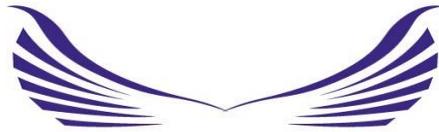


AFRIKANER ECONOMIC EMPOWERMENT (1890-1990) AND LESSONS FOR BLACK ECONOMIC EMPOWERMENT

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ABSTRACT

'The state wants laws reviewed to turn around Black Economic Empowerment (BEE)' Pressly, D (2007, p1) Business Report.

Is it Black Economic Empowerment (BEE) or Black Economic Self Enrichment or Black Economic Embezzlement or Black Economic Disempowerment? According to many experts BEE has failed dismally, been very slow in helping transfer wealth to all black South Africans and balance economic power in a country that has one of the highest income inequalities by race, and gender (Bhorat & Kanbur, 2006; Gqubule, 2006 and Radebe, 2007). Therefore the aim of this study is to gain an in-depth understanding of the Afrikaner Economic Empowerment (AEE) initiatives that led to the entire folk being economically, politically and socially empowered (Terreblanche, 2006 and Giliomee, 2003). Then draw lessons that will help enhance the effectiveness of BEE.

In-depth literature review of AEE and BEE history to date was reviewed. Fourteen, semi structured interviews were conducted with well-known South African Afrikaner Economic Empowerment (AEE) and Black Economic Empowerment (BEE) experts (see Appendix D). The information received was analysed using a mixture of content, discourse, narrative and constant comparative analysis. The snowballing sampling technique helped produce experts who had minimum 15 years and over 40 years experience, collectively with experience exceeding 250 years. The key findings from the study revealed that the variables that shaped AEE were similar to the current BBBEE Generic Scorecard (Appendix C: Table 5). However the major learning's for BEE as identified by the experts: AEE scorecard (see Table 3) included a savings culture and social (cultural, identity, language, and self-sacrifice) re-engineering. However when evaluating AEE, one needs to take history into account, AEE happened at a time when economies were closed vs. globalisation, sanctions forced Afrikaners to be self sufficient. In order to empower all Afrikaners which constituted less than ten per cent of the population Blacks had to be excluded, economically disempowered using various apartheid laws. Most of experts concluded that BEE context has been heavily influenced by globalisation, democracy, free market. We hope the findings from this study will have a positive impact on BEE.

DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University.

.....
Mzamo Masito

14 November 2007

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“Umntu ngumntu ngabantu”.

You are what you are because of others – no man exists in a vacuum.

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GLOSSARY

Definitions of terms and acronyms

AEE	Afrikaner Economic Empowerment
AHI	Afrikaanse Handelsinstituut (Commercial Institute)
AFRIKANER	Boer, Burgher, Volk, Dutchman
ANC	African National Congress
BEE	Black Economic Empowerment
B-BBEE	Black Broad-Based Economic Empowerment
BEECom	Black Economic Empowerment Commission
BLACK	Africans, Natives exclude Asians, Coloured
BMF	Black Management Forum
BOEDERBOND	Afrikaner Brotherhood, Bond
FABCOS	Foundation for African Business and Consumer Services
DRC	Dutch Reformed Church
NP	National Party or Nasionale Party
RDB	Reddingsdaadbond/Reddingsdaadbeweging
SABRA	South African Bureau Racial Affairs
'VOLK'	People, Nation, Afrikaners, Boere

CHAPTER 1: INTRODUCTION TO RESEARCH

PROBLEM

“Men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past. The tradition of all the dead generations weighs like a nightmare on the brain of the living” (Marx, 1968 cited in O’Meara, 1996, p.7)

1.1 Introduction

Marx believed that the past has a huge impact on the present and if we do not learn from it, the present generation is bound to repeat the mistakes made by their forefathers. This requires South Africa to be a learning organisation, have the ability to interrogate history until it confesses the real truth and provide insights for the present generation. Starkey, Tempest and Mckinlay (2005) argues that at the centre of a learning organisation is knowledge management and encoded knowledge in the form of history books, manuals, journals, experts and symbols.

Therefore the research paper aims to unarchive the history of the Afrikaner volk and decode the knowledge in order to draw best practice and lessons that could be used to help enhance, alter and affirm Black Economic Empowerment (BEE). Jack and Harris (2007) concur that knowledge should be decoded for the advancement of present society and Gilliomme (2006, p.1) argues that

‘Affirmative action can be made to work at least as well for blacks as it for Afrikaners after 1948’. This chapter will cover the economic profile and state of South Africa in 2007, and the history of AEE and BEE.

1.2 Motivation for Research - SA Economic Profile and History of AEE and BEE

Many around the world celebrated South Africa’s first peaceful democratic election in April 1994. However peaceful elections on their own would not have been enough, given the inequalities caused by colonisation, segregation and apartheid system, and a ‘vote is meaningless on an empty stomach’ (Madi, 1997, p.2; MacDonald, 2006).

The ANC government in 1994 launched various transformation initiatives and one of the major ideas launched was Black Economic Empowerment (BEE). BEE aims to balance economic power by giving black people access and ownership to economic factors of production. However BEE has been heavily criticised and perceived as economic enrichment of a selected politically connected individuals. If BEE was intended to close the racial inequality, then it has failed because the country is still faced with one of the highest economic inequalities by race, income and gender, with a Gini coefficient over 68 per cent (‘Chasing the Rainbow: A survey of South Africa’; CIA, 2006). Borat and Kanbur (2006, p.5) concur that ‘income inequality has increased with the Gini coefficient rising from 0.565 to 0.577 between 1995 and 2000, while on a 1996 and 2001 comparison the Gini rose from 0.68 to 0.73. Borat and Kanbur

(2006, p.4) argued further that 'there is overwhelming evidence to suggest that income poverty has increased'. According to UNDP Human Development Report (2006), South Africa is ranked number 121 in terms of Human Development Index out of 177 countries that were ranked, lagging behind in knowledge, standard of living and longevity' (Standard Bank, 2006, p2).

