be

avoided at all costs. There is no doubt that the credit downgrade will affect small business one way or the other.

South African banks and development funders have loaned small business a lot of money. Those businesses must survive because otherwise it is going to be a huge challenge for the loans to be repaid.

There are certain facts about the South African economy that cannot be disputed. The economy has been under severe pressure since the 2008 world recession. Since then the economy has barely grown. The economy has shed more jobs than it has created. Levels of unemployment have risen considerably to the extent that no consensus can be reached as to what the unemployment levels currently are. Some people believe that the South African unemployment rate is close to 30%.

Many businesses have failed during the past ten years. Currently, it is forecast that the economy will not grow beyond 2% rate per annum. Again, this figure changes now and then. South African consumers are said to be pulling hard already because of their indebtedness. Time will tell how much more harm will come their way because of the downgrade. I am afraid that all the above factors point to a troubled economy.

It is too late to lobby the rating agencies to change their minds about the downgrades. Everything is in the open. So, what is the plan? How do we keep the economy going and deliver on all the plans and objectives that the country has set for itself, such as the National Economic Development Plan? Does it even matter now whether the country changes its economic policy? The rating agencies have strongly advised against this move.

To understand the confusion that followed the events of the 7<sup>th</sup> of April 2017, one cannot ignore the views of Professor Christopher Malikane, as captured in the *Sunday Times* dated 6 April 2017.<sup>2</sup> Professor Malikane was appointed an advisor to the current finance minister Malusi Gigaba. It is too early to

determine the extent to which the finance minister will rely on his advice. The minister may selectively or entirely rely on him. If the minister relies on his advice entirely, there will be economic policy changes as alluded to by one of the rating agencies. Professor Malikane seems to be addressing a wide range of issues that he believes are delaying the completion of the national democratic revolution. Among the issues that he wants addressed are the following:

- Isolation of white monopoly capitalists by developing a new national economic plan
- Expropriation of banks, mines and insurance companies to industrialise the economy
- Establishment of a state-owned bank to facilitate cheaper or affordable credit
- Nationalisation of the Reserve Bank
- Expropriation of land without compensation
- Focus on employment equity and the criminalisation of violation of labour laws

It seems that the radical economic transformation or inclusive growth that has been spoken about will be derived from some or all of his ideas as depicted above.

The ideas articulated are clearly advocating for nationalisation. It will be interesting to see how the touted nationalisation, free market systems and the hybrid model that encompasses the two systems, will work in practical terms.

Change is upon us. How and when it will occur is difficult to predict. The change may be either good or bad. Having said that – change is not always bad. It may be difficult in the beginning to adjust to the new way of doing things. The country must, however, not lose sight of the irreparable economic harm which could emanate from the intended changes.

---

---

## Chapter 2: RANDOM RANTING

---

---

**Job creation, particularly in rural** areas and small towns, is imperative and urgent. South Africa must find ways of attracting investments into these areas despite the credit downgrade and the possible shortage of resources. The country must persevere and continue to find ways of improving every citizen's well-being. It may now be a near-impossible task to revive small towns and develop the rural economy without the assistance of potential investors who are committed to the cause.

An author unknown to me said, "Talk is cheap because supply exceeds demand". This statement is so true. People often say things for the sake of it, without backup actions. This rhetoric cannot be accepted at a time when the country is experiencing economic hardships. A certain level of responsibility and accountability is needed now, more than ever.

Many people are desperate for employment and are pinning their hopes on the government and the private sector to create jobs. The level of desperation leads to unintended consequences. Most unemployed people are gullible due to frustration and believe anybody who promises them anything remotely related to employment. Unemployed people go to the extent of taking their last hard-earned money to pay scammers who promise them jobs, which sadly never materialise.

When it comes to the history of this country, most black people have never had a fair deal. The results are evident in their daily struggles with everything, particularly the rural people. The unfair treatment has caused them a lot of harm, both physically and psychologically. As a result, many black people, for instance,

the unemployed, are battling to do things for themselves. They live with the hope that things will change one day. It is not easy to be determined, hopeful and positive every day without any result.

Most unemployed people have given up hope of finding jobs. They are destitute and take each day as it comes. In some instances, for them, the will to try anything at all seems to be gone, and people tend to settle for routine, perhaps because it is predictable.

Young people do not know what to do either. The truth is that for many there is nothing to do. Unless something drastic happens, these young souls will be relegated to the social grant queues at an early age and by so doing will lose the chance for a bright future. In addition, it is doubtful as to whether the government can still afford to pay social grants. It is sad to see graduates with highly sought-after degrees standing at traffic intersections with placards looking for any kind of job. The government cannot carry these capable and energetic people through social grants. There is nothing wrong with social grants for deserving people; however, young people, particularly graduates, deserve much better than that.

The South African economy is growing at a snail's pace and there are no indications that this trajectory will change in the short to medium term. In short, more of the same can be expected unless something dramatic happens to elevate the country economically.

The rating agencies are watching the country like hawks. The first two downgrades have just happened, and more are expected. How is economic transformation going to take effect and be fast-tracked under these murky waters? Radical economic transformation at the scale that is anticipated seems to be a big ask. Economic transformation has always been the missing piece of our young democracy. It must happen to ensure that there is

racial harmony amongst the citizens of this country. Perhaps with time and as the government outlines its plans, what the concept of Radical Economic Transformation entails will become clearer.

The challenge is that, without forward planning and putting things on paper, trial and error will be the order of the day because no set targets are in place. Knowing the scope of Radical Economic Transformation will assist everybody to be ready for the challenges that it poses – both good and bad.

It is important to understand the changes that the initiative will bring to many people who have been patiently waiting for a change in their economic fortune. For the rural people, Radical Economic Transformation may not necessarily be about amassing wealth; it may be about seeing a water pipeline laid for their village, which is unfortunately a rare occasion.

Our country is best known for conceptualising good policies and failing to execute them. The country has in the past implemented several key economic policies that have disappeared without a trace from the national radar.

Economic policies such as the Reconstruction and Development Plan (RDP) were implemented shortly after the attainment of democracy. Unfortunately, almost all the policies that were initiated failed to gain ground.

An economic policy is like a strategic government document. A strategic document is developed to steer the country or business in a direction. Our policies are not given a chance. They are dumped without a trace. If a policy does not work, perhaps the right approach would be to adapt it to the extent that it brings some relief or improvement.

Our economic policies seem to be disappearing without any effort to make them work. We are quick to divorce ourselves from our policies without taking proper stock of the impact that they had on our economic landscape.

The economic cake is not big enough to cater for everybody. We have known this for years. The question is: what are we going to do about this challenge. How long will it take for the South African authorities to change the current economic fundamentals into workable options geared towards the benefit of all South Africans?

It does not appear that the government has the willpower to do so. The views of Professor Malikane, as expressed above, are a point in question. It does not look like the government had anything specific in mind when they spoke of “Radical Economic Transformation”. It seems that the roadmap still has to be finalised. The authorities seem to be happy with the collection of all the taxes from the same pool, almost killing “the goose that lays the golden egg”.

There is no denying that economic growth must happen soon. If this does not happen, the consequences will be dire. The recession that has affected the whole world since 2008 seems to be only entrenched in the South African economy. Why are other countries, which were equally affected by the recession, already experiencing growth while South Africa is still stuck in 0% growth?

What are other nations doing differently to dig themselves out of the hole? How did South Korea dig itself out of junk status over a period of approximately twelve months?<sup>3</sup> Perhaps there are lessons from which South Africa can learn. Political and economic commentators believe that it could take the country up to five years to overcome the effect of its “Junk Status”. That is a long time for a country that is already struggling with a high unemployment rate.

For many years, the South African economy was geared towards the industrialisation of urban and peri-urban areas, with very little focus on rural areas. White commercial farmers have survived for many years, using the rural areas as a base.

They have prospered and established sound businesses which are significantly contributing towards the South African food security agenda. They even largely contribute towards the supply of food to our neighbouring countries who almost solely rely on South Africa for food production and supply.

Why are our economic problems not being solved? Clem Sunter has suggested that perhaps what South Africa needs is an Economic Convention for a Democratic South Africa or an Economic CODESA, where everybody can vent and voice their frustrations. Perhaps the time for that is now perfect. The country is at a crossroads anyway. There will be no winners if some form of consensus is not reached. The country will be the biggest loser.

The country needs to deal with the economic issues that have the potential to divide its people. CODESA discussions were initiated when the country was facing serious political challenges. At the time, concessions were made to avoid the political fallout and catastrophe that was about to happen. Is this current economic situation and the emotions that it has generated any different to the tense CODESA era?

The country is at a crossroads, and the national agenda should be to give the nation hope. Discussion and a buy-in by the captains of the industry will fast-track the process of economic transformation and ensure that the country's junk status is quickly reviewed. Generally, there is consensus that to grow any economy investments are needed; it does not matter whether they come from local institutions or are foreign-based. Hence, we as the nation need some help to understand the difference between "white monopoly capital" and "monopoly capital" so that at least we can understand the basics of what the ruling party is planning economically behind the scenes. Now, the country is stuck and nobody knows the difference between the two phrases and whether understanding the difference will be

helpful for economic advancement. The point that I am making is that my grandmother in the rural area is not interested in the definition, but only in her social grant payment.

---

---

## Chapter 3: DIVERSITY IS POWER

---

---

**The country is facing various** racism challenges. Racism prevents the sharing of knowledge and resources among the various South African population groups. Every year the employment equity reports, for instance, depict the challenges prevailing on the South African employment landscape.

Big companies and many economic and political commentators say that there is a skills shortage in South Africa. The question of skills shortage has been raised for many years. It does not look like it will go away in the short term.

Many people are beginning to wonder whether, after many years of democracy, black people are still not competent enough to occupy leadership roles in corporate South Africa. Is it a question of skills shortage or passive resistance by companies not to nurture or grow talents among the black majority? Perhaps it is the question of an economy that is not growing, resulting, therefore, in fewer jobs and less flexibility.

There have been further attempts by the government to identify the critical skills which are required to power the economy of the country. Some of the critical skills that have been identified by the government include artisan training. Young people are encouraged to undergo vocational training which will assist them in finding jobs or starting their own businesses as soon the training has been completed.

Many young people have been trained in vocational training but still battle to find jobs because of slow government spending on infrastructure and initiatives. Construction companies rely heavily on these kinds of projects to employ people and there

are constant bottlenecks. Perhaps it is simply a question of bad planning.

Regarding how we are progressing as a nation in developing meaningful skills to advance the lives of black people, the equity reports are the best place to start. Several employment equity reports<sup>4</sup> have, for instance, shown that there has been very little progress in terms of progressing black people to leadership positions in the South African corporate world. The scale of the problem is captured in the speech given by the Minister of Labour, Mildred Oliphant, during the 17<sup>th</sup> Employment Equity Report Launch.<sup>5</sup> The minister stated that the report showed a painfully slow process of transformation in the South African labour market. She further mentioned in her speech that some big companies budgeted for the potential fines imposed for non-compliance instead of complying with the law. The same patterns continue to prevail unabated year after year. The truth is that if skill sets are not grown among the majority, who happen to be black, no growth will come. The government, on the other hand, will continue to focus on the same pool of tax contributors, year after year.

Since democracy, things have changed for most people. There has been an emergence of the so-called black middle class whose priorities are different. They consistently make significant improvements to their lives and to those of their families. It is important that more people rise above the poverty line.

The signs are there for all of us to see. The sporadic unrest is indicative of an unhappy nation. Some people view the unrest and general feeling of dissatisfaction as democracy in action. I hold the view that democratic actions must be democratic and nothing else. Acts of violence directed at the State or other structures of the community cannot be democratic. The time for putting self-interest over that of the nation has come and passed. It looks like the country is saying: change now, rhetoric later.

Part of the rhetoric relates to the fragile race relations that this country has failed to deal with decisively.

---

---

## Chapter 4: RHETORIC

---

---

**Change, which is often spoken** about in general terms, should be backed by specific action and not just rhetoric. The promises made to the South African masses must be realised sooner rather than later. The government in power must deliver on the promises made.

Political parties are generally creatures of habit. They tend to make promises that at times cannot be fulfilled. They all seem to be concerned about the high rate of unemployment that this country is experiencing. They probably mean well when they promise the electorate jobs during electioneering. One wishes that the promises made were real and backed by a determination to deliver because the electorate takes promises very seriously and expects results. Political parties can improve their image by stopping the rhetoric and doing something tangible at whatever scale or level to give people hope, whether they win elections or not.

It is, however, true that the rhetoric has gone too far and people with new ideas must be supported to make South Africa work again. There are people who rock the boat and want to do things differently. If it is not broken, sure, there is no need to fix it. If it is not working, on the other hand, why not try something else? Anything, really. Donald Trump wants to “make America great again”. Love him or hate him, one thing is for certain: he has the willpower to act. Indeed, his nose will be bloodied a few times during his presidency; however, one cannot take away the fact that he is not a talker, theoriser, preacher, or counsellor, but an executor, rightfully or wrongfully so. He is not paralysed by

policy decisions, untested legal positions, or high moral ground opinions. He acts, and that is the only way history will judge or reward him.

Rhetoric will always be present. It is up to individuals to separate fact from fiction. South Africans have heard before about the millions of jobs which were to be created by both government and the private sector. It has not happened. Instead, our country is facing unacceptable levels of unemployment.

It is equally difficult to ascertain whether there are any concrete plans behind the job creation promises, which, to me as far as the political parties are concerned, look like “vote me in and I will create jobs” – rather than, “What can I do now to convince you that I am worthy of your vote?”

My philosophy, if it counts for anything, is “Never stop working during times of adversity – for it is adversity that brings the best out of every living being in pursuance of its very own survival”. South Africa must emulate the successes of other nations but never lose sight of the fact that they remain our competitors.

We can do things differently and call the concept anything we like – whether it is the African way or the South African way – but there must at least be a result at the end. With that spirit intact, we will become the untouchable and the pacesetters. We are starting at the beginning with nothing but the end goal is to finish the race with bags full of unprecedented and remarkable success. It is possible because it has been done before elsewhere. The four Asian Tigers – Hong Kong, Singapore, South Korea and Taiwan – are highly industrialised and developed economies.<sup>6</sup> The Tiger Cub Economies, which comprise Indonesia, Malaysia, Thailand, Vietnam and the Philippines, are also on the rise. South Africa can learn a lot from the Asian economies.

The spirit of entrepreneurship similar to that portrayed by the Asian Tigers is also happening here in South Africa in townships, towns and villages. Foreign nationals are seizing the

countries' existing business opportunities with both hands. The South African concept of the "spaza shop" is now owned by the foreign nationals. The foreign nationals from Pakistan, Nigeria, Egypt and Sudan almost single-handedly run every spaza shop and hair salon in the townships, villages and small towns of South Africa.

---

---

## Chapter 5: ILLUSIVE EXECUTION

---

---

**The consensus in the economic** world is that governments do not create jobs. Governments create an enabling environment for the private sector to create jobs. At times, that enabling environment is illusive and curtails job creation. Policies, red tape and failure to implement what has been agreed upon in various forums kill initiatives.

Shoot first, ask questions later; economically I mean. Business is like that. There are no right or wrong answers – only lessons to be learned through the journey. The business world has long learned to adapt to any economic conditions which are prevalent during its very existence.

Appropriate and constructive policies are there for the creation of jobs. The environment for job and wealth creation is frustrated by lack of execution and ruthlessness in implementing policies which have been agreed upon.

We all wake up feeling stressed about the lack of jobs. Rich people are concerned about the unemployed because to them this poses a criminal risk. Politicians worry about joblessness because this poses the risk of being voted out of power. The unemployed also lose sleep because their lives are static and time is passing them by, preventing them from making a meaningful contribution to their families and society at large. In short, without the execution of policies, pies in the sky are created, trouble continues to brew and the economy remains stagnant.