According to Labour Force Survey (2006) an estimated 16,7 million people in South Africa were economically active and 12,8 million were employed and 4.3 million (26 per cent) unemployed using the official definition of unemployment. Using the broad definition, South Africa's unemployment is estimated to be over 40 per cent and majority of those who do not have jobs are blacks. Those defined as economically active, the Commission for Employment Equity (2006-2007) reported that over 74,9 per cent and 70.9 per cent of the top and senior management positions are occupied by whites and blacks only occupy less than 13 per cent (see Table 6). BEE has also been criticised for being persuasive and lacking teeth and according to a research report presented by Consulta Research and presidential spokesperson Mukoni Ratshitanga: 'in terms of ownership, only 17,9 percent of firms were compliant, with 74,8 per cent non-compliant. In management control the figures were 11.6 percent and 60.3 per cent and for skills development they were 11, 8 per cent and 82.8 per cent. Procurement reported a figure of only 6.7 per cent compliance and enterprise development 5.6 per cent... therefore the private sector had shown complete lack of regard for the need for transformation of society' Presley (2007, p.3).

Why start in the 1890's? It is because van Biljon (1939, p.68) describes this era as the 'evolution of a positive economic programme, which marked the conclusion of the pioneer era'. 1890's marked an increase in economic activity and demand for labour, due to more discoveries of gold and diamonds and increasing industrialisation (Feinstein, 2005; van Biljon, 1939).

Afrikaners Economic Empowerment

The Afrikaner volk from 1900's (including last few years 1800's) to 1990 implemented their own Afrikaner Economic empowerment programmes known as Afrikaner Nationalism, Broederbond or Volkskapitalisme (Giliomee, 2003; O'Meara, 1983). The programmes were, designed by Afrikaner intellectuals, and executed by organisations such as Federale Volksbelegging, RDB and the National Party to ensure the survival of the volk and their economic emancipation (Southall, 2006; Giliomee, 2003; Luhabe in Mangcu, 2006).

The drivers for the volk were the shortage of resources after their defeat by the British in the Anglo-Boer War, decreased reliance on the land owing to drought, and increasing industrialisation which forced their migration to urban areas in search for jobs despite their lack of skills (O'Meara, 1983; Gilliomee, 2003; Steenekamp, 1990). Sadie (2002/1, p9) quote best summarises the plight of the Afrikaner as people who emerged as 'foreigners in their own country; vanquished, dispirited and destitute'. This resulted in the poor white problem (O'Meara, 1996; Feinstein, 2003). The majority of the poor whites were Afrikaners (Gilliomee, 2003; Sadie 2002/1).

Initially, to survive, the Afrikaners had to collaborate with the English (British) and laws such as Land Act of 1913 were enacted to exclude blacks from participating fairly in the economy and to force them to become cheap labour (Southall, 2006; Terreblanche, 2006). After 1948, apartheid laws took centre stage driven by the National Party, Afrikaner Intellectuals and organisations such as Boederbond, religion and ‘...systematically promoted Afrikaner control and ownership of the economy through affirmative action in the parastatals, deployment of state contracts and patronage to Afrikaner firms, and outright political pressures upon English capital’ (Southall, 2006, p.3; O’Meara, 1996). The overriding objectives and intent was freedom, fear of being extinct, survival at all cost and the Afrikaner people ‘were determined to be free and independent people in a free and independent state.’ Also to unite the volk around savings, labour and buying power. (Wilson and Thompson, 1969, p.406; O’Meara, 1983, 1996; Gilliomee, 2003).

Some of the major successes are/were (Sadie, 2002/1; Gilliomee, 2003, 2006)

- Privately owned enterprises such as Rembrandt, Sanlam, Old Mutual Iscor, and Sasol, Banks and Merchant banks i.e. Standard Bank, Absa, FNB; and family owned businesses.
- Co-operatives – KWV.
- State owned enterprises such as Telkom, Eskom, Railways, SAA.
- Education and Middle class, the creation of an educated Afrikaner middle class and intellectuals by the University of Stellenbosch and Pretoria, Afrikaans language in commerce, education, and government structure.

Black Economic Empowerment

To redress the apartheid imbalances of the past, the ANC government implemented a BEE policy in 1994. The major reason for introducing BEE, was high inequality (see Appendix C: Table 1) by race, gender and income, (Feinstein, 2003; Madi, 1997). According to the Department of Trade and Industry (2003) BEE aims to speed empowerment of the previously disadvantaged and allow their participation in the economy; just as Afrikaners under the National Party managed to empower the 'volk'. Madi (1997, p.xiii) agrees that black economic empowerment is needed in order to 'correct the imbalances of the past'.

Jack and Harris (2007; p.15) argues further that BEE has 'three imperatives: *moral issue* correct the imbalance created by apartheid, *social issue* closing the wealth divide denoted by racial categories in South Africa and *economic growth*'.

The first phase of BEE was largely persuasive, government relied on captains of industry to act in good faith and uphold transformation principles agreed upon in the Reconstruction and Development Programme (RDP) (Sanchez, 2006). The second phase was the launch of the BEE Codes of Good Practice and scorecard (Appendix C: Table 4) to speed up implementation of BEE, due to slow progress and results using the persuasive approach (BEECom, 2001). This was followed by legislation backed by Constitution Act 108 of 1996 - Section 9(1/2/3) allowing government the right to introduce laws such as

Schools Act, Employment Equity Act (1998) and Skills Development Act (1998) (Ponte *et al*, 2006; Sachs in Mangcu *et al*, 2007).