There will be no peace for anybody if, as a nation, we fail to deliver Nelson Mandela’s vision of a “a better life for all”. As a country, we are not far from reaching a 50% unemployment

rate. When we reach that halfway mark, who is going pay for the unemployed 50% in services and taxes?

Efforts must, therefore, be taken to connect our vision, our aspirations and the actual delivery process. The enemy is not the other political party or your neighbour, but unemployment and a stagnant economy. Employment gives people dignity and creates a stepping stone for a successful nation.

Most of our policies and our constitution are considered world class. Many people feel that our economic fundamentals can be improved upon; however, nothing stops us from moving with speed with what we have now.

There are accountants who specialise in this area. Please spare me the definition of what the difference is between tax evasion and tax avoidance. Let's pay our taxes and forget about avoiding or evading. Your country needs every cent that you can spare to improve the lives of the many who are less fortunate – not because of their doing but due to the circumstances in which they find themselves.

In the midst of the hardships that the country is facing, as a nation, we continue to score own goals in many respects. Take for example the question of wasteful expenditure that the Auditor General reports on year after year. How can it be that people who are in a position of authority do not care about wasteful expenditure? If they did, something drastic would have long been done to correct the behaviour.

Wasteful expenditure should be a no-no in a country like ours that needs every resource it can get to deliver on service backlog and create the jobs that are urgently required to give the South African poor and the unemployed dignity. Unemployment should be declared a crime against humanity.

---

---

## Chapter 6: LAMENT OF THE DESTITUTE

---

---

**Political parties seem to approach** issues very differently. One is never certain whether our political parties understand or interpret the Constitution differently.

Take the land issue for example. Some political parties have publicly said that any open piece of land belongs to the South African people and must be occupied if vacant. Others have spoken about radical economic transformation and used the land question as the basis for the muted radical economic transformation, yet nothing moves beyond this rhetoric.

Some black people have been subjected to a double-edged sword. They were removed from their land and forced to buy land that they were forcefully moved to. These are some of the frustrations that many black people who were forcefully removed from their land are going through. They own nothing yet they've paid for everything in kind.

The voiceless are everywhere in South Africa. Many have been waiting for the return of their land since time immemorial, while others have been waiting for title deeds of properties that they have been occupying for many years. Others have given up after many years of struggle. The rural people no longer have hope when it comes to the land question. The land in rural areas belongs to the chief and nothing can be done about it. If something were ever to happen, it would take years to be crafted and even longer to be implemented.

If nobody up until now has understood the resentment and hurt that many black people are going through because of the issue of land, please pay attention. No matter how much

consensus is reached in South Africa about laws and policies, the downfall has always been the inability to follow through to make things work. We do not want to see history repeating itself because of poor planning. Eskom provided enough drama with the famous “load shedding” phenomenon. We are not sure whether load shedding came about because of poor planning, lack of vision, or lack of foresight or simply because of poor implementation. We will never know the true story. The nation is happy that load shedding seems to be a thing of the past, for now.

Similar challenges of late are surfacing regarding the issue of water shortages. Once again, one is not certain whether to attribute water shortages to poor planning or lack of rainfall or both.

A title deed will go a long way for anybody, be it in the rural areas, towns or cities. People can borrow against their land to do anything that they want to. Millions of small business can be created in that way, particularly for people who are entrepreneurial and are unable to secure loans to start something.

These are the so-called “unbankable majority”. With the help of small loans, backyard farming projects will emerge and the nation will be fed. The South African Post Office, through its Post Bank services, has been mandated by the government to offer cheaper loans to customers not catered for by the banking system. The Post Bank is entirely owned by the state while the African Bank is part owned by the state through the Public Investment Corporation. They know the rural terrain very well and are comfortable there.

---

---

## Chapter 7: POINT OF NO RETREAT

---

---

**Over the years, many black** people who worked in various sectors like mining and manufacturing have, through their respective trade unions, greatly contributed towards the country's pension fund reserves.<sup>7</sup> They have grown the massive pension reserves that this country is sitting on and have invested in various private and government projects. The government pension fund has reached R1 trillion and three of the government's big unions have more trustee status allocated to them in line with their membership.<sup>8</sup> In 2012, Numsa members were paid R27bn in surplus funds. This was a rare occasion because the surplus funds are hard to come by. Sadly, some members who could have benefitted are dead. They could not benefit in person.

Consultants hired by big insurance companies call people continuously to inform them about the surplus pension money due to them and then, quite frankly, disappear from the face of the earth. No one ever hears from them again. Many people took retirement policies or annuities during their working lives and hoped for a better life someday; however, they did not reap the benefits. Is it not possible to use the surplus funds, whose owners cannot be traced, for job creation?

After contributing to countless retirement annuities, insurance companies are not keen to lend money to people who want to start new businesses. Instead, they are told that they cannot access their money unless they are dead or until they turn fifty-five years old.

It is true that legislation does not permit them to borrow from their retirement plans, other than in the case of big companies

who invest these annuities on behalf of the contributors. It is questionable whether the returns from pension fund investments truly benefit the contributors, the rightful owners, or in fact benefit the fund managers.

The growth on these investments is negligible. The grand idea here, according to financial advisors, is to start early and let the spirit of compounding take over and generate more money over the years. Many financial organisations have access to pension funds for investing purposes; however, the rightful owners, who want to create value and leave an everlasting legacy for their heirs and the country, do not have access.

Many organisations that have available cash that could be used to assist small businesses with loans are reluctant investors. They do not want to take any risk; however, they do want the financial glory. When approving an application for a loan, they ensure that every risk box is ticked; otherwise, they do not help. Only forward-thinking organisations that grasp what risk is all about and believe in the entrepreneurial space often risk and invest in these small businesses. Ironically, these are organisations from which one does not expect any help.

Risk is everywhere; even listed big businesses miss their targets and make losses. They are also often at the receiving end of the Competition Commission because of the anti-competitive behaviour that they sometimes display. Ticking all the risk related boxes paralyses the development of small business and subsequent job creation initiatives. The business plan does not have all the answers. Some financial institutions go to the extent of declining loans for small business owners but gladly approve their vehicle finance or offer them credit cards.

Of late, many black people have hoped that they will attain financial fitness through various black economic empowerment (BEE) programmes that are currently abuzz. Again, there are no job creation opportunities. Many of the schemes fail to pay

dividends within a reasonable time, resulting in potential beneficiaries waiting in some instances for a minimum of ten years to realise dividends.

Other unintended consequences have emerged from current BEE initiatives. Collusion and fronting have taken centre stage of most BEE deals, thus destroying the very fibre of what the programme was intended for.

Today, some of these companies have sold BEE shares that are worth billions of Rand to black investors, yet no dividends are paid and no jobs are created. These are the same organisations that are apparently sitting on billions of dollars and are flatly refusing to invest in the South African economy. Instead, they are investing their money elsewhere in the world. Their wealth was generated in this country; however, it is not being ploughed back into the economy as was supposed to happen.

Sana Butler, who writes for *The Africa Paper*, conducted an interview with Minister of Small Business Development Zulu.<sup>9</sup> : The above interview touched on the Minister's comments regarding feedback that she got from some of these big organisations when asked to invest in the South African economy. The feedback is too depressing to repeat here if what was said is true. However, there must be some people who work for corporate South Africa who care enough about this country and who are doing everything in their power to make things work. Minister Zulu also commented that Goldman Sachs believe that if South Africa invested R12 billion in 300 small businesses, our economy would grow at an estimated average of 5% per annum.

Why is it not happening if the figures are so conclusive? South Africa collects more than a trillion Rand in taxes. An amount of R1.5 billion has been contributed by big business towards job creation. We need a further R10.5 billion to achieve the dream.

A friend told me that the industrialisation of South Africa was mostly anchored around three state entities. He said that Eskom,

the Industrial Development Corporation (IDC), and Iscor built many South African companies to achieve their iconic status.

Eskom sold electricity cheaply to business owners, Iscor sold cheap steel and, lastly, the IDC provided cheap loans to many white-owned businesses. This proves that with focus and dedication, a lot can be achieved.

There have been consistent verbal attacks on white-owned businesses of late. The attacks are occurring because people feel that white-owned businesses are not doing enough to create jobs. The point is that no amount of rhetoric will force white business to voluntarily give up their wealth. An economic CODESA is therefore critical.

---

---

## Chapter 8: THE REAL CHAMPIONS

---

---

**Rural people go about their** lives without complaint and make sense of what they have. They are the forgotten citizens and year after year they receive a little bit of what is left in the budget, if any. Other than the social grants that some of them receive, nothing much happens in their lives or their communities. These are the people who do not wait for the government to do things for them. They make plans for everything and deal with the challenges that life throws at them.

There are no water pipelines for them, and no energy power stations close by. Their transport is unreliable, schools are badly managed and run down or there are no schools at all, medical care is not sufficient, and they travel far to receive medical attention. Yet they wake up every day, cheerful and hopeful of what the day can offer.

This book is dedicated to all the villagers who make it happen with very little or nothing in their hands. They are the real heroes!

Many black people of African origin were not encouraged to own a business but rather to study and work in big industries. The rural people were the most impacted as all the amenities were far from them. They do not have access to big employers. Most rural people had only one option – to migrate to the cities in search of a better life. They were mostly encouraged to go to school to prepare for the job market. Having said that, I am also of the view that education is important but not the ultimate thing in achieving success in life. Otherwise, we would not be in a situation where there are so many graduates without jobs.

There are many rich, successful and considerate people who are uneducated according to the way that education is currently viewed. They develop communities and leave legacies, not only their worldly possessions. They are ground breaking and selfless individuals.

They quietly do extraordinary things that one only hears about when they are no more. In their own little spaces, unassuming, and not interested in acknowledgement, the limelight and accolades, they achieve the impossible. They are on the ground and continuously perfect the art of human kindness by giving hope to those whom they serve in the form of jobs and general community upliftment.

Sometimes we need to hear simple and uncomplicated messages to change our lives for the better. While attempting to achieve great things in our lives, fear paralyses us. Because of this, we view every little stretch of water as the river Jordan and refuse to even look at what is inside that shallow patch of water.

There are black people who are not scared, and who do not allow fear to run their lives. Generally, black people are said to fear water and cannot swim. There is an element of truth to that generalised statement. However, there are some black people who are taught how to swim by professionals, while others simply teach themselves how to swim through trial and error.

The village from where I come, as well as the nearby village of Mmantserre, produced a number of good swimmers many years ago. These swimmers were self-taught and became highly skilled in swimming more than thirty years ago. They navigated the Kolobeng River as if they had created it. This river runs parallel to Mmantserre village. People from the area know the river quite well and are aware of how cruel it used to be many years ago, when bridges were unheard of in that part of the world. This river was truly notorious as it destroyed many lives, and people lost their jobs and livelihoods.

When the water level of the river was high, no car could cross the small makeshift bridge, erected at the time. Only buses could cross, depending on the condition of the river and whether the driver thought it was safe. If the driver felt that it was dangerous to cross, people could not go to work.

Many livelihoods were destroyed because people from these rural communities worked at nearby mines. As we all know, production is needed to keep a mine functioning. On bad days, Kolobeng would overflow for more than three days, meaning that people could not go to work for three days. There was an alternative road. However, it also had its challenges due to mud and streams. During heavy rains, both roads were a no-go area. This meant that the locals could not report for their shifts which in some instances led to dismissal. However, these adversities did not stop the locals from continuing with their quest for improving themselves without any help in sight. They soldiered on and tackled their challenges with grace. Business opportunities also emerged out of the challenges which were posed by the river.

In Mmantsarre, a group of swimming experts emerged. They made money by assisting stranded workers to cross the river, either on foot or in cars. The river often raged and swept cars away. These brave souls, without ever being taught the basics of swimming, risked their lives to assist their brothers, sisters and parents in crossing the river to avoid dismissals and warnings. Things have improved significantly these days. The government of the day has taken the plight of the people to heart and built a proper bridge.

These are some of the many touching stories that one can relate about the life of rural people in South Africa. Many rural people suffered immensely under the rule of apartheid and in the new democracy their dignity has been impaired, but they continue to stand proud, generation after generation. They still

lack the basic services that many of us in towns and cities take for granted.

Economically, South Africa is still considered one of the most unequal societies in the world. People can either wait for the government of the day to finally deliver the jobs that are so desperately needed, or choose to wait for big business to finally invest in this economy. They can also hope that fate will one day rescue them and deliver the jobs that will eliminate poverty amongst black South Africans, particularly rural communities.

Rural communities can opt to invoke the perpetual victim mentality and remain where they are or they can choose to rise and do things for themselves, the same way that they have done for many generations. In those days, they had no one to go to, no one listened to them, and no one cared what they thought. They had to do things themselves.

They had to contribute towards the building of schools, clinics and other community-related projects, thus developing their own infrastructure. They built their own tribal offices where community administrative matters were handled. They also built their own post offices through toil and sweat. They were organised and knew that any change or progress was fundamentally painful.

They understood that they were the change and no one else. They understood the pain of feeding themselves, of sending their children to schools, universities and colleges through the sale of their hard-farmed grain and livestock. None of these initiatives were suggested to them by the government. They had to make everything happen.

The time is right to reignite the same spark that existed among the rural people for many years. The government is now on board with initiatives related to rural economic development in the informal economy and in the township economy. The time

is right for the young generation to be encouraged to do things in their own backyard.

People sometimes need a push in the right direction. We all need help sometimes to achieve remarkable results against all odds. What is needed is for somebody to take a risk and at least see the potential that prevails in rural places. The spirit and the willingness to do things are in place. What is needed is a little help from somewhere – even if it's as little as mobilising attention and focusing on these places. Why are rural villages only reduced to vote-seeking exercises? They deserve more than that and they too, in turn, can offer more.

There are many champions in rural areas with big dreams. They still talk about the concept of “*Maleta Motse*” with passion. Although this concept was widely used to name soccer teams back then, it also implied a spirit of selflessness and self-awareness. The concept loosely translated means “Home Defenders”. When applied to the rural population it means that they prefer to stay put and make it happen in their backyards.

---

---

## Chapter 9: BLACK INDUSTRIALISTS

---

---

**To overcome our financial woes**, it is a good idea to focus on what is available now. It does not matter what it is. If you are from a rural area as mountainous as Kraalhoek, perhaps one can start with the crafting of stones to build beautiful, strong houses and use the grass, which is abundant, to roof them.

After all, this is what many rural communities in the North-West Province, used to do. The communities have now sadly abandoned the practice. Crafting stones was a top craft. Beautiful, strong houses were produced in this fashion. Houses and churches which were built fifty years ago are still standing strong in places like Kraalhoek.

Today the same concepts are being used to build beautiful chalets by entrepreneurial white people who are tapping into the tourism sector. They too, at times, do not have the ideal infrastructure that is present in towns and cities. They, therefore, plan by for instance creating their own infrastructure such as boreholes.

They make lots of money from their tourism bush concepts. Rural people with an entrepreneurial flair can do the same. Rural villages are surrounded by bush due to the lack of development initiatives.

As Steve Jobs observed,<sup>10</sup> doing things differently guarantees results. He did not believe in doing things better than the competition but rather differently from the competition. With a little help from those that value the potential of this country, things can be turned around. If the current economic setup cannot bring the required change, it must be changed.

Just like culture, which is forever changing, legislation must also serve the current circumstances that prevail within our communities. There has been a lot of discussion relating to transformation in our country. Unfortunately, much of the talk is directed at white-owned companies and the hurt that these companies have caused to those who were at their receiving end. There must be another angle to broaden this discussion – perhaps an approach that investigates what alternatives there are for black people to grow and develop their own businesses.

When we hear public discourse and rhetoric about radical economic transformation, what are we really talking about? Is this some form of revenge? Does it mean that businesses owned by white people or the so-called “white monopoly capital” should be confiscated or destroyed? What about the people already employed by these organisations? What should happen to them? What about the taxes that are collected from these establishments? How does it help our unemployment problem? Some of these organisations are not keen to invest in this country; hence, very little progress will come from these attacks.

There are many capable minds that can take this country forward. Solutions must be found as to why the current economy is failing to create jobs. If there is a solution, it should be implemented as a matter of urgency. If no obvious solution exists, every idea is a potential solution unless otherwise proven. The nation must be asked to generate useful ideas. Some of these ideas could potentially create sustainable jobs. Why leave the thinking to a few individuals?

The interrogation of ideas is welcome. The trouble is that experts take a long time to analyse simple choices. For instance, instead of feeding hungry people, experts opt to interrogate whether genetically modified food is good for human consumption or not. It may well be bad for human consumption,

but is it worse than seeing people eating from garbage bins with the same bad results, possibly?

A journey is, therefore, the preferred option. The beauty of a journey is that the traveller sees new things during the journey. Travellers may also learn about things that they were not previously exposed to. They meet new people and generate new ideas while shaping new opinions at the same time. That is how people evolve and grow.

Reliable and responsible stakeholders must come forward and be counted. It would be good if the people could adopt a radical spirit and work the land to produce food for the nation. While waiting for land redistribution and big farms, subsistence farming in backyards must be resuscitated. The creation of black industrialists will ensure that those who are involved with business projects own the entire value chain of food processing.<sup>11</sup> Rural people, for instance, will own the entire value chain of farming indigenous crops because they grow them in their own backyard. Again, this is not something new.

There have always been shrewd entrepreneurs in rural communities. They harvest their fresh subsistence produce every year and do not dispose of all of it. They keep some of their produce to be used as seeds for the following year's planting cycle. It is, therefore, not impossible for them to own the entire value chain in the form of growing seeds, selling seeds, planting seeds, watering seeds, harvesting the crop, washing the crop for processing, chopping, dicing, cutting the crop for packaging, and then transporting the crop to the intended destination, our kitchens. The organic material is lying everywhere in villages, and this presents business-minded people the opportunity to develop organic fertiliser industries.

In turn, rural entrepreneurs will collect the money from the sale of their produce, pay the workers and reinvest the proceeds into bigger dreams like a commercial farm. Big black

conglomerates can be built in that way. That is how the “Black Business” dream will become a reality. Tears and sweat and not only rhetoric will bring success and deliver the nation to the promised land.

It is not going to be easy as some people do not even have money to buy seeds. Lack of communication by the government with the people is also one of the inhibitors. There are many good projects initiated by government that are not extensively communicated to the rural people.

This book is an attempt to identify some of the industries that black people, but most importantly rural people, can explore and develop using their numbers, skill, resources and the little buying power that they have. It is all about doing things for themselves.

Big business will come around as they always do when things are ready for the taking. Just look around you. Pap and *vleis* is sold everywhere these days. Food establishments that worried about the dilution of their brands are now selling pap and *vleis* full-time, and they are now competing with street vendors who have been selling pap and *vleis* from their broken caravans for years.

Has big business lowered their standards or is it a question of supply and demand at play? It could also be about big business taking advantage of the changing world around us. Why are black people still afraid to compete on their own turf? After all, black people cook pap better than those establishments anyway because it is a staple food and they have perfected it as an art in both cooking and serving it.

Funeral policies are big industry these days. They used to be run by our mothers. They called them “society”. Big business has adapted to this industry and taken over the practice. Today it is a big challenge to bury loved ones without funeral cover. Big business has now monopolised the original ideas and repackaged them because they have the cash to market the products and

implement systems, but they exclude black people from owning their own initiatives.

The idea here is not to trash the current government or big business; it is about encouraging black people, particularly rural people, to find their “mojo” and to never let go. Many people were not born with a silver spoon in their mouths; therefore, for rural people, hard work is not an option, but a must do.

The creation of “black industrialists” will start with effort and not handouts. Starting now with a well thought out plan and the ability to execute it will go a long way towards poverty alleviation. The influx of rural people to the cities is not ideal as it continues to create conflict in the scramble for scarce resources. Sustainable jobs in rural areas should be created in all sectors to curb the movement of people from the rural areas to the cities.

The minimum wage is only advantageous if big business does not opt for job cutting to satisfy the shareholders. Jobs are now being shed and not replaced. If anything, machinery and robots are taking over from people. I have witnessed robots working in South Africa. They have taken over the jobs that people used to do.

Job losses are also happening in the mining environment. Open cast mines are a new way of mining and mines no longer need to employ many miners. The machinery does all the work. With time, shafts and miners will be a thing of the past.

Mines were always seen as the biggest employers in the country. Mines are now under pressure and shedding jobs drastically. It is not about the depletion of resources that forces mining houses to cut labour; it is about shareholder return, dropping metal prices, new technology and, to some extent, industrial action, which often lasts for months with disastrous results for both workers and employers.

It is, therefore, incumbent upon capable black entrepreneurs to forge ahead and create jobs. It is futile to wait for big business

to create jobs. We must all be happy about the jobs that big companies have created and retained over the years. At least some South African companies that are classified as big business have stayed true to their vision and continue to employ local people.

These companies ought to be saluted as they pledged that they would keep their operations in the country. They recognise that they have a moral and social obligation towards the communities in which they operate.

It is feasible to fast-track the emergence of black industrialists. It must be achieved now more than ever because there is no other option for job creation. The economy has failed to consistently create jobs. It appears that for every job that the economy creates, one is lost. There will be challenges along the way. Lack of funding will play a critical part in slowing down the fast pace of funding that is required to achieve the dreams and aspirations of empowering black people, particularly women, as they are the most marginalised.

In conclusion, things seem to have stabilised. Eskom has successfully kept the lights on. There is now sufficient power to accommodate a new generation of industries, which will create jobs and in the same breath empower the people who are outside of the economic mainstream.

---

---

## Chapter 10: THE JOURNEY

---

---

**How can desperate people accept** that poverty will only be halved by 2030? The National Development Plan is a policy document aimed at improving the lives of South Africans. According to the National Development Plan, poverty can only be halved in 2030. Poverty in this regard means enough food for people to eat, and nothing fancy. If we believe that tuberculosis (TB) and AIDS can be eliminated in the next ten years, why must we wait for 2030 for poverty to be halved? That is still thirteen years away.

Key areas in which job creation in rural areas could be kick-started are, amongst others, self-employment, the informal economy and small businesses and cooperatives. These will be the key drivers for job creation under the current circumstances.

This is said tongue in cheek. I am talking about under current circumstances because the rural infrastructure is non-existent. There is limited or no water; electricity and communication infrastructure is not adequate and the roads are bad and this hampers economic development.

It is, therefore, dependent on individuals to create jobs for themselves and the community. Despite their challenges, rural people can improvise. They bake for weddings and funerals, they run events and employ others. The informal economy is prevalent everywhere as is evident in the many retail and spaza shops. Rural people engage in construction by building houses and schools for their communities.

The biggest employer in rural areas seems to be cooperatives. Likeminded people who believe in the power of “together we can”

come together and work in harmony in pursuance of economic benefits. They create medium-sized businesses which employ others. They take advantage of whatever economic initiatives may be prevalent in their community, particularly farming and construction projects.

Rural communities are involved in manufacturing, mining and farming projects. Like-minded people understand the spirit of common good for all. Some of these projects are hugely successful and make one wonder why they are not duplicated elsewhere. Hopefully, one day they will be turned into mega-factories, thus creating millions of jobs for South Africans.

I came across a group of entrepreneurs in Gopane. They are determined to grow the fish farming project that they have started. They are doing very well but believe that, to graduate from where they are to bigger things, some changes must be made. They need the right equipment for the project. This demonstrates that people in rural areas are not waiting for handouts. They are very progressive in their economic thinking but are often hampered by lack of resources. For instance, the villagers in Gopane want to buy a small boat and fishing nets. They want to relocate fish to the new ponds that they want to develop. Their knowledge of the product that they want to create is impeccable. They know that the kind of fish they want to farm lays around 500 eggs. To attain commercial status, they have also done their homework in terms of what and how to feed the fish. Most importantly, they have already created a market for themselves. They dream of running a mega project which will create many jobs in Gopane. All that they need is somebody to believe in them.

These are some of the projects that rural people are eager to undertake. They have done an analysis in terms of the market and know that several jobs will be created for the community by undertaking the project. They are not sitting and waiting

for the government to assist them or give them handouts. They are determined to make a success of their lives and leave an everlasting legacy.

Their challenge is that nobody sees them or listens to their stories and aspirations. They do not have anybody who can articulate their story to big corporates with huge corporate social investment budgets. It looks like it is not attractive for big companies to pay attention to the plight of the rural people. Many projects funded by social investments end up in the townships and towns. Could it be that that big companies do not see any value in rural areas?

---

---

## Chapter 11: ECONOMIC EVILS

---

---

**I do not want to** be an alarmist; however, if you want to take competition head-on, you need to understand the terrain and the platform from where it operates. This is not going to be a lesson in economics. There are many renowned economists who have been kind enough to impart to us all the history that we need to know about economics and not much about how to use the same history to create jobs. I find that most of them serve their self-interest, almost by implication saying: please do not change anything – if anything, more of the same. In our case, things are not working economically and need to be reviewed.

The potential to change will always prevail for as long as the world exists. Our economic fundamentals are not delivering the required results.<sup>12</sup> India, China and Brazil are among the world's top ten economies. By gross domestic product (GDP), China is number one, followed by the USA, with India in the third spot, ahead of Japan.<sup>13</sup> We are sitting at number thirty. Brazil, which was rated as junk status before South Africa was, is in a better position economically.

Our economy is capped at \$301 billion.<sup>14</sup> Currently, we are the biggest economy in Africa, followed by Nigeria and Egypt. We just recently recovered the top spot. Depending on who you speak or listen to, black people apparently only own 10% of JSE-listed companies. After twenty-four years of democracy, this situation is unacceptable. Is the situation prevailing because of what the government or the nation is not doing? Answers to these questions are not easy to come by because nobody knows

and nobody is talking. The stock exchange and the people with money are not saying anything.

The credit downgrade that South Africa has just experienced raises more questions than answers. For instance, could it have been avoided? Economic analysts have been predicting the economic downgrade since the last review. South Africans are worried about what the downgrade might mean for their ordinary daily lives. The effects of the downgrade have not been properly communicated by the authorities. The citizens have yet to be told what the ramifications of a downgrade are. They want to hear the bad news from the authorities themselves instead of hearing everything from consultants, analysts and commentators.

There is a prevalence of passive resistance which always uses the non-availability of skills as an excuse not to recognise black talent.<sup>15</sup> The South African infrastructure development and mining industry was achieved through cheap black labour. The mines in particular were developed through black labour from South Africa and neighbouring African countries like Mozambique, Malawi and Zambia. The cheap black labour at the time was not qualified but did a sterling job in bringing the country to where it is economically. These people were not engineers or miners, not because they did not want to be or were stupid; they simply did not have access to tertiary education.

The truth is that they were excluded through job reservation initiatives which were aimed at keeping black people as assistants for life. They mined gold and platinum without any qualifications. They also built bridges and high-rise buildings without any qualifications.

Yes, it is a given that they did not conceptualise how mine production should be planned and where to sell the minerals. They did not know how to draw up sophisticated plans to build a bridge or a railway line; however, they had what mattered

most – hands and brains. They used their hands and often had to abandon their families to build this economy.

Many of them died underground producing the gold and platinum which dominates many industries across the world as raw materials for various products enjoyed by the rich and the privileged, not only in South Africa but across the world. These miners and construction workers were valuable then and can still be valuable if South Africa were to wake up and follow what the rest of the world is doing, namely, industrialise, manufacture products and sell them to those who need them.

Industrialised countries are not the consumers of goods only, but also make them. They export more than they import. They create trade barriers to keep others as consumers on an ongoing basis. They create complicated intellectual property regime structures which make it impossible for others to tap in.

Take for instance the pharmaceutical industry. It is the biggest energy drainer and the greediest. It puts profits first at all costs and will let millions of people die by denying them access to medical products which could prolong lives. We have seen this situation playing itself out with the struggle that many had to go through at the heightened time of the AIDS-HIV pandemic. Many people died because they could not afford expensive drugs.

Most developed economies were built against the backdrop of industries. These countries manufactured goods and sold them to countries that needed them. The industrialisation of South Africa is critical and is key to job creation in South Africa.

The economy is about supply and demand. People all over the world need goods and services for various reasons. These reasons vary from shelter, food and security, to health care and enjoyment. Maslow's hierarchy of needs plays a prominent role. People access good and services, either by creating products and services aimed at satisfying those needs or through buying them from other people.

The people who manufacture the goods determine the demand from potential buyers and try to meet that demand at all costs. They create a value chain in terms of which goods and services are speedily manufactured and delivered to those who want them. If too many goods are produced, such as fresh bread, and there are no buyers, the bread will go mouldy and as a result will not be suitable for human consumption. If too little bread is produced, many people will go hungry and may decide to look for an alternative to survive. That is what the economy is all about.

Complicated statistics merely refer to how people can plan better to produce goods and services. These are the basics that ordinary people are interested in and not in complicated numbers.

Right now, it will be a near impossible task to become involved in markets that are sentimental and where nobody really understands what is happening. I think economics is a useful science when it comes to world consensus on how things should be viewed and standardised across the world to relatively manage currencies, goods and commodity matters. Is it not amazing that even the boffins who understand the world of economics are now sceptical about the fundamentals which drive the world economy?

People all over the world invest money in stock markets, hoping to make a return. Sometimes it works out but there is also the possibility of losing it all. Billions of dollars are wiped out upon any major announcements or any major news around the world. There are many examples which bear testimony to this. South Africa is always at the receiving end of the markets. Anything that we do or say is punished by the markets.

When we do good things, the markets praise us but do not invest in the country. Markets are always jittery; they punish a country almost instinctively and ask questions later, with disastrous results for the country. Yes, it is important to

understand the past so that one can develop a strategy for the future. The process is, however, polluted with figures and scenarios which often are off the mark and are not real.

It is on this basis that rich people always jealously guard their wealth and will crush any decision that encroaches their territory if they believe that the decision is irrational, regardless of whether the decision that they make could impact millions of poor people. Job losses and retrenchments are a point in question. Big companies do not hesitate to cut jobs as a cost saving initiative to guarantee investor returns every year. What happened to the saying that “employees are the biggest asset of the company”? Job cuts can only be condoned where no other options are available to keep the company going. What is the excuse of multi-billion-rand JSE listed companies?

All South Africans agree that we need jobs to power the economy and to improve the lives of many citizens. We also acknowledge that our economy has been struggling to create jobs for more than a decade. Economic policies have come and gone. We had the Reconstruction and Development Plan which was abandoned; the Growth, Employment and Redistribution policy and the Accelerated and Shared Growth Initiatives for South Africa (AsgiSA).

We now have the National Development Plan (NDP). Most of the above plans were good plans but needed to be implemented to the fullest before assessing whether they were good or bad. Most of these plans were abandoned without sufficient interrogation.

There are various reasons for the failure of the above-mentioned plans: first, the implementation and execution of the plans was not sufficient; secondly, the investors did not support the plans; thirdly, big business was obviously picky in choosing what would work for them; and lastly, some of the milestones advocated by the plans were too ambitious and bordered on failure even before implementation.

What we need is to take the success of each plan, weave the successes together into a new economic structure, break the rules within reason and prosper. India is touted as the biggest producer of generic drugs. They had the courage to take the pharmaceutical industry head on. China is an economic powerhouse. They produce and copy anything on earth with very few consequences. They ruffle feathers in terms of intellectual property. It appears that the world of economics is an entity which can simply not be explained or understood.

Lastly, a lesson for South Africa, let's try to understand the Brexit and Donald Trump phenomena. These two events have something in common. They were both centred around nationalism and jobs. The British and the Americans would like to see the recreation of jobs in their respective countries. These are jobs which were shipped to China and other developing countries. We are in a worse situation compared to these two countries.

They are willing to adopt a radical approach to kick-start their economies to the best level that they possibly can. South Africa is sitting and watching, and doing nothing.