The first two BEE phases had been criticised for enriching a few politically connected people, providing very limited redistribution of economic factors of production and wealth, very little transfer of skills and development of intellectual capital, lack of independent successful entrepreneurs and small medium enterprises, opportunism, fronting, senior executive positions still in the hands of the white minority males, whites (financier) still the biggest beneficiaries of BEE and whites see BEE as reverse racial discrimination (Madi, 1997; Gqubule, 2006; Jack and Harris, 2007; Southall, 2006; Kane-Berman, 2006; Mangcu *et al*, 2007). Khoza (2006) argues that in order for BEE to be sustainable and effective, black people must obsess more with real transfer of skills, creation of intellectual capital, innovation and destroy the dependency syndrome to white capital. Luhabe (in Mangcu *et al*, 2007, p.19) states that for BEE to be sustainable it must have 'integrity, ubuntu, culture of dialogue' as its foundation.

The criticisms led to a conference in November 1997 championed by Black Management Forum (BMF) and this resulted in the establishment of the Black Economic Empowerment Commission (BEECom) in 1998 (Gqubule, 2006; Jack and Harris, 2007). The third phase, BEECom proposed an Integrated National BEE Strategy and a move towards Broad Based BEE (BEECom, 2001; Sanchez, 2006). In 2003 the DTI published the revised BEE codes called B-BBEE Codes of Good Practice and Scorecard (Appendix C: Table 4), followed

by B-BBEE Act (2003), the release of Charters from various sectors such as mining, financial institutions, energy, *et cetera* (DTI, 2005).

The early measurements of success are to be found in the restructuring of the state owned enterprises (Southall, 2006). The Star (13 June 2002; 16 April 2005) reported that 'by 2002 the proportion of blacks in senior positions had risen to 51% and in middle management to 41%...while by 2005, 58% of Eskom was black'. The UCT Unilever Institute Black Diamond (2007) study revealed that there has been a 30 per cent growth of black middle (from 2million in 2005 to 2,6 million in 2007) with an estimated buying power of over 180 billion rands (50 billion rand increase from 2005). The greatest challenge in the third phase of BEE is achieving broad based empowerment similar to Afrikaners, ensuring that those who benefited have extended their wealth to their relatives, communities (Luhabe in Mangcu *et al*, 2007)

1.3 Scope and Research Structure

The scope of the study will only focus on the history of the AEE from 1890-1990 and draw from any relevant material on BEE. A structured approach has been adopted in order to address the research aims. Chapter 2 reviews literature relevant to AEE and BEE. Chapter 3 will propose research questions that will help answer the research objectives. Chapter 4 will cover methodology that was used. The results from qualitative research using expert interviews will be presented in Chapter 5 and discussed in Chapter 6. The final chapter, Chapter 7 conclusions will be made and key findings and insights will be highlighted.

1.4 Research Aims and Objectives

Fine and Rumstojee (1996, p.148), argued that the Nationalist government successfully 'supported Afrikaner Economic and social advance'. The research paper aims to unarchive the history of the Afrikaner Economic Empowerment from 1890 to 1990 and decode the knowledge in order to draw best practice and lessons that could be used to enhance, alter or affirm Black Economic Empowerment.

CHAPTER 2: LITERATURE REVIEW

The review of the literature involves an analysis of what empowerment means from a global and South African perspective. The next stage in the review will also explore Afrikaner Economic Empowerment (AEE) and Black Economic Empowerment (BEE), using a framework that will help provides insights about economic empowerment. Empowerment framework will be examined at four levels, namely Drivers, Intent/Objectives, Process followed, and Measures of Success.

The framework chosen stems from the fact that Gqubule (2006) concluded that BEE has been a dismal failure and therefore problematic as it stands. However in solving the problem and delivering meaningful results, Southall (2007, p.201) suggests that when analysing policies it is important that the analysis be 'located within a much broader framework'. The broader framework will attempt to reflect a solid grasp of relevant AEE forces, deep understanding of the Afrikaner volk and AEE. Biko (1978) argues that black disempowerment was not an act from an invisible force or God but a deliberate act of man, meaning that the National Party had a strategy and plan for AEE and Black disempowerment.

The first dimension will look into the drivers behind AEE and BEE. In knowing where the Afrikaners and Blacks wanted to go and the type of future the volk/blacks wanted to create, it is important to know what formed their vision and what where the burning issues at the time prior 1948 and 1994. De Kluyver

and Pearce (2006) argue that the first step to understanding where an organisation (National Party or African National Congress) wants to be is to understand its current landscape including its history. Porter (2006) agrees that in order to understand an organisation or country one should be able to have a firm grasp of its factor inputs, which include a country history, economic factors of production, politics, legislation etc.

The second dimension will assess the AEE and BEE objectives and intent. The objective is defined as the purpose of the AEE and BEE policies, processes and plans. Will help unearth what the AEE and BEE wanted to achieve. If the AEE and BEE objectives were/are similar then one could be able to draw lessons from AEE that would help shape BEE policies. However if the research concludes that objectives are not similar then we will be able to reach a conclusion that comparing AEE to BEE will probably yield little results since they do not share a common purpose.

The third dimension will assess processes followed by AEE and BEE. Process is defined as a systematic way of doing things, however process can be both formal and informal (De Kluyver and Pearce, 2006). A comparative analysis of AEE and BEE processes will help identify differences, commonalities in the way in which both empowerment policies were executed. From analysing the AEE and BEE process best practice or ways to improve BEE will be identified.

The fourth dimension will analyse measurement of success for both AEE and BEE. Bourne and Bourne (2007, p.11-12) argue that studying measurement

should help in three ways: 'stimulating action in key areas, facilitating learning, and influencing behaviour'. A comparative analysis on how AEE was measured vs. BEE will be done. From the analysis the researcher hopes to identify what were the key AEE measurements and how different were they from current BEE measurements. The AEE measurements identified will help improve, affirm current BEE measurement scorecard.

The framework suggested is broad enough to capture most of the AEE elements and be able to compare them to BEE and eventually draw lessons that could help enhance, alter or affirm BBBEE policies and plans moving forward.