Are we going to wait until the results are upon us, and remain helpless? What will happen to all the trade agreements that we have signed with these two economic powerhouses? I believe that Donald Trump does not care much about South Africa nor does he like us but he wants us to do things his way. Only time will tell.

Many jobs will be returning to America and the United Kingdom. There are many American and British multinational companies in South Africa. Are the American multinationals likely to pack their bags and reduce their footprint in South Africa because of what is happening in America? It may seem like a far-fetched idea now but it is very possible. It has been reported in the media that the newly elected American president, Donald Trump,

has promised to levy huge tax penalties on American companies that have exited the US and that are manufacturing products overseas and selling them to the US market. Donald Trump is of the view that the American multinationals are destroying jobs in the United States by manufacturing their goods in, for instance, China. His main concern is that products manufactured for American companies by China find their way back into the US markets without heavy tariffs being imposed on the products. There are many American multinational companies that have been in South Africa and elsewhere in the world for many years. There are companies which have been in South Africa as early as 1953 and are frankly part of our economic history.

I am certain that there will be less need for South African products to be exported to the two countries. We should breed millions of chickens at processing plants rather than lose jobs here at home due to cheap chickens being dumped on our shores from Europe and America. We should seriously review the terms of the trade agreements signed with both countries and either pull out of the agreement when it expires or renegotiate deals which are suitable for our domestic growth, even if it means paying the price with increased tariffs.

Our country is paralysed and our economy urgently needs structural reform. The industries that worked for us in the past are no longer working.<sup>16</sup> In fact, most of them are fast disappearing due to unprecedented retrenchments. The mines are on a downward spiral, and coal is no longer valuable due to the potential of renewable energies.

Our lives and our thinking patterns must therefore reflect the current reality. One of the key things that we need to think about and implement as soon as possible is the incorporation of black people into the mainstream economy. We need to think about 1% of the population which owns almost 90% of the economy.

South Africa has a population of fifty-five million. Reform must be implemented urgently.

How are we going to create jobs in this tough economic climate? We do not seem to have a plan and if we do have a plan, it certainly looks like we work in isolation and not according to a coordinated strategy. We appreciate the job fund created by the Minister of Finance and big business even though it was aimed more at avoiding credit downgrading. Nevertheless, it is a positive move which can assist in moving the country forward economically.

South Africa is a minefield of many things. It is seen by some as a country rich in gold, or a model of democracy and by others as corrupt, inefficient, reckless and backwards. We need an African-centred economy. After all, Africa seems to be the target of investment by the Chinese and that is where the next big economic drive will come from. China, India and Japan have seen Africa's potential, hence, their massive investment strategies which are beginning to succeed. Any investment in Africa is good for South Africa as this country is the gateway to Africa. Our growth as a country is not going to come from the tested and established economies. It is, therefore, important for us to avoid being labelled as xenophobic. No one in Africa will want to trade with us and our local brands will always be under attack elsewhere in Africa.

As a matter of fact, developed economies are struggling themselves, hence the atmosphere of nationalism that is sweeping across Europe and America. We are losing jobs at a much higher rate than we are creating them. The human labour element is being reduced, if not gradually eliminated. We are in trouble, and something needs to happen now. The structure of our economy needs to change. The students have given us a glimpse of what can potentially happen with their "#feesmustfall" campaign. I am of the view that deserving students must be assisted. I am,

however, concerned that if all the students are given a university education, it will result in thousands of unemployed graduates.

As it is, unemployment is stubbornly sitting at 26.5%, and there are no signs that it will come down anytime soon.<sup>17</sup> Our current economic setup is not geared for that kind of absorption. It is geared to benefit the few and to grow the gap between the rich and the poor. It is not even about entrepreneurship, hard work or eagerness to succeed anymore. It is about the barriers that we have placed upon ourselves. I prefer to label this barrier “scare tactics”, which have been put in place to keep the status quo.

The question of which economic strategy South Africa must follow is a moot question. What is certain is that the current economic policy is failing our country and must be replaced. The power of a multiplicity of jobs in South Africa is non-negotiable, even if it means initially paying below average wages to keep the unemployed masses active. It is the same power that will turn micro businesses into macro businesses, and large businesses into conglomerates and multinationals. If we nurture, for instance, 2 000 entrepreneurs and they, in turn, employ a minimum of three people, 15 000 jobs will be created. If we develop 2 000 cooperatives, with a minimum of 10 members, 20 000 jobs will be created.

That is how the economy must be driven. At the very least, business regulations should be made easy, and funding must be made available. The development agencies should not be more stringent than the commercial banks and demand a near-perfect business plan with all the guarantees in place upfront.

The “Global Employment Trends for Youth 2015” with the theme “scaling up investment in decent jobs for youth” concerns me greatly. This report shows that youth unemployment levels are rising every year. The 2016 Global youth unemployment report<sup>18</sup> compiled by the International Labour Organisation

seems to suggest that the situation is getting worse. According to the report, youth unemployment statistics were at 13.1% in 2016 and are expected to remain throughout 2017.<sup>19</sup> The impact of the above reports is seen in the streets of South Africa. Graduates are battling to find employment, let alone the matriculants.

How do we ensure as a nation that we seriously dent the unemployment figures and bring them down? Perhaps it's time that we take a cue from the Chinese proverb that says, "A journey of a thousand miles begins with the first step".

Possible solutions to our economic crisis are contained in this book. Others are being generated elsewhere by individuals, entrepreneurs and even government. They all help. Somebody will use these ideas in a constructive way. These ideas may not be researched at the level of a PhD thesis; however, they are practical. In any event, this book is written for the people who need help now and not for academic purposes.

The South African economy was built on practical initiatives, like sending mineworkers down into the shafts without proper safety measures, thus creating wealth for others for a miserly wage. We are bombarded by people coming from all corners of the world to teach us how to do things that we have been doing for many years.

The business world has become too complicated for us because as people, we no longer use our brains to run a business but rely on machines to do the thinking for us. We have abandoned projects that made us great and which ensured that social coherency is maintained during hard times.

We need to revisit what we are good at and turn that into multimillion-Rand businesses. As we turn these ideas into projects and workable solutions we will reclaim our dignity and the dignity of those that we lead.

In conclusion, legacies must be created now. We cannot wait until 2030 to halve poverty or create meaningful jobs. It must start now with what we have at our disposal.

---

---

## Chapter 12: LEGALITIES

---

---

**Jobs are created by the** private sector. The private sector comprises large, medium and small business, cooperatives and sole proprietors. The distinction between private sector businesses lies in the level of regulation and turnover.

There are many reasons given by big business and investors as to why investments are not flowing into the economy. Some of the reasons have been given since the democratic government took over in 1994. They are the same reasons that are given now. The investors explain that the issue of non-investment is due to policy uncertainty, rigid labour laws, political uncertainty and others even question the productivity commitment of South Africans.

Business compliance issues have also been raised as one of the reasons why the investment community is uncomfortable. We do not have the investments that we require to create jobs and grow the economy by at least 6%. Our government wants to maximise tax collections within the current economic climate to enable it to meet its commitments. The same government is also under pressure not to scare the 1% most economically powerful citizens of South Africa because the concern is that they will move their wealth elsewhere.

On the other hand, we have the very same powerful and rich individuals who are uncomfortable with rigid labour laws because they will be forced to pay a living wage and not a minimum as is currently the case. They lament the state of trade unions and their path towards the destruction of the economy through strikes and outrageous demands. The difficulty of doing

business in South Africa is also among the well-documented reasons for poor investment in the country.

Our problems and opportunities are unique. As a country, we are not an island and must embrace where the world is going economically. People talk about “African solutions for African problems”. South Africa is very much part of Africa, however, even as Africans, we have different challenges.

We know that certain things work very well in South Africa, like the judicial system and democracy. People accept the election results when they are voted out. Unfortunately, it does not happen like that elsewhere in Africa. The difference between us and some African countries is agility when it comes to economic issues. They adapt as the situation dictates on the ground. We choose to first go to court, only to be given a solution that we already have and which we should have implemented without question.

We challenge everything we do not like in court and put things on hold for years while the wheels of justice grind slowly. We take years to resolve these issues and hope that they will go away. The land issues are a typical example. We are nowhere near resolving land claims because we still cannot agree on how to do it in a fair manner. Fairness then becomes the main theme, and not the correctness of the claim that has been tabled.

We are not even at the point where we should be arguing “how much” compensation. We are still entrenched in the whole discussion which revolves around fair value, market value or expropriation. The legalities and policies, although when enacted were intended to safeguard the rights of all citizens, have become stumbling blocks in the implementation phase of a good initiative. Land is the basis for affording everybody dignity. Land can be developed and utilised to generate income, which, in turn, alleviates suffering. It is evident that sound land policies and legislation are decaying due to our complicated and

expensive legal system and the inability of the government of the day to implement their own policies. Citizens with violated rights are unable to defend their rights due to lack of funds. The legal system is just out of reach for many South Africans.

It has been said that jobs can be created through the development of small businesses, but we forget to remove the obstacles to allow small business to flourish. The multiplicity of registration forms at various establishments that are required to comply with government requirements are examples of such obstacles.

Once all the government requirements have been certified, there are compliance issues with the banks. When the entrepreneur has finally opened a bank account, vendor registration must follow before anybody can give a small business an opportunity. These vendor registrations are opened at a cost. They involve the certification of original documents by a commissioner of oaths; often police services are used. By the time the entrepreneur has everything required in order, thousands of Rand are already lost without any guarantee of a single project.

For instance, a bank letter is now valid only for three months and thereafter it becomes invalid. The small business ministry should create its own legislation and policy which will manage and drive a smoother process. This ministry has been in existence for almost three years now and yet very little has changed for small business. They still experience the same obstacles as they did previously. Tenders are advertised multiple times without being awarded. Every time a tender is published an amount must be paid by the small business owner to purchase the document. Why do government departments advertise tenders when they are not ready to execute the project? Is this a money-making scheme that is intended to exploit the already struggling entrepreneurs?

The other legal challenges that small entrepreneurs and innovators grapple with is the impossible registration of their intellectual property rights. Many good musicians have lost a lot of money to greedy recording companies. The poor musicians do not own any rights to their own creations. These rights are owned by the recording companies for life. How does someone who did not write a song all of a sudden own the rights to that song simply because he was a sound engineer who ensured that the recording equipment was properly set up?

Some big companies are notorious for taking advantage of innovators. A classic example is the well-known Vodacom case.<sup>20</sup> There were also cases of collusive behaviour displayed by the construction industry leading up to the 2010 world cup.<sup>21</sup> There are countless incidents of anti-competitive behaviour that big business has engaged in against small businesses.<sup>22</sup> The recent competition commission's public hearings into the alleged destruction of Township business by South Africa's top four retail giants is disturbing and does not auger well for job creation initiatives in the Townships. Big retailers like Spar and Shoprite are accused of destroying township business.<sup>23</sup>

Similar hearings were held into claims that the pharmaceutical industry seems to be abusing its dominant position by overcharging for vital cancer medication.<sup>24</sup> The industry is greedy and exploits patients who have no option but to purchase their products at exorbitant prices.

It cannot be business as usual in the name of upholding international laws which may well be unjust. What happened to the concept of national legislators embracing international law that is just and compatible with national needs. Why are we still honouring laws that are unfair and unjust, pertaining to intellectual property?

People resign from their jobs for many reasons; for example, they leave their jobs because they have saved enough and know

that they can live comfortably on their income. Other people are fired from their jobs for their poor performance or due to reasons beyond their control, such as retrenchment. Whatever the reason might be that people are unemployed, government must deliver on its promises. Obstacles which hamper job creation must be removed at all cost.

Having said that, it does not mean that aspirant entrepreneurs must fold their arms and wait for things to be perfect. It will take time for business-related legislation to be aligned in favour of business. One cannot plan for all eventualities, not even for death, which is certain. Our country should not self-sabotage its efforts to grow the economy.

As for funding small business, perhaps accountants should be removed from investment committee decisions and business people or entrepreneurs should be brought in to adjudicate. How does one explain a situation where an entrepreneur, who does not know how to create a business plan, is excluded from funding based on non-submission of the plan without listening to the idea? Often entrepreneurs incur huge costs in compiling eighty pages of a business plan which they do not understand themselves, only to be rejected by funding institutions.

The establishment of development funds by the State was meant to alleviate problems related to funding. It is ironic that in certain instances, development institutions are more rigid than commercial banks when it comes to funding. Their business models need to be reviewed. Legislation related to small business funding needs to be completely overhauled. It does not make sense to talk about the means test or even ask for surety from somebody who has just graduated and who does not have the backing of wealthy people.

Entrepreneurship can be compared to the sale of music. It must evolve. The first time I bought music, only vinyl and cassettes were available. I have bought the same music repeatedly. I have

bought vinyl, then a cassette, followed by a CD and, of late, downloads. Thus, the same music was purchased four times. If it works in the towns and cities, surely entrepreneurship can work in rural areas.

There are no short cuts in business. A business takes time to mature and produce. It is a work in progress. There are many pitfalls and layers, such as legal action, customers defaulting, employees being difficult or not being treated correctly, suppliers failing to deliver, load shedding and penalties associated with supplier delivery issues. For instance, a detergent manufacturing plant cannot function without water.

No one prepares a new entrepreneur for these kinds of obstacles. Not even the most detailed person can anticipate some of the challenges mentioned above. If you are a big company with resources, the situation will be much better. One can perhaps minimise risk by forward planning and consideration of various future scenarios. But it could not have been foreseen that the Amcu strike that turned Rustenburg into a ghost town would last almost six months. Many businesses that were well run prior to the strike were destroyed because of the protracted strike action.

Rustenburg is a mining town and most small businesses there rely on the mines for trade. These small businesses also employ people. Many of them had to close because the mine could not do any business with them during strikes. Consequently, the small businesses all suffered as they had an obligation to pay their creditors and could not due to lack of income.

Perhaps if the business rescue regime and legislation were properly adhered to, those businesses could have been saved. South African funders do not care about the prevailing business conditions on the ground. They want a return on their investment, even if it means taking legal action to liquidate the business.

The preceding paragraphs were meant to paint a picture of the challenges that small business owners experience in general

because of unclear policies or pieces of legislation. Policies and legislation that are irrational place an additional burden on small business and hamper their growth. It is excessive for a union to strike for six months as happened with the Amcu platinum strike in Rustenburg.<sup>25</sup>

The legal frame is not conducive to small business. Small entrepreneurs are sidelined by business owners who are not interested in doing business with black entrepreneurs fairly and legally. If these businesses were legitimate and honest, fronting would not be an issue. Some of these businesses are not keen to share their revenue with black business. Business owners need to comply with the legislation. Those who do not must be exposed and be given the harshest penalties that the law prescribes.

---

---

## Chapter 13: RURAL INFRASTRUCTURE

---

---

**Infrastructure plays a critical role** in the development of the economic conditions of any country.<sup>26</sup> The South African rural infrastructure is still lagging and a lot needs to be done to bring it up to speed. Infrastructure encompasses many facets that enable the smooth running of economic activities across the board. Some of the infrastructure challenges faced by the country are discussed below.

### **Roads**

---

The infrastructure on South African rural roads is poor. Those roads that have been tarred are not maintained and end up in a state of disrepair. The inadequate road infrastructure hampers the smooth transport of goods from one area to the other. It is near impossible to transport fresh produce from various farmers to a centralised point where the products can be processed for the market. In this instance, reference is made to fresh produce in general. The fresh produce to be transported includes milk, meat, vegetables and other produce for human or economic use. The upgrading of rural roads will, therefore, serve two key areas. Firstly, jobs will be created through this process, and secondly, economic activities will take place without much hindrance.

### **Communications**

---

Rural communication is also non-existent. It is true that people own cell phones, and can make calls when they want to.

There is, however, an internet backlog and rural people in general struggle to access the internet for many purposes including banking, communication and for general and school research purposes. Communication in whatever form is critical for any business to survive. The installation of fixed line communication systems seems to have been halted in South Africa. Many jobs can be created out of communications-related projects.