2.1 Meaning of Empowerment

Empowerment is complex to define, as there is not a single variable that can be used in the definition (Khoza, 2006). Wilkinson (1998) advises that in attempting to define empowerment, it is important to acknowledge that empowerment happens within a certain context. Therefore empowerment means increasing the participation of the marginalized group in the economy, self efficacy and actualisation, access to basic services, inclusive democracy, a fair and just meritocracy system and equal opportunities for all (Collins, 1994; Smith, 1997; Wilkinson, 1998; Friedman, 1992). Wilkinson (1998) argues further that the positive benefits of empowerment lead to an increase in people's confidence and motivation. Thomas and Velthouse (1990) agree that marginalized and disempowered people tend to lose their self-confidence because they are not allowed to be self-sufficient.

For empowerment to be effective and successful, Harley (1995) and Khoza (2006) suggest that certain key principles need to be upheld: knowledge sharing, teamwork, protection of all citizens' dignity, management of perceptions, use of consensus decision making, clarification of vision, and transparency. Most importantly, lasting empowerment occurs when individuals gain self-empowerment through the transfer of skills, education and intellectual capital. Friedman (1996) agrees that effective empowerment involves social, mental and political empowerment.

2.2 Afrikaner Economic Empowerment (AEE)

2.2.1 Drivers of AEE

In the early 1800s Afrikaners were chiefly subsistence farmers (Mbeki, 1991). The move from agriculture to industrialisation, driven by the discovery of diamonds (circa 1870s) and gold (1886), created the need for educated and skilled labour in the economy. The majority of those who met these requirements were the British (Feinstein, 2005). The Afrikaners at this time were under British rule and were British subjects. However, they were seen as inferior, illiterate and too unsophisticated to be of great service to commerce and industry (Mbeki, 1991; Molefe 2007). According to Adam and Giliomee (1979, p.170) 'Afrikaners owned one percent in mining, three percent in manufacturing and construction, eight percent in trade and commerce, and five percent in finance'

Industrialisation was just the beginning, the key events that added salt to the wounds for the Afrikaners, according to Fourie (2006), Giliomee (2003), Molefe (2007) and Vatcher (1965), were the Afrikaner's defeat by the British in the Anglo Boer War (1899-1902) which left the 'volk' with very few resources and drought which meant they were unable to rely solely on the land for their basic needs. In addition British imperialism marginalised the Afrikaners. Very few of them were literate in English, the language of commerce and industry.

The Afrikaners were driven from their farms to seek work, marginalised by the British, with clear memories of the painful Anglo Boer War defeat and concentration camps, and also believed that they were the chosen race by God and superior to Africans (Furlong, 2003). For the first time they had to compete with Africans and the British who were in power (Giliomee, 2003). As a result the poor white problem was born and the Carnegie Commission was set up by the Dutch Reformed Church, Afrikaner intellectuals and Afrikaner political leaders to investigate this problem (Vatcher, 1965). The Carnegie Commission (1932) reported that there were over 300 000 very poor whites, the majority of whom were Afrikaners. In comparison to the English, the income purchasing power of the Afrikaners was very low (Fourie, 2006). Illiteracy was at its highest, and '...less than 15 percent of Afrikaner children proceeded beyond the seventh school year (Standard 5) and only 4 percent progressed far enough to become proficient in English' (Giliomee 2003, p. 363).

2.2.2 Intent

The increasing Afrikaner poverty was threatening the survival of the volk and Giliomee (2003, p.xviii), suggests that the main intent of the AEE was 'ethnic survival at all cost'. Survival meant finding ways to speed up economic involvement and prosperity and provide psychological security for the Afrikaner (O'Meara 1983, p. 148).

The psychological security was needed because the Afrikaners were living in fear of becoming a rare species (de Villiers, 1971). Mbeki (1991, p.20) sees the intent as one spelt out in the Boederbond manifestos:

- a. Separation of all non-white races in South Africa, leaving them free for independent development under the guardianship of the whites.
- b. The Afrikanerisation of our public life and our teaching and education in a Christian national spirit while leaving free the internal development of all sections of the nation in so far as it is not dangerous to the State

The key threats to survival, as identified by the Afrikaners, were the British and Africans, *die swartgevaar* (black peril) (van den Berghe, 1965). De Villiers (1971) suggests that the survival was driven by paranoid fear and racial supremacy.

2.2.3 Process

The process to aid survival of the volk was led by the Dutch Reformed Church (DRC), Afrikaner intellectuals in Stellenbosch, Grey University and those studying overseas and eventually the National Party politicians (Mbeki, 1991). During the period 1910-1948 the Afrikaners had no economic power to oppress and discriminate against Africans on their own, so they collaborated with the British to marginalise Africans through repressive laws such as the Land Act 1913, the Wage Act 1925, the Native Trust and Land Act 1936 (Steenekamp, 1990).

Whilst collaborating with the English, the Afrikaner intellectuals formed organisations and societies, which became the think tanks of future Afrikaner self-determination, economic and cultural development and political policies (Mbeki, 1991; Giliomee, 2003; O'Meara, 1996). Some of the key organisations formed were: Boederbond (Bond), Die Afrikaanse Handelsinstituut (AHI), Die Afrikaanse Studentebond, Die Instituut vir Christelike Nasionale Onderwys and Die Reggingsdaadbond (Mbeki, 1991). The major business organisations set up by the intellectuals and the DRC were Sanlam, Volkskas, Santamtrust, The South African Mutual Life Assurance (Old Mutual); all geared towards risk sharing and developing Afrikanerdom (Falkena *et al*, 1984)

The National Party (NP) won the elections in 1948, ensuring that the volk at last had a majority vote and full political power (Hackland, 1980). From then until 1990, the National Party was the major booster of Afrikaner economic empowerment. Central to Afrikaner Economic Empowerment was the apartheid

system, based on racial supremacy and racial domination over the non-whites (Steenekamp, 1990). Lucas-Bull (in Mangcu *et al*, 2007, p.137) describes this era as ‘history of white democracy and black exclusion’ .Bonner *et al* (1993) argue that apartheid went beyond race; it was about the distribution and control of the factors of production, and race discrimination fuelled growth. Therefore, Bonner *et al* (1993) suggest that apartheid policies and its acts cannot be ignored in an analysis of AEE. Apartheid was the catalyst for AEE; if there had been no apartheid one can safely assume that it would have taken the Afrikaners longer to empower the ‘volk’ (Terreblanche, 1991).