## **Energy**

---

According to Stats SA, the 2013 report on energy<sup>27</sup> shows that many households, including those in rural areas, have been electrified, but the challenge remains regarding the reliability of the infrastructure. The electricity supply in rural areas seems to be unreliable. Power cuts are the order of the day and very frustrating for aspirant rural entrepreneurs. Fresh produce needs to be stored or managed in a very specific way. Rural food processing plants need electricity to keep the produce fresh. There is also the retail space to worry about in terms of products that need to be refrigerated. There are very few service stations in most of the rural areas, making it difficult for people to resort to alternative sources of energy like diesel, petrol and gas. The unreliability of electrical supplies will also make it difficult for service stations to operate optimally. Many jobs could be created by the development of rural energy.

## **Water and sanitary infrastructure**

---

The Stats SA household survey of 2015<sup>28</sup> shows that most villages do not have running water, let alone sanitation infrastructure. The lack of water makes it impossible for farmers to nurture their plants and generally hampers the growth of industries. Irrigation systems are therefore non-existent and farmers

struggle to mass produce, something that could power the economy and develop the notion of commercial farming. The safety of the water derived from the boreholes that are dug in the rural areas is questionable. The investment that goes into boreholes is substantial and many rural people cannot afford to pay for the required borehole infrastructure. The lack of sanitation facilities leads to unintended hygiene crises and diseases with an additional burden placed on the healthcare system of the country.

Aspirant entrepreneurs move away from the rural areas because of the absence of infrastructure. The establishment of mass rural hygiene programmes is necessary. The absence of sufficient running water hampers the enhancement of sanitation programmes which could create dream jobs.

## **Schools and trade schools**

---

The transfer of trade skills is hampered by the lack of infrastructure. Aspirant students are unable to learn trades like welding, draughting, electrical, mechanical and even building skills. Rural people are forced to travel to the towns and cities to obtain these skills and are thus permanently lost to the rural areas.

## **Land**

---

The aspiration to own land knows no bounds. People are killed over the land issue. Private land is being invaded because people know what the value of land is. Many land grab incidents have been witnessed over the years. The Red Ants have their hands full trying to evict land grabbers. The land grabbers do not even wait for proper town planning; they move in and invade every small empty space that they can identify.

Why is land such an emotive issue? Land is very important in many respects, including the right to generate income out of the land. Land can be used to build a shelter, for grazing by animals and lastly, for planting crops.

The African National Congress held its 105<sup>th</sup> birthday celebration in 2017.

At the celebrations, the president outlined the vision of the ruling party for 2017. Among others, he said that land redistribution was central to the 2017 ANC objectives. The president spoke about the need to fast-track land redistribution to the many black people who lost their land during the times of segregation. He also spoke about transforming the economy of the country and ensuring fairness in the distribution of resources.

The president's speech addressed two pillars. It went to the heart of the land issue from the economic perspective and the plight of blacks and their inability to rise and do things for themselves. Sadly, I am of the opinion that the president was just giving a speech and nothing will happen regarding the issues that he spoke about in my lifetime.

I also realise that there were no details given as to how these nice things that the black majority has been waiting for will be achieved. There were no details at all relating to the timing or the plan to be implemented. The president spoke<sup>29</sup> at the 3<sup>rd</sup> Presidential Local Government Summit of 2017 and tried to explain what radical socio-economic transformation is. The president said, "Let us remind ourselves what we mean by radical socio-economic transformation. We mean the fundamental change in structure, systems, institutions and patterns of ownership, management and control of the economy in favour of all South Africans, especially the poor, the majority of whom are African and female".<sup>30</sup> This is the radical socio-economic transformation that we will be focusing on as a

country. Sometimes, it is called radical economic transformation, other times inclusive growth.

Despite the broad definition of transformation as outlined above, one is still keen to hear the details. The president assured the nation that this will be outlined in time.

In a normal economy, four key ingredients are required: natural resources which are converted into a product or service, labour or manpower, a market and capital. Black people have nothing except labour and numbers, but perhaps one can construe numbers to mean markets. How do black people then take the initiative of transforming themselves from a position of weakness to a position of economic power with their numbers and labour when natural resources and capital are lacking?

In the following paragraphs, I will attempt to outline some of the challenges that the governing party is faced with in terms of land distribution. Here are the basic statistics about South Africa and its land surface. The statistics depicted below will never be absolutely correct. I have attempted to conduct a fair amount of research regarding land ownership in South Africa. My attempts came to nought because the various bodies have a different opinion about land in South Africa. Let's examine some of these bodies and their opinion of land ownership in South Africa.

According to the World Bank, South African agricultural land is estimated at 968 000 square kilometres. The World Bank further states that recently arable land in South Africa has increased. Arable land is loosely defined as land that is under temporary crops and temporary meadows for pasture. The report says nothing about ownership.

The South African environmental outlook report indicates that 80% of South African land surface is used for agriculture and subsistence farming. The report states that of the 80%, only 11% has arable potential and that the remaining 69% is used for grazing.

The report further suggests that South Africa has a total of 122 million square kilometres in surface area. In March 2011, 31 million hectares were in the hands of government, namely, 25% of the land is in government hands. The remaining 91 million hectares or 75% of the land is in private hands. Statistics show that there about 30 000 big commercial farms but numbers have been drastically decreasing.<sup>31</sup>

The South African land audit report, which was commissioned by the Department of Land Affairs, paints a different picture of the extent of land in South Africa and its ownership. This begs the question as to exactly which land it is that everybody is talking about because nobody seems to know anything about this land that must be radically transformed. I am, however, comfortable with the land claims process as the rightful owners are coming to the fore to claim their ancestral land.

Agriculture has always created jobs for the South African economy. One needs to steer clear of economic statistics that depict that the contribution of the agricultural sector to the South African economy has been diminishing over the years.

An average farm worker in South African does not own shares and certainly does not understand the high level of complexity surrounding how the markets operate. An average farmer worker is more concerned about immediate needs such as where the next meal is going to come from. They are concerned about transport costs and school fees. Others are concerned about accommodation. They understand that they may be evicted from the farmland or lose their job at any given time. This could happen for instance, during the sale of the farm and where the new owner does not want to keep them or does not want to farm.

Many farmworkers have very little option when it comes to jobs. I would presume that it is upon this basis that poor black farmworkers have persevered, despite the abuse and poor wages that they must contend with for almost their entire working lives.

The minimum wage is certainly welcome insofar as important role players are concerned. Many farmworkers, for example, those who work somewhere on a plot in Brits, can only dream about a minimum wage.

With rural people, it's about despair as they have no hope. I have heard many of them just hoping and wishing for death. They see death as an easy exit which will stop all their suffering.

Here is an example of a project that gave people hope. I believe that a few of these programmes will result in people living a purposeful life while making a decent living at the same time. This is the power of land utilisation, whether under ownership or just usage. People have a reason to smile when they can wake up to something useful, even if it means being rewarded initially with a bunch of spinach.

## **Case study: What land can do for your dignity**

---

The Bana ba Kgwale story published by *Farmer's Weekly*<sup>32</sup> is an inspirational story. This is a story about a group of local people who have formed a cooperative and who employ around 179 people, with sixty-nine people in permanent positions. The success of this project is an inspiration to other rural communities. Replicating this project across the country can potentially create more than a million jobs. I am not talking about economics and statistics, but about a simple process of people coming together to tackle a project that could potentially feed them for life and at the same time reduce their financial hardships.

### ***Background to the Bana Project***

---

Jericho is a small village in the North-West Province, close to the farming town of Brits, and the Ga-Rankuwa and Mopane townships. The Tholoana River runs through the village. A group

of entrepreneurs from Jericho decided to come together to form a cooperative.

They were funded by government organisations and entered into take-off agreements with private sector organisations. According to the publication, this project has given the many people involved in it hope and prosperity.

What if the country copied the above model and created some 2 000 projects across the country, like the one mentioned? What if the same participants controlled the entire value chain in the project? How many jobs would be created then?

Let us use the Bana Kgwale story as highlighted above. The project has created 179 jobs. If we take their model and modify it a little bit, the project that emerges may take shape as follows:

### **Same or similar basis**

It is a given that situations will not be the same. The developers of the project need to consider all the variables, such as a flowing river across the village for watering, boreholes, a windmill or other sources of water. The kind of crop that is suitable for the area can be determined through the use of modern agricultural science and initiatives. Modern agricultural accessories such as hydroponics are useful tools which can assist with the improvement of the crop yield. The possibilities remain real and are endless.

Big business can emerge out of these kinds of projects. A rising black business called Green Bud was among one of the first black businesses to go into food processing. Their model is not without challenges but is working. Green Bud's food processing plant resembles part of the value chain to which I referred earlier. The business employs twenty-five people. They fetch the fresh produce from local farmers who farm both commercially and on a subsistence level. They then beneficiate the produce by

washing, peeling, chopping, cutting and dicing it. The product is then sold to local households and business.

## **Case study: Sebilong Community Project**

---

Anglo American Platinum is a progressive company which greatly cares about the environment and its surrounding communities. Amandabult and Union Section are some of the mines that they currently own. The government gave the community of Sebilong their land back as part of the land claims project. A group of women are farming a variety of vegetables on their allocated community land. They supply the Amandabult mine with their produce. This is an excellent initiative that has created jobs, hence, my assertion that more of these projects are required to create sustainable employment. My model, based on the two projects, would look like this:

- We need 2 000 cooperatives in each province.
- There are nine provinces.
- The total number of cooperatives would total 18 000.
- Each cooperative, depending on the area and the size of the project, can employ a minimum of thirty people.
- The total number of jobs to be created is 540 000.
- To cater for the production farming site, warehouses and food possessing establishments need to be developed. This will depend on the proximity of the farms to the warehouses or food processing plant. Green Bud, as stated above, employs around twenty-five people and buys fresh produce from the local farmers and big markets to provide the quantities required by their customers. To complete the value chain, the following could happen:
  - Twenty-five food processing plants will be enough to cater for 2 000 cooperatives.

- Twenty-five food processing plants x twenty-five employees will create 625 jobs.
- Agricultural extension officers must be employed; perhaps 100 can be responsible for twenty projects each.
- Retired farmers can be appointed on a two-year consulting basis to assist with the imparting of skills. As many as required can be hired.

### **Livestock Model**

The model can be duplicated with livestock. Livestock in this instance includes goats, chickens, sheep, cattle, donkeys and cattle. If 2 000 cooperatives are established, with each employing a minimum of ten people for each category of livestock, remarkable job creation results can be realised.

An inspirational article was published by the *Sunday Tribune*. It was another compelling story depicting the possibilities of success in relation to land and agriculture. In this story, a farmer who inherited a three-hectare piece of land from his father has created five new jobs by planting various vegetables. Many jobs can be created through agriculture. Food security is the buzzword in the offices of the United Nations and the African Union. It starts with small farmers making use of whatever little space that they have in order to grow food for their families and possibly for the nation.

### **Case study: China and Rwanda<sup>33</sup>**

Huye District in Rwanda is a prime example of how agricultural initiatives can boost the livelihoods of ordinary people and their contribution to the economy. The Chinese are imparting their agricultural skills to Rwanda with great success. The mushroom project that involves both countries is a perfect example of a

project that should feature permanently in rural South Africa. The mushrooms grow everywhere, even in bad soil, and require very little room to do so. The article further states that mushrooms take only eight days to grow, do not require much water and have an average yield of \$100. This could be a huge opportunity for aspirant rural farmers who have access to many hectares of community land that is currently not in use.

President Zuma said<sup>34</sup> that Operation Phakisa in Agriculture will look at three critical areas, namely, horticulture, livestock and grains. Horticulture is a vast concept which not only includes the science of plants but also covers the aesthetic elements of plants. This project could greatly benefit rural development initiatives. The livestock element, too, will slot in nicely with rural development initiatives as there are vast tracts of land which can be used for animal grazing. The intention is to better the lives of rural communities. South Africans have been growing grains for centuries. Grains were grown in rural areas on a subsistence basis and without modern agricultural systems which incorporate fertilisers and sophisticated irrigation equipment.

Rural people stopped the practice of subsistence farming due to theft and damage to their crops by animals not controlled by the owners. The disadvantage of communal land is that there are no systems governing the use of land. Animals are not kept in camps where they can be monitored. Theft of stock has forced rural communities to keep their animals closer to home with disastrous results. The free roaming animals not only damage the crops of neighbours but are also the cause of road accidents which are often experienced in rural areas.

Job creation initiatives are welcomed from all quarters and the sooner the nation acts on these wonderful initiatives, the better for the South Africa economy and poverty alleviation. Poverty can be halved now – we must not wait for 2030.

---

---

## Chapter 14: ENVIRONMENTAL IMPACT

---

---

**There is a saying that**, in this world, nothing can be said to be certain except death and taxes. The way African people conduct the burial of their deceased relatives has come under the spotlight. Many people embrace the rituals that the family follows to bury their dead but are concerned about the costs involved. The costs are incurred from the first day of death of the relative up to the last day when the deceased is buried.

In Lesotho, for instance, it is not unheard of for the deceased to be buried a month after death. In South Africa, often the deceased are buried within a week of passing, or even longer when complications are experienced. In Zimbabwe, the burial takes place sooner, within a few days after the relative's passing.

After the passing of the deceased, family and community members gather at the deceased's homestead to offer their support and condolences to the bereaved family. The bereaved family incur costs from the first day of the passing because, in true African tradition, people not only express their support but do so through actions as well. In some communities, relatives or community members physically move in with the deceased family to offer support during hard times. The deceased family is often expected to look after these visitors at a high cost. They must be fed on a daily basis until, and sometimes after, the burial. Providing three meals a day for an additional 10 people is costly for the average black South African family.

Other costs involved relate to some of the cultural and traditional practices which, among others, may require that a cow must be slaughtered. It seems social pressure also plays a

part in pushing up the cost. As a result, people buy expensive coffins which they cannot afford instead of using the money to assist the family after the funeral, particularly in cases where the deceased was a breadwinner.

Some of the older generation stick to what was originally eaten at funerals for many years; they complain about the seven-course meals that are now served at funerals. Over the years, the African people have afforded their deceased relatives a lot of respect. Burial patterns have evolved over the years; the costs associated with funerals have gone up drastically and are becoming a cause for concern.

The costs have spiralled so out of control that some of the bereaved families are left with debt related to coffins after the burial of the deceased. The Minister of Environmental Affairs has raised concerns about the costs associated with burials and offered to bring the costs down through the eco-coffin which is already in production in South Africa.<sup>35</sup> It is hoped that, with time, burial patterns and practices will change. It is often better as many people have observed to do the best for people when they are alive so that they can appreciate the efforts rather than when they are dead and cannot express their appreciation.

There are funeral parlour businesses that are run fairly and to the benefit of customers. The industry also has unscrupulous business people who prey on the vulnerability of bereaved families. These unscrupulous business people or undertakers are heartless and do not mind selling a coffin worth R5 000 at three times the cost price. This sector needs to be investigated by the Competition Commission for several reasons. One of the reasons that the industry must be looked at urgently is the coffin supply chain process. For instance, why can't bereaved families buy coffins directly from a manufacturer instead of from a funeral parlour? The second question is why do the manufacturers of coffins refuse to sell coffins directly to the public? The core

business of any funeral parlour should be to store the body and prepare for the burial. It is that service that they provide which is core to their business. Why do they want to make more out of the sale of coffins and not their core business? Having investigated this business sector for a while, my recommendation is that the Minister of Environmental Affairs must urgently regulate this sector. It is true that a funeral parlour must be run as a business; however, ethics must be observed as well when doing business with the community.

The Minister of Environmental Affairs (Edna Molewa) spoke about the need for change from foreign social norms to black people particularly the pressures associated with funeral costs. She highlighted the importance of managing this industry.<sup>36</sup> It destroys families financially when burials happen according to social pressure. The change must, however, come from black people themselves. Let's do the best for our relatives while they are still alive, and not spend money which is desperately needed for those who are left behind on expensive coffins which we cannot afford.