The National Party became the executor of the apartheid policies thought out by the intellectuals. Its main objective was to create an environment conducive for Afrikaner success in all areas of life (Mbeki, 1991). The NP created a friendly economic and business environment through subsidies and favourable loans and this led to the mushrooming of major businesses in commerce, mining, and manufacturing such as Murray and Roberts, Shoprite, OK, and Pep (Giliomee, 2003). The Afrikaners also united to boycott stores owned by Indians and Jews, encouraging all Afrikaners to buy in Afrikaner owned stores (Steenekamp, 1990; O’Meara, 1983; 1996).

Acknowledging that not all Afrikaners would become entrepreneurs, job reservations were instituted in the state owned enterprises. This ensured that the Afrikaners earned a higher wage than Blacks irrespective of qualifications, skills and level of productivity (Mbeki, 1991; Steenekamp, 1990).

The Afrikaner intellectuals understood the importance of language and its influence on culture, identity and Afrikaner nationalism (Erasmus, 2002). The education system was adapted to suit Afrikaners and schools were built and Afrikaans Universities were made available (Giliomee, 2003). In 1958, Malherbe (1975) reported that 62% of secondary schools used Afrikaans as medium of education vs. 28% in 1932.

2.2.4 Measurements of Success

Social and Psychological

Afrikaans and the Afrikaner culture were both promoted as a means of enhancing Afrikaner pride and confidence. According to Giliomee (2003, p xvii) ‘Afrikaans became one of the four languages in the world...which, in the course of the twentieth century, were standardised and used in all branches of life and learning’. The Afrikaners clearly understood the importance of building a nation through language, ensuring that the volk was not disadvantaged by language barriers.

The role of the Boederbond and DRC was partly to help foster love and pride in being Afrikaner and the Afrikaners were led to believe that they were God’s chosen volk and superior to other races (Furlong, 2003; Giliomee, 2003). The Afrikaner intelligesia and the NP created cultural symbols such as the Voortrekker Monument, abolished British citizenship, replaced ‘God save the Queen’ with ‘Die Stem’, replaced the Union Jack flag (1957), changed the British currency to the Rand, established a republic, encouraged Afrikaans radio stations, and introduced conscription for white males. These changes led to an

increase in self-awareness, Afrikaner pride and self-confidence (Giliomee, 2003).

Economic and Political

There was a concerted effort to convert subsistence agricultural farmers into commercial farmers. Thus the RDB was given a mandate to help to change the psyche of the Afrikaner farmer and to 'launch him into the urban, industrialised life, to orientate him towards capitalism, to launch commercial enterprises' (Mbeki, 1991, p.21). This was done in partnership with SABRA via publications, propaganda, meetings and workshops (Mbeki, 1991). This resulted in the formation of co-operatives such as KWV formed by wine and wheat farmers.

Afrikaner income and purchasing power increased sharply in 1960, (Steenekamp, 1990) as a result of state intervention in the form of discriminatory legislation such as the Pass Laws, Colour Bar Act and Job Reservation. Before 1948, close to 89 per cent of Afrikaners earned less than R6000 (at 1980 prices), but after 1948 (see Appendix C: Table 2) Afrikaners earning less than R6000 declined significantly to 51 per cent in 1980 and those earning between R6000 to R18000 increased to 45 per cent from 10 per cent before 1948 (Steenekamp, 1990). In the workplace, Steenekamp (1990) reports that approximately 65, 2 per cent of Afrikaners were classified as white-collar workers, with significant declines in reliance on subsistence farming.

There was also the formation of state owned enterprises and the establishment of successful public co-operations: Escom, Iscor, and South African Railways (SAR), Sasol, and Rembrandt (Luiz, 2002)

The middle class, upper class and entrepreneurs grew. Sanlam, with the help of its subsidiaries Federale Volkseleggings, Bonuskor, and Federale Mynbou championed Afrikaner advancement and access to capital to start businesses and invest (Giliomee, 2003). Sadie (1979) reports that the Afrikaner share in the entrepreneurial sectors increased significantly, (see Appendix C: Table 3). This is backed up by Natrass (1981, p.119) reporting that 'the Afrikaner's aggregate share of the economy ... rose from 10 to 21 per cent between 1948 and 1975'. Du Plessis defines volkskapitalisme as a way of embracing capitalism, understanding it and eventually changing it to fit the volk way of life. The idea being to ensure that all Afrikaners partake in wealth creation. This resulted in the formation of Santam and Volkskas.

However the creation of the Afrikaner middle class and entrepreneurs lead to a focus on profit maximisation and material status with unwillingness to become involved in matters that would help to entrench Afrikaner unity. Stals (1998) reports that in 1975 the Boederbond observed a significant increase in Afrikaner businessmen and middle class citizens who were more interested in profit and the accumulation of wealth than the freedom of the Afrikaner.

2.3 Black Economic Empowerment (BEE)

2.3.1 Drivers of BEE

South Africa's Gini coefficient is estimated to be around 68%, indicating that the country has one of the highest income inequalities in the world, with unemployment estimated between 28 percent and over 40 per cent (CIA, 2006;

Chasing the Rainbow: A survey of South Africa', 2006). The majority experiencing low incomes and unemployment are black, a legacy of the unjust apartheid laws that excluded black people from participating in the economy, consigned them to a poor education system and displacement (Feinstein, 2005; Mbeki, 1991).

Feinstein, (2005) reports that the per capita income by race, at twenty-year intervals, shows that whites since 1917 have consistently earned significantly more than Africans. With regards to ownership of capital and investment in the JSE, black business owns only 1.2 percent of the JSE and over 98 percent is still in white hands (Costa, 2006) and less than '2 per cent of the 2250 directors on the JSE from the top 100 companies were black' (Gqubule, 2006, p.99)

In 1996, whites made up less than 13 percent of the population, but held 80 percent of the professional positions and 93 percent of management positions in private business (Engdahl and Hauki, 2001). The Land Act 1913, Native Trust and Land Act 1936, and Group Areas Act 1951 left the majority of black people owning property under leasehold and over 86 per cent of the fertile land was in the hands of white people (Gqubule, 2006).

2.3.2 Intent

Mbeki (2003) in his State of the Nation address states that '...empowerment that we speak of is an inclusive process and not an exclusive one. No economy can meet its potential if any part of its citizens is not fully integrated into all aspects of that economy'. Therefore BEE was introduced to speed up change,

reverse apartheid's negative legacy and increase equality and access to capital in the mainstream economy for Black people (BEE Com, 2001). If such access resulted in increasing blacks' earning power and narrowing the economic gap between black and whites, this would ensure stability and peace in the country (Tucker and Scott, 1992). Verhoef (2001) further argues that without a growth in black skills economic growth will be hampered.

The intent is best summed up in the Broad Based Black Empowerment Bill (2003, p.3) which defines the intent as a 'means of empowering black people ...through diverse strategies that include, but are not limited to:

- Increasing the number of black people that manage, own and control enterprises and productive assets.
- Facilitating ownership and management of enterprises and productive assets by communities, workers, cooperatives and other collective enterprises.
- Human resource and skills development.
- Achieving equitable representation in all occupational categories and levels in the workplace.
- Preferential procurement.

2.3.3 Process

According to Mbeki (2006) BEE was invented, designed and proposed by the captains of industry, mainly white, in response to President Mandela's speech in February 1990 about the nationalisation of key industries to remain true to the Freedom Charter adopted in 1955. Gqubule (2006) supports the view that

BEE was engineered by the private sector, driven by the need for survival and fear of losing economic power. However, (Moshapalo 2005, cited in Gqubule 2006) argues that the term BEE was not invented by whites; in the 1980s it was used by FABCOS, in an attempt to unite blacks and gain economies of scale and bargaining power. Browning (1999) argues that even though the term was launched by FABCOS, it lacked clear meaning and objectives and was therefore not effective in mobilising blacks.

The private sector used the term BEE to soften the government's stance on intervening in the economy and to encourage the adoption of a free market system. The argument being that, if the private sector is free, the market will speed up transformation (Mbeki, 2006; Gqubule, 2006). Sono (1999) further argues that white owners of capital proposed BEE in order to earn legitimacy and credibility. The need to attract foreign direct investment, avoid capital flights, and the reality of coming into power in an already globalised economy forced the ANC to adopt BEE as an alternative policy (Adam *et al*, 1997; Mbeki, 2006).

The first phase (90s) was largely persuasive. The ANC relied on the captains of industry to act in good faith and uphold transformation principles agreed upon in the Reconstruction and Development Programme (RDP) (Sanchez, 2006). Ponte *et al*, (2006) argue that during the first phase, ownership of capital and deals dominated the empowerment space coupled with legislation not necessary referred to as empowerment or BEE. While applying a persuasive strategy, the Department of Trade and Industry (DTI) launched the BEE Codes

of Good Practice and Scorecard (Appendix C: Table 4) to speed up implementation of BEE. This was followed by legislation such as the Schools Act, Employment Equity Act (1998) and Skills Development Act (1998) (Ponte *et al*, 2006). In 1997, the BMF established BEECom formed under the auspices of the Black Business Council (Gqubule, 2006). The committee highlighted shortcomings in the design and implementation of BEE (and in agreement with some of the BEE critics (BEECom, 2001) :

Subsequent critics concur with the criticisms of the BEECom. Thus Janisch (2006) observes that BEE was not an aggressive plan but a gentle push for companies to help the state to redress the imbalances of the past. Private companies were not bound by the Act and only acted out of self-enlightened interest. A few people, possessing political capital via their connection to the ANC, but with no economic capital, have been winning the majority of contracts and tenders (Paton, 2007; Southall, 2006). The DTI (2004) reported that 72 per cent of BEE deals worth 80 billion rand involved just six empowerment companies: Mvelaphanda (Tokyo Sexwale), Shanduka (Cyril Ramaphosa), ARM, Kagiso, and Safika. Many of these deals will be diluted over time 'because empowerment companies have borrowed the full value of the stakes...and would require a rate of returns nearly 30 per cent for sustained periods of at least seven years' highly unlikely. Lucas-Bull (cited in Mangcu, 2007, p.133). Khoza (2006) a critic of BEE posits that BEE creates a dependency syndrome and very little transfer of skills and intellectual capital takes place.

The BEECom (2001) proposed an Integrated National BEE Strategy that would set clear standards, guidelines and measurements for implementation and a move towards Broad Based BEE. The Government moved from a persuasive to a more assertive approach (Sanchez, 2006). The DTI (2003) published the revised BEE codes called B-BBEE Codes of Good Practice and Scorecard (Appendix C: Table 5). This was also followed by legislation such as the BBEE Act (2003), the Preferential Procurement Act (2000) and the Mineral and Petroleum Resource Development Act to force companies to comply. This reflected a move towards a maximalist approach instead of a minimalist approach (Gqubule, 2006). In Dec 2006 the cabinet approved the gazetting of both phase 1 and 2 of the Codes of Good Practice. After the codes and legislation were launched, charters from various sectors such as mining, financial institutions, energy, agriculture et cetera were released DTI (2005). The Codes of Good Practice on BBEE were gazetted on 9 February 2007 and guidelines were set on Equity Equivalent programme for Multinationals and Complex Structures, Transactions and Fronting (the DTI, 2007).