The Minister referred to the alien plants which are invading the South African landscape and advocated the production of cheaper coffins or furniture by cutting down and utilising these invading plant species.

A whole new industry can be created by black people. They still can demonstrate respect for their dead without the need to overextend themselves.

The industry therefore needs to be regulated. The minister can start by standardising the prices of coffins and by putting in place high import tariffs as most coffins are imported from countries like China. The use of locally manufactured coffins should be encouraged.

The estimated number of deaths in South Africa in 2016 was around 539 714. According to Stats SA,<sup>37</sup> black people make up

80% of the South African population. It is only fair that they should be in control of this industry to the extent that they can be. They must own the facilities that are required to cater for the dead, supply all chemicals required to keep their facilities hygienic and process all the deceased's paperwork.

They must also be in the forefront with affordable funerals which cater for their needs and not those imposed on them. The industry can generate at least a minimum of 100 000 jobs. Funeral parlours employ a minimum of ten people while bigger funeral parlours employ more.

Black people have been involved in Stokvels for many years. The Stokvels are primarily used to socialise and to invest. It is estimated that there are 11.4 million Stokvel members. The Stokvels are estimated to be worth R45 billion.<sup>38</sup> No harm will be done if these Stokvels were to come together and form a bank that will invest their money in institutions that are sympathetic to the things that they hold dear. The respect for the dead is one of the key values that blacks do not want to comprise. Stokvels can invest in projects as alluded to by the minister above.

Stokvels have amassed considerable amounts which can be invested for the advancement of black business. Some Stokvels invest their money in a savings account which generates minimal interest for the participants, instead of being invested in projects closer to home, which they can run and monitor. The industrialisation of black business is not a pipe dream. All that is required is for people to cooperate and work together towards the development of their respective communities.

---

---

## Chapter 15: BIOPROSPECTING

---

---

**Bioprospecting is one of the** key ingredients which can be used to unlock job creation in rural areas.

Carina Malherbe defines bioprospecting as follows: “The exploration of biodiversity for commercially valuable genetic resources and biochemicals. It describes a search for resources and collection of resources with the intention to commercialise them. It applies to plants, animals and all living organisms, including bacteria and fungi. Bioprospecting can also include the collection of traditional knowledge relating to the use of these resources by local communities”.<sup>39</sup>

In short, bioprospecting means the investigation of living things to determine their usefulness to humans with commercialisation as the endgame. There are several difficulties relating to the concept of bioprospecting. The first one relates to legislation and the red tape associated with the regulations in terms of obtaining permits for bioprospecting. The first piece of legislation aimed at regulating this practice was enacted in 2004 and the regulations giving effect to the law came into being in 2008. Although the idea of protecting our rich South African biodiversity from looting and abuse by the rich is noble, it also must be balanced against job creation and the potential benefits that emerge from bioprospecting. There is a market for indigenous fruits, leafy vegetables and grains. These plants, as mentioned above, grow on their own in the veld and are harvested by the locals for subsistence. There is no mass production to feed the hungry. In other words, the commercialisation of these plants has been limited to a few plants like the morula fruit and

a few other plants with some medicinal properties. There must be a way of taking the existing plants and turning them into mass production of the indigenous fruits, medicines and vegetables.

Medicinal plants such as “Mokaikai” are known for curing many ailments such as menstrual pains. Many wild fruits that are nutritious have been forgotten by the modern world. Indigenous fruits such as *milo* and *morula* are some of the wild fruits worth mentioning.

The law does not place any restrictions on the harvesting of plants in their current form for commercial purposes. It, therefore, goes without saying that a way must be found to capitalise on and commercialise existing species.

To avoid complications relating to the benefits to be shared in developing new plants or new products which can be commercialised, a view must be tabled by the government regarding acceptable control measures. The other issue which the government must look at is the ownership of intellectual property of those plants as the knowledge has been passed from one generation to the other. Perhaps the important thing here is that government needs to nationalise the ownership of the intellectual property rights, and not allow any multinational company to expropriate the knowledge that indigenous people have had for many years to their exclusion. The community in which the plants are found can perhaps benefit through the supply of raw materials derived from the plants for whatever purpose they can serve.

The government and the private sector must invest heavily in bioprospecting. South Africa is rich in biodiversity and minerals. The potential for job creation is huge if only rigid regulations were to be relaxed.

---

---

## Chapter 16: TOURISM

---

---

**The South Africa tourism industry** is set to be worth R499 billion by 2020. Tourism is labour intensive and creates many jobs. Tourists come to our country to see our animals, our oceans, and the natural wonders that are located within the borders of our country.

Tourism, as it is currently marketed, is problematic for aspiring black entrepreneurs who want to go into this sector. It is problematic because many black people cannot afford a holiday because they do not earn much and have extra monetary family commitments.

The result is that while people are on leave, they end up doing chores around the house instead of resting. It is, therefore, important that a balance must be struck. Alternatives must be found, as most black people do not own beach houses which can be converted to bed and breakfast establishments, thereby attracting foreign tourists who are willing to spend dollars.

There is, therefore, a need to develop a rural tourism strategy to capture the day to day tourism market and also a market that is looking for value for money. This market does not have enough money to pay the exorbitant upmarket going rates. A more rural strategy which features rural life rather than the ocean is urgently required.

The attraction in rural areas are mountains, vast pieces of land, indigenous fruits and plants which rural people know much about. They can create a huge industry for hiking clubs, teach the tourists about their way of life, create rural museums,

and record the history of their heritage based on the area where they live. Rural life is very rich in many respects.

## **Rural tourism strategy**

---

Rural tourism could be a big success. Many tourists travel for specific reasons. They travel to see the features that a country can offer and to connect with the country and the people. Others travel to get away from their busy city lives and to seek tranquillity and peace of mind.

Rural tourism can play a very important role in ensuring that the latter traveller's needs are taken care of. There are various activities that rural life can offer. Take for instance the hiking fanatics. They will have a field day climbing mountains and just enjoying the fresh air and amazing topographical views. They can learn more about the people and the role that subsistence farming plays in the lives of the locals.

Rural people have been farming for many years, despite all the water limitations. They rely on rain to keep their crops going. It is only recently that rural people seriously investigated their backyard gardens to plant modern crops which require a lot of water. The fields which were ploughed back then were not watered, yet the people produced substantial crops that could feed them until the next harvest, and equally they could sell some of their crops to generate an income.

Storytelling has always occupied centre stage among the rural communities. Their stories have been passed on from one generation to the next. Rural youth who are unemployed can play a critical role as tour guides and could relay stories about rural life.

There are also wild leafy vegetables which remain relevant to this day. These vegetables such as *lerotho* and *thepe* are still used by many rural people. Indigenous fruits and vegetables

are known by many different names across the provinces and neighbouring countries.

The lives of many rural communities in the old days were centred around a cow. There are many stories which can be relayed to foreign tourists about a cow and its erstwhile value for rural South Africa. For instance, the cow was slaughtered and its skin used to bury the dead. The same skin was used to make shoes, clothes and blankets.

Tourists could further be told about the unusual uses of cow dung. The dung in rural areas is used for building houses and used as a source of energy for cooking in an open outside fire. The dung is also commonly used as manure. There are other interesting tales about how useful a cow was in the olden days. Rural people used the horn of a cow as *lepatata*. The *lepatata* used to be blown to assemble the community for an event or when the chief wanted to have a meeting with his subjects. The cows were also marked in various ways to minimise their theft. There were common marks that were prevalent within a certain community, such as the *lesiba* and many others.

Tourists, especially foreign tourists, may want to hear about the common tools that the rural people used such as the *kika* and the *lwala*. In the past, women used to manufacture accessories such as beads (*dagaba*).

Apart from physical sport that was played, like hide and seek, there was also *morabaraba*, which is still today a very intellectual game. African beer was not far from the intellectual sporting games. The food was also varied; some rural people still cook similar food such as *ting* (sour porridge) and *letlhodi* (lentils).

Indigenous plants, grains and fruits are still found today. They are occasionally checked by scientists for their nutritional value and to discover what the best way is to produce them for the common good of the communities close to where they grow.

---

---

## Chapter 17: RURAL ECONOMIC DEVELOPMENT

---

---

**It is important at the** outset to understand the distinction between the township economy and the rural economy. The township economy focuses, among others, on construction, brickmaking, confectionaries, fresh produce, couriers, transport, informal trading, restaurants, bed and breakfast and bakeries. Over the years, black business has been involved in retail, entertainment, the beauty industry, transport in the form of taxis and selected food industries.

The difference between the rural economy and the township economy is vast. In the first instance, infrastructure is almost non-existent in the rural areas. When it comes to rural development, one can only talk about possibilities, in other words, what a rural place could become once the developments have been finalised. It is, therefore, important that a rural development strategy must be focused on developing the readily available rural resources to a commercial and sustainable level. Some of the readily available possibilities in the rural areas are discussed below. Also, the South African government's rural development strategy outlines a very important concept: the "One household, one-hectare programme". This is a great initiative if implemented because it will revive economic interest in the rural areas.

### **Mountains**

---

Job creation can be accelerated through rural development. Some villages in rural areas are built along hillocks, mountains or near both. There was probably a good reason why the tribal

elders decided to settle the communities along these geographic features. Perhaps the idea was to manage some form of risk. The mountains can be used for small-scale mining projects, while crushed rocks are important for any road construction. We are not talking about a very high standard but instead a standard that will graduate the rural community from a mud road to at least something that is able to be easily navigated. All that is required are the crusher machines, a little cement, labour and SETA stipends to build this valuable road infrastructure.

In the past, rocks were also used to build houses until cement bricks came onto the market. The cost of building a house with free crushed rocks and roofed with free grass easily obtainable from rural areas is more appealing than that of corrugated iron houses.

I call the process free because the government is already giving free houses to those citizens who qualify. Why not minimise the cost by using free materials which already exist in rural areas.

Modern technology can be deployed in the form of trenches in which a concrete mix with cement is poured. Why can't the government pursue this strategy to build decent houses for rural communities? There will be a cost related to cement; however, there will be a saving as well by using the crushed stones or artistically crafted rocks.

The cost would be for the machinery needed for crushing the rocks and labour. No electricity is required to crush the rocks; only diesel and petrol will be required for the machines. Job creation can be accelerated in this fashion and skills transfer will also take place. As mentioned elsewhere in the book, many establishments in the tourism industry, particularly those located in the bush, prefer to build their structures with crafted stones and roof them with grass. These structures look beautiful and unique.

## Mines

---

Many mines surround most rural areas, mostly platinum mines but there are other mines as well. Beneficiation can play a significant role in the small rural communities which are close to the mines. Some rural villages have huge deposits of lime, which is used for agricultural purposes. Lime has other applications like glass manufacturing. The opportunities are endless.

Mining and beneficiation can be a great creator of jobs. Some mines in the Rustenburg area allow the locals to beneficiate the soil after the extraction of chrome for brickmaking.

## Agriculture

---

Agriculture should be the cornerstone of the rural economy. The potential for agriculture in rural areas is vast. Large tracts of land belong to the communities. Individuals also own land, allocated by the chief. The struggle is often about the irregular supply of water. Rural people struggle because there are no pipelines running through their villages. Pipelines often run past the villages to a small place fifty kilometres away from them. Rural people literally plant anything as highlighted above. There is also another neglected agricultural leg that the rural economy can focus on – the power of indigenous fruits and plants used for medicinal purposes.

The Department of Agriculture and Fisheries, through its Directorate of Plant Production, has compiled an excellent publication under the title *Indigenous Food Crops*.<sup>40</sup> This publication explains in detail everything there is to know about indigenous grains, vegetables and fruits. It is a very comprehensive publication which addresses many questions that an aspirant business person may have regarding the commercialisation of these indigenous plants

## Wild indigenous fruit

---

Rural people need to go back to basics. There are plenty of indigenous fruits growing in the wild and in their backyards. In this instance, I am solely focussing on the villages in North West and Limpopo. The other provinces may also have similar types of wild fruits. These fruits are not modern fruits like apples and bananas; they are fruits that grow without assistance in the wild and produce plenty for the locals every year.

Rural people must take the lead. Villagers used to brew and drink morula beer. Morula trees are everywhere in many rural villages. Perhaps it is time to promote subsistence farming to commercial farming in the rural areas. Communities can brew morula beer and commercialise it.

*Thepe* and *lerotho*, both very nutritious leafy vegetables, have been eaten over the years by most villagers. Many rural people prefer *thepe* and *lerotho* to spinach. They too grow in the wild and require very little water or nurturing.

Perhaps the Council for Scientific and Industrial Research (CSIR) can assist in ensuring that the seeds of these plants are properly packaged to ensure mass production, instead of people relying on nature to grow these plants. Black South Africans eat *morogo* and mopani worms religiously, and yet there has never been mass production of these delicacies.

Why are biologists or CSIR only interested in documenting these species? If people traditionally eat or use these plants continuously, surely, they must have some form of commercial value?

Wild mushrooms (*maboya*) grow in the wild and are very nutritious. Although locusts destroy other plants which are of value to humans, they are equally treated as a nutritious snack in South Africa and other countries like Nigeria.<sup>41</sup> It is not clear why commercial farming of the above products is still lacking.

## Grains

---

The Setswana-speaking people always talk of *lefatshe la dikgomo le mabele* (land of cattle and grain) to refer to their beloved land. This was a yardstick used to determine how rich a person was. The number of cattle that the person had and the number of bags of grain produced gave an indication of the wealth of an individual. Grain (*mabele*) used to play a critical role in the life of a Motswana.

## Livestock

---

Rural people keep goats, sheep, donkeys and cattle. Vast tracts of rural land are used for grazing. The problem is that grazing without proper controls may lead to overgrazing and in turn soil erosion. A system must be put in place to ensure that rotation takes place to avoid overgrazing.

## Hard body chickens

---

Hard body chickens are free range chickens for which there is a big market. The rearing of these chickens must be commercialised with proper control of diseases to ensure they are safe for human consumption.

## Other livestock

---

Rural people keep other animals, such as pigs, on a small scale. Opportunities exist for commercialisation as pigs are known to be resistant to diseases.

## Plants with medicinal value

---

There are many plants that grow predominantly in rural areas which have been identified as possessing medicinal value. These plants are often only exploited by traditional healers in their normal trade of choice. It looks like very little is known about the potential health value that these crops have. The possibility of commercialising the products of these plants has been attempted by many without success. Take for instance the plant called *Mokaikai*. The plant is a wonder remedy for stomach ailments, grows generously everywhere and yet has not been fully commercially exploited. We have seen a plant such as *sengaparile* exploited to the fullest commercially and with a successful outcome. There are many articles that have been written about the medicinal values of plants that are being used for various ailments.<sup>42</sup> The medicinal value of most indigenous plants has not been scientifically proven. Large amounts of money are required to extract medicines from these plants. Without proper research and medical trials, nobody can claim that these plants are cures.

---

---

## Chapter 18: COUNTERFEIT GOODS

---

---

**Every business is concerned about** its reputation and good name. A good reputation leads to goodwill as consumers can identify themselves with the brand in question. China, however, is known to be the leading manufacturer of fake or counterfeit goods.<sup>43</sup>

It was, therefore, ironic to read an article with the following heading “China customs officers seize smuggled goods worth US\$540 million”.<sup>44</sup> Although in this instance the goods seized were not fake – the Chinese government could have lost out on the import tariffs that they charge for these kinds of goods. South Africa is the dumping ground of fake counterfeit goods.

Rural people are the most vulnerable when it comes to counterfeit goods. It is concerning that counterfeit goods are prevalent across the board, and include food and medicines. Rural communities are often far from reputable stores and buy mostly from informal traders who are the source of counterfeit goods as they do not have a business reputation to protect.

Counterfeit goods can never be good for anybody as the methods used to manufacture them are questionable and may often not be based on the right procedures and specifications for producing the products in question. The impact on honest rural traders is profound as they cannot compete with the distributors of fake goods.

The true cost of counterfeit goods that enter South African every year is valued at R360 billion.<sup>45</sup> Who benefits from counterfeit goods? It seems all the legitimate players are on the losing end when it comes to these kinds of goods. This includes

the owner of the intellectual property, the government and, finally, the consumer because they are under the impression that they are buying genuine products.

Counterfeit goods are everywhere. They come in the form of pharmaceuticals, music, movies, clothes, bags, watches and several other products that are capable of being reproduced with ease.

South Africa and the world is losing the battle against the production of these goods. Many industries in South Africa are closing with devastating jobs losses. Companies and the South African Revenue Service (SARS) officials are doing their best to manage the scourge but have not had any significant measure of success.

The call by the authorities for these goods to be boycotted is not gaining any ground. This could be either due to ignorance or people being at ease when paying for these goods, even though they know about the poor quality. Perhaps we need to go back to the science of economics and borrow a few concepts to solve our problem. Economists tell us that scarcity creates demand while an oversupply normalises the situation and keep prices low. If the prices are low the appetite for risk by the counterfeiters will become less.

In South African terms, the failure by big business to invest approximately R1.3 trillion, which is apparently being kept at the Reserve Bank, creates a gap in the law of supply and demand. China became very successful because almost every country has used its cheap labour. Sadly, when intellectual property owners shipped manufacturing activities to China, very minimal supervision and control were exercised. Therefore, China freely reproduced anything and everything as it wished, hence the prevalence of counterfeit goods worth millions which are destroying industries around the world.

It is also a given that big companies do not stay relevant in today's changing business environment, as we have been through many different world economy phases. Perhaps the following can be done to at least manage the quality of counterfeit goods entering our borders:

- Intellectual property rights expire at different time frames depending on the right which is protected. For instance, copyright protection endures for a period of fifty years, while patents are protected over a period of twenty years. Make this known for further possible manufacturing possibilities with people who can be identified. In other words, identify who has won the rights to an expired intellectual property right for possible future manufacturing, if still appealing.<sup>46</sup>
- Encourage big business who own intellectual property to set up their employees with knowledge as part of their enterprise development initiations. This will ensure that employees are set up in small operations which will, in turn, employ more and more people.
- Initiate an onslaught on imports by outsourcing the services to the private sector under very strict supervision by the government. Work for the day must be randomly allocated to various organisations to prevent collusion.
- Identify goods that have commercial value and are safe to use. Sell them to the willing market and allocate the funds obtained to fund jobs initiatives.
- Counterfeit goods are illegal and the law must still take its course inasfar as those responsible are concerned.

In conclusion, jobs are lost due to counterfeit goods and rural communities are highly at risk. They are also in no position to create their own income due to uncompetitive behaviour resulting from the sale of these goods.

---

---

## Chapter 19: CORRUPTION

---

---

**Corruption is the biggest killer** of jobs and competency. Sadly, communities in whose areas mining activities take place are unable to reap the economic benefits of these operations due to corruption. Royalties, for instance, which are destined for communities from the mining houses which mine in the vicinity, are not accounted for properly. In many instances, the local chiefs and administration are to blame for lack of transparency in accounting for the money payable to their respective communities as seen in the Bakgatla-Ba-Kgafela recent disputes and court proceedings.<sup>47</sup> In many instances, money seems to disappear without improving the lives of the communities. These resources that are unaccounted for could be better used to help rural communities with various initiatives including large-scale farming, skills development, job creation and general business development.

South African corruption is well documented. It is so endemic that people want to be paid bribes to do their jobs. The threat of being dismissed from their jobs does not deter them. The corruption stems from as high up as top management. There are therefore very few consequences. Government employees accused of corruption are often placed on suspension for many years with no consequences.

Private sector corruption is difficult to detect, although it is happening. The sad part is that big business is also part of this practice without any serious consequences. Some people want to be extremely wealthy while others are only asking for a plate

of food. Corruption and greed are intellectually and physically inseparable.

The true costs of corruption to the South African fiscus cannot be determined with clear certainty. However, there is no doubt it is widespread, taking into account the needs of this country. The statistics, if true, are very frightening. Corruption Watch states that South Africa lost between R25 billion and R30 billion in 2011 to corruption, incompetence and negligence. The above amounts relate to the State's annual procurement budget. Global Financial Integrity reported outflows of R185 billion between 1994 and 2008. This is fraud and corruption that take place in the public sphere.

Occupational fraud, on the other hand, seems to be spiralling because it is more difficult to detect. The 2012 Global Fraud Study compiled by the Association of Certified Fraud Examiners paints a bleak picture of our country. Of the 112 cases examined by them in Africa, it was found that South Africa had 34 incidents of fraud. This was the highest number of incidents on the continent. Botswana and Zimbabwe recorded the lowest number of cases. They each had one case. It is estimated in this report that \$3.5 trillion in fraudulent transactions were at play.

It is unimaginable to contemplate the number of jobs that could have been created. Some companies had to close due to fraud, thereby shedding jobs unnecessarily. The impact of fraud and corruption is huge because they are often based on self-interest and personal financial gain.

Those who indulge in personal financial gain do not factor in the hardships that it creates across the board. They also do not consider the revenue collection initiatives of the State or the number of jobs which are potentially lost due to the impact on companies which fall victim. Employee interests are not factored in and, certainly in the case of state resources, service delivery and the development of communities are not factored in.

Much has been written about fraud in South Africa. The way forward is to propose strategies that minimise its negative impact on the country's fiscus. South Africa has been dubbed the most unequal society in the world. Who are these people who are draining the country's resources?

---

---

## Chapter 20: MEGA FACTORIES

---

---

**Despite the economic hardships that** the country is facing, there is the potential for mega factories to emerge from the rural areas. This is possible because the rural areas are a fertile ground to start any business as there has not been much development. The rural areas are a perfect setting for business disruptions. The definition of business disruptions has been exhausted as there is the belief that this business concept has been incorrectly interpreted. A business disruption can be defined broadly as the market segment which is non-existent, created from scratch or to the satisfaction of less demanding customers who are likely to be swayed one way or the other based on several key decisions that they may have to make in the prevailing business or economic circumstances.<sup>48</sup> They may be persuaded to leave the saturated or matured market due to issues related to pricing or any other variable that influences the mind of a customer.

Rural areas are the ideal platform for black entrepreneurs to launch large business disruption projects. Many industries can be built from scratch or customers who are not catered for may well find a home in the new industries to be built. Opportunities will be afforded to those who are keen to exploit the inclusive economy espoused by the Minister of Finance. Some of the areas which have not been fully exploited in the rural areas are listed briefly hereunder.

## **Rural fishing**

---

There are various dams and streams in rural areas which can be explored for this kind of operation. Ngotwane Dam in Lehurutshe village is a typical example. The dam is full of catfish, and the villagers have been trying for years to rear this type of fish for commercial purposes.

## **Tourism – tour guides**

---

Rural tourism has not been explored to its full potential. There are many activities that can be linked to the initiative. The tour guide business can flourish. The potential for picnic spots and camping sites is large. Almost all rural areas are uniquely created and suitable for camping. Some rural areas have unprotected and attractive wildlife.

## **Indigenous fruits and vegetables**

---

Indigenous fruits grow in the veld and do not require much nurturing. Some rural villages have many kinds of indigenous fruits growing close by. With the right agricultural advice, these fruits can be planted and turned into commercial farming. Leafy vegetables also grow in the wild and are still very popular among people who grew up in rural areas but who currently live in the towns and cities. *Thepe* and *lerotho* can substitute in the sense that they can be dried and replace spinach.

## **Brewers – morula/sorghum**

---

Sorghum beer has always been the trademark of many villages. The beer is still brewed in most rural areas during times of celebration. Rural women brew the beer and sell it to the men in

the village. One often sees men sitting under a tree and drinking sorghum beer. Morula beer also used to be very popular in the villages. There is a market for these products, and rural people are very good at producing them.

## **Mushrooms**

---

*Maboya* (wild mushroom) is a kind of a mushroom. It tastes like chicken and used to be a delicacy for many rural people. Mushrooms, in general, are said to be easy to grow and have a high production yield. Demand for mushrooms exceeds supply.

## **Construction**

---

The rural construction sector is still underdeveloped.

## **Livestock**

---

There are many opportunities in livestock. Chickens can provide both meat and eggs. A large chicken industry that covers the entire value chain can be created. Goats, pigs, cows and, of late, donkeys, can be reared, slaughtered and processed. Many rural jobs can be created through livestock. The skin of goats, cattle and sheep is also valuable.

## **Textiles**

---

African women have been doing dressmaking for many years. Further, over the years, African men have become skilled tailors. In the past, sewing was taught as a skill at high schools. Rural women sew beautiful traditional dresses (*khibas*) for instance for weddings. Many of them have given up the trade as they do

not have the market and business skills to take their products to the next level.

## **Retail**

---

The retail sector has a lot of potential in the rural areas. There are issues with many rural people who have lost their spaza business to other nationalities. The challenge here is that no jobs are being created. There are many opportunities that rural people can pursue in retail. For instance, there are no hardware stores close by. People usually travel long distances to reach a hardware store.

## **Production of organic food**

---

Rural areas should be the centre of organic fresh produce. Many consumers are now being selective when choosing their food and prefer not to purchase fresh produce that has traces of pesticide and other harmful chemicals

## **Organic compost**

---

Organic material is lying everywhere in the veld. Organic material comes from trees, grass, cow dung and the excretion of other animals like goats, donkeys and sheep. With proper guidance, a large organic compost industry can emerge that will create many jobs, as the cost of raw materials is close to nothing.

## **Bakeries**

---

Pizza requires wood, and not electricity, to be baked. Many rural women have been baking bread using this method. The possibilities with baking are endless. There is an abundance

of firewood that can be used to bake bread for the community. Bakeries deliver bread from faraway towns to the villages.

## **Handicrafts from grass and other materials**

---

Crafts can be manufactured from many materials that are freely available in rural areas, such as stones, wood and limestone.

---

---

## Chapter 21: FUNDING

---

---

**The City Press,**<sup>49</sup> in its business section, reported that banks are already doing a lot in terms of the transformation of this country. The paper reported that all the major banks of South Africa, namely, Standard Bank, First National Bank, Nedbank and Absa, were investing heavily in various business transactions which supported transformation and job creation. The paper reported that Standard Bank has invested R89 billion in empowerment financing, Absa has invested R71 billion in small and medium enterprises (SMEs), First Rand reported R36 billion in BEE transactions, and Nedbank reported that it paid out R26 billion in loans to black businesses. The above figures are very impressive and encouraging. It is a pity that the banks are not very clear about their lending criteria. Almost every small business owner that I know complains about funding and the fact that the banks are not keen to lend them money.

The figures listed above are truly indicative of the seriousness of commercial banks in advancing the agenda of transformation. The question perhaps that one should ask is, what kind of transactions would they be willing to fund? Would they be willing to finance rural projects if no security is available such as a valuable house in a suburb? Perhaps that is where the challenge lies.

It is encouraging to note that development fund agencies such as the IDC are keeping an open mind when it comes to rural development project funding. They are equally open to the funding of the youth and women. They strongly advocate the funding of cooperatives as they tend to employ more people with

common goals and vision. Why is the rate of unemployment going up despite all these good measures that are put into place? What are we missing? Is the rate of attrition outpaced by production?

Responsible companies in South Africa are investing heavily in communities through their corporate social investment initiatives. These companies are assisting communities in whatever way they can. Among others, they provide business loans to aspirant entrepreneurs in communities and they also build community infrastructure in the form of schools and clinics. Others are more involved in community skills development initiatives where they empower communities through numerous initiatives and continue to build South Africa, one brick at the time.

The news is not all bad. Perhaps the challenge is that the rate of unemployment is growing faster than the country's capacity to create jobs. It may also mean that the skills that are developed go to waste if they cannot be absorbed in a work environment in one form or the other.

Rural areas are hardest hit because the land belongs to the local chief and cannot be used as collateral to improve the lives of the people and consequently they cannot raise loans to start small businesses. Nobody believes in the potential success of a businesswoman who sells vegetables on the street. Many years ago, Postbank, a South African financial savings institution, initiated a women's upliftment project. At the time, leadership had a vision and knew that by empowering women the nation will be empowered.

Who has the will to risk funds in rural economic development, particularly, rural entrepreneurs and farming cooperatives? The Land Bank, which has been mandated to assist farmers and grow the Agri-business, are not willing to fund any transaction that

involves the acquisition of land in rural areas. Their argument is that the communal land belongs to the chief.

---

---

## Chapter 22: CHANGE OR POPULISM

---

---

**My concluding thoughts on job** creation in rural areas are blurred by the rising phenomenon of populism across the world. It seems our country has also not been spared from this scourge. Populism is a scourge because it is underpinned by the extended principles of nationalism. Populism and intolerance of opposing views are very closely related.

Populism brings uneasiness to those who do not fit the descriptions and labels attached to this phenomenon. It bulldozes logic at times. It almost borders on racism because it is accompanied by deliberate attempts to assimilate power and recognition by forcing everybody to adapt to the one size fits all approach. Populism is sweeping across Europe and the United States of America. The end goal of this phenomenon is to marginalise dissenting opinions and voices based on characteristics such as skin colour, beliefs, association or religion. It is a subtle way of discriminating without running the risk of being accused of racism.

In South Africa, the initiated cabinet reshuffle has evolved to something that was unexpected. Peaceful protests that are multiracial are seen by some people as racism. In short, the simple request of the marchers has escalated to racial bias which was not even part of the original agenda.

The simplicity with which serious issues concerning the citizens of this country are dismissed or deflected is very concerning. There will be many missed opportunities as the focus shifts from growing the economy to the blame game. The grass is bound to suffer when the two elephants lock horns.

Taking their eyes off the ball is very much a weakness of the South African government. The governing party loses focus every time the party president is to be elected. This year, 2017, is no different. The eyes of the politicians are no longer on the big prize, which is to serve the people of South Africa, but on the leadership race.

The average South African, whether he resides in a rural or urban area, is getting smarter. The voters are now interested in their own well-being. They want service delivery and jobs. They want to see improvement in their backyard. That is as far as loyalty goes in the new South Africa. People no longer have elephant memories, particularly the youth.

They care about what happens to them now and not who liberated them. Some of them were not there when the liberation happened. They know very little about what transpired other than what they are told or read in books and other publications.

There is no doubt that the South African economic and political system will no longer be the same after the credit downgrades. Nationalisation of key institutions, which have been driving the economy of this country, seems inevitable. If it does not happen tomorrow, it will happen in the not-too-distant future. The writing is on the wall. As the financial crisis deepens, options will be few. Political parties will accelerate their quest for voters. Radical and liberal positions will be adopted and the electorate will be left confused.

The time has come for the ruling party to be clear about where it is taking this country. Since the journey that the country has undertaken over the last couple of years has not taken us to the intended destination, perhaps it is time to attempt a different route.

It therefore does not matter where the country is going politically and economically; if democracy prevails, jobs are created, the economy grows, services are rendered and South

Africans will be happy. Hopefully, they will continue to jealously guard their hard-earned democracy and put South Africa first.

---

---

## Chapter 23: MY 12-POINT PLAN

---

---

**There are many 12-point plans** that have been hatched and which are in circulation everywhere in South Africa to drive the economy. The think tanks of South Africa come up with the so-called plans but sadly some of them disappear into oblivion. The plans are aimed at getting South Africa back on track. Some are aimed at ensuring that the country becomes a better place for all its citizens. Perhaps every citizen of this country must give their own version of a 12-point plan. In that way, the authorities will know exactly what each citizen wants and determine whether they are able to deliver on the requests. No pressure – if the plan is undoable, all that the authorities must do is say so and give reasons. It will therefore be a cardinal sin for me not to give my 12-point plan which I believe will assist the country in moving forward and creating jobs.