Some of the revisions made by the DTI include concessions given to companies with a turnover between R5 million and R35 million (DTI, 2005). Foreign companies can qualify for exemption if they demonstrate that selling equity will damage shareholder value (DTI, 2005). If multinationals do not provide equity, the Act encourages them to make alternative contributions, called equity equivalents, to the value of 25% of their South African operations (Kgomoewana, 2007). The major contributing factors to the BEE process were all of regulatory nature and identified as (the DTI Baseline Study, 2007, p.23):

- The South African Constitution
- Broad Based Black Economic Empowerment Act
- Employment Equity Act

2.3.4 Measurements of Success

The measurement of success on B-BBEE will be done by tracking the progress made using the Generic Scorecard (Appendix C: Table 5) and its impact on the intended beneficiary base, described as the emerging black middle class and investors, black entrepreneurs, black workers and job seekers, and black unemployed and rural poor (DTI, 2003). Companies have started assessing their empowerment status and ranking using empowerment-rating companies such as Empowerdex (Jack and Harris, 2007).

The Black President Advisory group led by Mr Peter Vundla commissioned a study on the status of BEE or BBBEE progress. The findings according to the Consulata Research agency using the Codes of Good Practice scorecard (the DTI Baseline Study 2007, p 12-23):

1. Self Reported Status of BBBEE Progress

Over 38,9 per cent of companies reported that they have No Plan or Progress, and 30,2 per cent had a plan but not fully implemented.

2. Existence of a Formal BBBEE Scorecard

Less than 24,7 per cent of companies reported to have a formal scorecard. Almost 63.3 per cent of those who reported to have a scorecard, they have been helped by Verification Agencies. Most of the progress seems to have been

made with regards to Element 1 –Ownership where organisations on a national basis has managed to accrue 60.3 per cent of the weighted target of 25.1 per cent black ownership for this element.

3. Compliance by Category

Ownership – 74, 8 per cent of companies are non compliant, and only less than 17.9 per cent received Excellent Compliance status.

Management Control – 80,5 per cent of companies are non –compliant, and only less than 8,5 per cent reported Excellent Compliance

Employment Equity – 60, 3 per cent of companies are non-compliant, and only 38 per cent of the black management target of 58 per cent has been reached and is equally disappointing. The findings of this study were consistent with research conducted by Lewins a lecturer at Wits University, they reported that white people were still over-represented and Africans under-represented, and in contrast Indians and coloured were fairly represented. They reported that Africans made dominated staffing, lower positions in most sectors of the economy. White women were seen as the biggest beneficiary, due to substantial increase of their presence in top management. (Pressly, D. 2007, p24). Jacks (2007,p1) quoted President Mbeki referring to figures reported by the Commission on Employment Equity that ‘nearly 75 percent of those in top management are white, and more than 60 per cent of those being white man’.

Skills Development – 82,8 per cent of companies are non-compliant. However it seems as if this element has had the highest progress, most likely due to incentives.

Preferential Procurement - 85,4 per cent of companies are non- compliant.

Enterprise and Socio-economic Development – 85,4 per cent non-compliance on Enterprise Development and 81 per cent non-compliance on Socio Economic Development. Very slow progress

The report also highlighted the major contributors to very slow progress:

1. High turnover of black people in business employed
2. Skills shortage of suitably qualified black job entrants
3. BEE benefits only a small minority of privileged black individuals
4. Poor Communication: lack of clarification of the Act, Codes, generic scorecard and the Complexity of the codes
5. Companies not convinced of the economic benefits of BEE
6. Legacy of Apartheid
7. Direct and indirect fronting practices
8. Indirect cost of regulation –time that managers spend on dealing with compliance issues
9. The lack of leadership by Government Departments and the public sector with regard to compliance to the broad based empowerment elements of the code.

With regards to the public sector and State Owned enterprise, according to Southall (2006) the early successes were driven by the state owned enterprises, the ‘big four’ (Transnet, Denel, Telkom, Eskom). *The Star* (13 June 2002; 16 April 2005) reports that ‘by 2002 the proportion of blacks in senior positions had risen to 51% and in middle management to 41%... while by 2005, 58% of Eskom was Black’. Over R50 billion rand of empowerment deals in the

mining and banking sector have been concluded (Lucas-Bull in Mangcu, 2007). Sectors have set targets of 15 to 25 per cent black equity before 2010-2015.

The UCT Unilever Institute (2007), in their Black Diamond study showed that there has been an increase in the black middle class population by 30 per cent from 2 million to 2,6 million and with a buying power of over 180 billion rands excluding access to credit, and the biggest driver of this growth attributed to BEE. All of this growth has happened in a space of year and a half.

However black economic empowerment greatest challenge lies in its ability to empower those who still sit in the bottom of the pyramid, B-BBEE has not been broad based yet (Southall, 2006; Jack and Harris, 2007). Luhabe (cited in Mangcu *et al*, 2007, p.24) argues that BEE has made black people 'dishonest people with many trusts that have fictitious structures that cannot be accounted for'. Mafuna (in Mangcu *et al*, 2007) argues further that for BEE to be a success and sustainable there is a need for black people to become economically independent and not be dependent on white capital, for this will eventually lead to dependency and domination again. Khoza (2006) agrees that for BEE to be sustainable black people will have to create their own businesses from scratch, innovate, and obsess with gaining intellectual capital and skills transfer.

Conclusion

The DTI Baseline Study (2007) revealed that BEE company compliance is below thirteen percent and over eighty per cent of companies are non-compliant

using the Codes of Good Practice Generic Scorecard. Therefore the intended beneficiary base made up of black unemployed, emerging black middle class, black entrepreneurs, black workers have not benefited from BEE yet (DTI, 2003). The imbalance of economic power continues to exist and this backed up by the study conducted by the Commission on Employment Equity that 'nearly 75 per cent of those in top management are white, and more than 60 per cent of those being white males (Jacks, 2007, p1).