### 1. **Assessment and effectiveness of key legislation passed since the dawn of democracy**

---

The former deputy president of the Republic of South Africa, Kgalema Motlanthe, must complete his work as soon as possible. He was tasked to review and give recommendations regarding legislation that has been passed since 1994. His report is critical for South Africa because it addresses pertinent issues. The issues are legislated; however, the authorities are unable to implement them because of certain impediments in terms of which the legislation was drafted. Some of the broader issues that he must address include poverty, unemployment, land and

economic empowerment. The report will give an overall view of what needs to change in this country to ensure that all South Africans benefit. My added mandate: if there is still time, please transform the South African judiciary itself. It's a free for all! It is riddled with inconsistencies, from the judicial officers, to the lawyers, to the sheriffs. It is no longer about justice, but about money. Those who have money can buy their freedom.

## **2. African National Congress Policy Conference**

---

The ANC is the ruling party currently and decides on the economic direction that the country must follow. There were high expectations of the June 2017 ANC economic policy conference. This conference was important for many reasons other than the rebuilding of the organisation. It was important for many South Africans to understand what Radical Economic Transformation means to them. In other words, what are the advantages and disadvantages of the new approach?

Nothing under the sun has advantages only. Disadvantages are important as well because, if managed properly and improved upon, they can bring a near perfect solution. Unfortunately, South Africans must now “stand by to stand by” until the next ANC conference to be held in December 2017. Six months is very long in business and an eternity in politics. It will, therefore, not be surprising that matters remain unclarified as they are beyond the December 2017 ANC Elective conference. The divisions within the party are glaringly obvious to the extent that even people who are far from the ANC inner circles can see what is happening within the ruling party. The conference will clarify what an ordinary South African stands to gain out of the process. Most importantly, cohesion in terms of policy is required to move the country out of its junk status as soon as possible.

### **3. Law enforcement**

---

Certain of our laws are reactionary. Competition law is one of those laws. The Competition Commission is tasked with the investigation of anti-competitive behaviour and practices. It seems that the Competition Commission is indeed proactive in minimising anti-competition incidents. They will probably be out of business if no further complaints are lodged by any aggrieved party. Some of the laws are enforced and policed continuously, such as Employment Equity Legislation, BBBEE Codes of Practice, and Sectoral Charters. The Department of Labour officials are found wanting in terms of enforcing these laws.

The government has now created a specialised BBBEE Commission<sup>50</sup> which can deal with issues arising out these laws such as fronting, which is one of the biggest scams that the South African government created, even though it had good intentions. A few thousand jobs will be created out of this process by ensuring that proper measures are in place to monitor the application of BEE codes as opposed to the erstwhile situation, which is to leave it with the Department of Labour, which is unable to follow through on cases. There are direct jobs which have been created because of the establishment of the commission. There will be additional jobs created because of all employers complying with the BBBEE codes and employment equity legislation. The newly established BEE Commission is a step in the right direction and hopefully many jobs will be created as the commission gains traction.

### **4. The scourge of counterfeiting**

---

It has been reported that counterfeiting is hurting many world economies. As mentioned above, South Africa has not been

spared from this unscrupulous practice. South Africa reported losses of R360 billion per annum to counterfeiting. There is an urgent need to create a dedicated unit to deal with the problem. Two or three SARS officials are not enough. Counterfeiting is wreaking havoc on the streets of South Africa. Musicians and movie makers are losing millions due to counterfeiting and the government is also losing millions in tax revenue.

## **5. Negotiation capital of the world**

---

We must reclaim our position as the number one negotiation capital of the world. Negotiations have collapsed everywhere. Labour negotiations have been reduced to positional negotiation and none of the negotiating parties compromise. As a result, violent strikes are synonymous with a breakdown in negotiations. Negotiations are a no-go area in politics, other than in instances where political parties really need each other, for instance, in a coalition. Deadlocks in negotiations are now managed by the courts. Commercial negotiations are also a no-go area, particularly in relation to BEE deals. The shares are often overpriced and BEE investors take years to realise benefits in the form of dividends.

The world used to admire our country's negotiation skills. Our final democratic transition was bloodless, where political parties sat around the table and negotiated a political settlement. Sadly, we have now been reduced to a one demand nation, with no compromise – and very litigious.

## **6. Buy Proudly South African products**

---

We need to start by buying the proudly South African chicken. If we don't, we will soon destroy our chicken farms and become a nation of consumers. There are many other good quality South

African products that are underrated. This is the only way that the economy can grow quickly and with many jobs created.

## **7. Rally behind brand South Africa**

---

This country is known for its humanity and creativity. There are many bright minds that can rival the achievements of Dr Chris Barnard and Mark Shuttleworth, to mention a few. We can do more than our rooibos achievements. Let us invest in technology and innovation. The best place to start is in the rural areas. There is so much potential and soul in rural areas that is untapped. The rural people are gracious and appreciate every single improvement brought to their doorstep.

## **8. Communication Ministry**

---

The Minister of Communication must engage citizens on an ongoing basis. The Ministry must always gauge the mood of the nation. It is always better for the government to know in advance when its citizens are not happy instead of relying on private company surveys, which the government often does not agree with anyway. The government must seriously interact with its citizens to avoid surprises like sporadic service delivery issues. This will prove that it is the “Government of the people by the people”.

## **9. Business plans**

---

Financial institutions must engage the services of seasoned entrepreneurs to assess business plans. The profitability of a business is imperative but it is not the only reason for dismissing a good business idea. Accountants are more concerned about the numbers instead of the potential of the business. Most

accountants would have rejected the Facebook idea as stupid and not profitable. The concept of small business creating jobs will remain a pipe dream unless the criteria change.

## **10. Introduce a small business curriculum**

---

It is a good idea to teach small business from primary level through high school. Teach sound business foundations irrespective of the career that learners want to follow. Everything is a business these days, including religion.

## **11. The people have solutions**

---

It is evident that ordinary South Africans have solutions. South Africans who are not in the limelight do extraordinary things. Radio 702 runs a programme called Lead SA Hero of the Month. This programme features ordinary South Africans who are doing great things for their communities. Given a chance to present their ideas to the government, perhaps many government-initiated projects can be delivered on time and within budget.

## **12. On-the-job training initiatives**

---

There must be no lip-service to this important aspect of learning. On-the-job training initiatives must be replicated across the board, except for crime and corruption. Skills transfer is best cemented by being shown visually.

In conclusion, what is *your* 4 – or 6 – or even 12-point plan to grow our country economically? Is there anybody listening to your suggestions? What are you going to do about it? Have you heard about the concept of active citizenship? Have you heard about street committees and the value that they can add

to move the country forward? I am not talking about the street committees that are hijacked by politics but in the normal social way where neighbours interact. Churches also have various community projects.

I am certain that one day the Department of Communication will learn something from the erstwhile Minister of Finance: *Tips for Trevor*. In rural areas, the concept of “*Lekgotla*” is still used extensively. The local headman or chief often meets his subjects at a “*Lekgotla*”. I am certain that the same concept is used by all South African tribes and ethnic groups; however, the name and purpose of the concept may differ from one ethnic group to another. The *lekgotla* is a structure where anybody’s 4 – or 12-point plan will be taken seriously. It won’t be considered at a branch meeting or political rally.

Politics are part of every nation. However, politics are very unpredictable; they can dash the hopes and dreams of a nation. Allegiance to the country is key, irrespective of who the ruling party is, for the people shall have spoken through the ballot box.

---

---

## Why I wrote this book

---

---

**I often sit with friends** and discuss various issues that are of great concern to us as the citizens of this country. Our meetings are often not well coordinated and nor are our meeting places. We meet anywhere we want to be. We have been to shebeens, taverns and bars in townships. We have also been to trendy places, whenever money permits. Despite our flawed meeting coordination, one thing has remained constant: we talk very little about our lives and families. What we do consistently talk about is economics, and sometimes politics and their impact on the economy.

In all our meetings, I noticed that the people that I meet with have great ideas to propel the economy of South Africa to the next level. It is a moot point whether the friends that I meet with think rationally at those meetings or not. In other words, I am not certain whether the beer does more talking or my friends are gifted geniuses. In the midst of the slurred speeches, I have found so much soul in our discussions. The wisdom is amazing. The sad part is that it ends there when we say goodbye to one another and head in different directions.

I decided to record the conversations that we have in this book. I am certain that elsewhere in the country, at similar locations, the same kind of conversations are taking place.

I have found that the discussions are more useful in these places because people can be dissident. They do not operate under any structure that limits their views and their life outlook. There is no procedure that limits individual's minds in exploring difficult topics without being censored. There is also no structure

that enslaves an individual's thinking pattern, perhaps other than a beer.

The challenge is that these ideas that people come up with go nowhere. In fact, they end up in the graveyard as people do not act on these ideas.

The picture that I have painted above can be likened to the failure by our government to improve the lives of all South African citizens, and not a selected few. The procrastination in tackling issues is so rampant.

The resources of a household or even a government are always limited. It therefore follows that not everything that needs to be done to improve the lives of the people will be done at once. The South African people have been consistent about what they want. Firstly, they want jobs. Secondly, they want corruption to be eliminated. Thirdly they want reliable education for their children.

I have been wondering what the impact would be on many lives if the government just prioritised the above-listed requests from the nation instead of trying to do everything on the same scale.

If jobs are created the economy grows and the lives of : citizens are improved. The dignity of the people is restored as they can afford to buy food, pay for services and probably pay for affordable government accommodation. By eradicating corruption, both in the public and private sector, the benefits are equally enormous. The South African Receiver of Revenue will be able to collect more money to fund government projects. More schools, houses and infrastructure will be built. Organised crime and money laundering will be reduced. Ensuring that the education system is improved upon will bring opportunities which are unparalleled. The younger generation will create things that the country has never before witnessed. They will produce new technologies for everything that the country needs. They

will build better houses, designed better cars, aeroplanes, better agricultural equipment and implemented farming processes.

The impact of the above mentioned three key issues will take care of other areas of concern like the healthcare system, crime and social upliftment, and possibly lead to financial fitness for many and less social grants for the next generations.

Why are the people in power not doing what the citizens want? I am glad that the shebeens, bars, and tavern discussions have taught me immensely.

Off I go to contribute where I can.....

---

---

## References

---

---

- 1 City Press Newspaper, 26 March 2017
- 2 Sunday Times, 6 April 2017
- 3 [www.moneyweb.co.za](http://www.moneyweb.co.za), 14 April 2017
- 4 <https://mg.co.za>, accessed on 30 June 2017
- 5 [www.gov.za/speeches](http://www.gov.za/speeches), accessed last 2 March 2017
- 6 [www.google.co.za](http://www.google.co.za)
- 7 [www.gepf.gov.za](http://www.gepf.gov.za)
- 8 [www.numsa.org.za](http://www.numsa.org.za)
- 9 [www.theafricapaper.com](http://www.theafricapaper.com)
- 10 The Steve Jobs Way, J Elliot, 2011
- 11 MISSING - PAGE 52
- 12 [www.weforum.org](http://www.weforum.org), accessed on 15<sup>th</sup> of April 2017
- 13 <http://statisticstime.com/projected> – world-gdp-ranking-php
- 14 [www.bbc.co.uk](http://www.bbc.co.uk), accessed 13 April 2017
- 15 [www.sahistory.org.za](http://www.sahistory.org.za), accessed 12 June 2017
- 16 [www.solidarity.co.za](http://www.solidarity.co.za), accessed 20 June 2017
- 17 [www.tradingeconomics.com/south africa/unemployment/rate](http://www.tradingeconomics.com/south-africa/unemployment/rate), accessed 10 April 2017
- 18 [www.ilo.org/global](http://www.ilo.org/global)
- 19 [www.un.org](http://www.un.org), accessed 8 April 2017
- 20 [www.saflii.org/za/cases/ZACC/2016](http://www.saflii.org/za/cases/ZACC/2016) (Makati (Makete v Vodacom) accessed on the 19<sup>th</sup> of June 2017)
- 21 [www.engineeringnews.co.za/article/construction](http://www.engineeringnews.co.za/article/construction)
- 22 <https://mg.co.za/tag/anticompetitive-behaviour>
- 23 <https://www.timeslive.co.za>
- 24 [www.timeslive.co.za](http://www.timeslive.co.za), accessed on the 19<sup>th</sup> of June 2017
- 25 [www.sahistory.org.za](http://www.sahistory.org.za), accessed by the 12<sup>th</sup> of June 2017

- 26 [www.ruraldevelopment.gov.za](http://www.ruraldevelopment.gov.za), accessed 9 April 2017
- 27 [www.statssa.gov.za](http://www.statssa.gov.za), accessed last on 18 June 2017
- 28 [www.statssa.gov.za](http://www.statssa.gov.za), accessed last on 20 June 2017
- 29 [www.cogta.gov.za](http://www.cogta.gov.za), last accessed on 23 June 2017
- 30 [www.iol.co.za/news/special-feature/zuma](http://www.iol.co.za/news/special-feature/zuma)
- 31 <https://africacheck.org/reports> accessed on 4 July 2017
- 32 Farmers Weekly date 07/2013
- 33 <https://qz.com/788657/> accessed on 21 March 2017
- 34 [www.thepresidency.gov.za/speeches](http://www.thepresidency.gov.za/speeches) accessed 4 May 2017
- 35 [www.pressreader.com](http://www.pressreader.com) accessed on 7 July 2017 Sowetan 13 May 2015, Moipone Malefane, State to supply cheap coffins
- 36 [www.gov.za/speeches/mini](http://www.gov.za/speeches/mini) accessed 2 February 2017
- 37 <https://www.statssa.gov.za/publication>, Mid-Year population estimates 2016, accessed 5 May 2017
- 38 [www.fin24.com/BizNews](http://www.fin24.com/BizNews), accessed on 6 May 2017
- 39 [www.enviropaedia.com/topic](http://www.enviropaedia.com/topic), accessed 7 July 2017
- 40 Indigenous Food Crops, Directorate of Plant Production, Department of Fisheries and Agriculture 2013.
- 41 [www.greenprophet.com](http://www.greenprophet.com), accessed 6 May 2017
- 42 Nontobeko Mncwangi and Alvaro Viljoen, Indigenous South African Medicinal Plants Part 3: Suthelandia Frutescenes
- 43 [www.businessinsider.com/most-counterfeit](http://www.businessinsider.com/most-counterfeit) accessed 30 June 2017
- 44 [www.scmp.com](http://www.scmp.com), accessed 31 March 2017
- 45 [www.news24.co/South Africa/Politics/Counterfeit](http://www.news24.co/South Africa/Politics/Counterfeit) accessed 3 June 2017
- 46 Shawn Kopek, Guide to Business LAW, 20004, Oxford Southern Africa
- 47 [www.dailymaverick.co.za](http://www.dailymaverick.co.za) accessed 2 June 2017
- 48 <https://www.tonyrobbins.com/career-business>
- 49 City Press 26 March 2017
- 50 [www.news24.com/south africa](http://www.news24.com/south africa), last accessed on 24 June 2017





The world needs jobs. South Africa is no different.

A populist political agenda is sweeping across the world unabated to win votes and stay relevant in the eyes of the electorate. The jurisdictions of the leading world democracies are not spared. They too have climbed on the populist bandwagon in pursuit of elusive jobs.

Find out in this book whether populist beliefs carry a strong foundation for sustainable jobs – rather than short-term political victory.

Find out whether the reconstruction of the economic fundamentals offer more viable job creation solutions.

Creating jobs is a must. Creating sustainable jobs should be an uncontested imperative. There are no short cuts in the process of creating sustainable jobs. Pain is the answer.

Job creation solutions are hidden under the so called “primitive job creation initiatives”. These initiatives are not all driven by modern technology. They have been practically tested over the years. They work because they have ushered the world into the new economic order that mankind currently enjoys.



ISBN 978-063990670-6



9 780639 906706