If BEE is moving at slow pace it is important that we draw lessons from other countries, races, nations on how they empowered their people. Fortunately in South Africa we do not have to look far. The history of the Afrikaner volk is history of Afrikaner Economic Empowerment (O'Meara, 1996). The objectives of this study are to unarchive the history of the Afrikaner people and draw lessons that could help enhance, alter and affirm BEE or BBBEE journey and to ensure that BEE is able to deliver on its promise and achieve its purpose.

CHAPTER 3: RESEARCH QUESTIONS

The study will draw lessons and best practise from the Afrikaner Economic Empowerment (AEE) programmes from the 1920s to 1990. This history will be examined to ascertain how Afrikaners were able to move from poverty and disempowerment to empowerment and the acquisition of disposable income and economic status that surpassed or equalled that of the English speaking whites.

Research Question 1: Drivers for AEE and BEE

- What were the key drivers or burning platforms that led to AEE and BEE?

Research Question 2: Intent of AEE and BEE

- What were/are the major objectives and intent behind AEE and BEE?

Research Question 3: Processes

- How did the Afrikaners/Blacks empower themselves?

Research Question 4: Measurements of success for AEE and BEE

- What variables were/are used to measure success of AEE and BEE?

Research Question 5: Lessons Learnt

- What lessons can be learnt from AEE that could enhance the efficacy of BEE?

CHAPTER 4: RESEARCH METHODOLOGY

4.1 Research Design

The methodological paradigms that were followed in this study have been exploratory in nature and involved both secondary data and qualitative research. The area of research was exploratory in nature and was expected to provide valuable insights into AEE and BBBEE (Silverman, 2000; Zikmund, 2003).

Secondary data

The purpose of conducting a literature review was to study prior research, theories and models. This provides the researcher with a thorough understanding of the topic encourages new ideas and serves as a stepping-stone for future primary research (Zikmund, 2003). The information sources will include materials on Afrikaner history and Afrikaner Empowerment Programmes from the Stellenbosch and Pretoria Afrikaner archives, history textbooks and review journals plus materials on BEE and BBBEE available from DTI, BER (Bureau of Economic Research), Stellenbosch University archives, books, newspaper, journal and magazine articles.

Qualitative research

Qualitative research focuses more on quality of understanding and insights rather than quantity of sample size (McGivern, 2003). Qualitative research in the form of in-depth expert interviews was used because this enabled the

researcher to probe, observe respondent's reactions to questions and the ease with which answers are given (Saludadez *et al*, 2001). Expert interviews were used to help to provide deep insights into the subject and to unearth the true meaning of BEE/BBE and Afrikaner Empowerment programmes. According to Alam (2005) such interviews are appropriate in acquiring fruitful data through a detailed and honest discussion with respondents and researcher. McGivern (2003) argues further that in-depth expert interviews are used when the topic is sensitive, respondents, such as experts in their field are not easy to find or easily available to be interviewed, the researcher is trying to dig deeper and go beyond political correctness.

4.2 Population

Population can be defined as individuals, groups, organisations, human products and events, aggregate of items and the conditions to which that population is exposed (Welman and Kruger, 2005; Hague, 1995).

Therefore the population of relevance for this study was Afrikaner and BEE/BBE experts such as academics and researchers who have been published, have presented or been interviewed on the topic. The population also includes members of relevant committees, institutions and organisations such as the BEE Com or AHI committee, the banking and finance institutions responsible for financing the majority of BEE deals, the Public Investment Committee, and DTI employees involved in the formulation of the BEE/BBE Act and Codes of Good Practice. Also included in the population are individuals

who have significantly benefited from BEE such as Mr Saki Macozoma, Mr Peter Vundla, Ms Wendy Luhabe, Ms Yolanda Cuba, and Ms Gugu Moloi.

4.3 Sampling and Size

The sample size was defined as the ‘number of elements that will be included in the sample’ (McGivern, 2003, p.283). The key question to be answered was what sample size do I need? In answering this question it was important to remember that there is ‘not a simple answer to this question (Czaja and Blair, 1996). Sample sizes are a function of many variables such as time constraints, budget availability; measurement vs. insights, respondent availability and whether the research design is exploratory, causal or descriptive in nature (Czaja and Blair, 1996; Wilson, 2006).

Therefore exploratory research sample size turned to be smaller relative to quantitative research, the focus ‘being understanding rather than measuring and also to gain deeper and more penetrating insights’ (Wilson, 2006, p. 107). Given the nature of this study, influenced by time constraints, resource availability, availability of respondents a sample size of five to twenty was considered adequate (Zikmund, 2003). The sample size does not necessarily have to be representative of the population (Wilson, 2006). Fourteen expert interviews (Appendix D) were conducted within South African Afrikaner Economic Empowerment and Black Economic Empowerment experts. The participant demographics were as follows (see Table 1 below):

Table 1: Participants Demographics

ITEM	CATEGORY	No.	%
Experts	AEE	8	57%
	BEE	6	43%
Race	White	8	57%
	Black	6	43%
Gender	Male	12	86%
	Females	2	14%
Age	40-49	2	14%
	50-59	8	57%
	60+	4	29%

One paired interview (two experts) was conducted because one of the experts had a visitor who happened to also be an AEE expert. Both were friends and colleagues therefore comfortable and open to talk even share opposing views. Two respondents due to their busy schedule answered all the questions via email; all other interviews were conducted through one-on-one meetings.

The researcher selected the respondents and a purpose sampling strategy was used. The purposive sampling was based entirely on the judgment of the researcher. Snowballing sampling was also used to increase the number of credible respondents willing to take part in the study given that it takes an expert to know other experts and such an expert normally has easy access to others (Zikmund, 2003). Snowballing sampling technique was used due to difficulty in finding experts; researcher had to incur travel and administration costs in arranging meetings and venue for interviews (Wilson, 2006).

4.4 Data Collection

The choice of an appropriate data collection method was dependent on (i) the volume and variety of the data required (ii) the objectivity and reliability of data required and (iii) the cost and duration of the study (Martins *et al* 2002).

In the qualitative phase expert face-to-face interviews were conducted using a discussion guide, semi-structured questions and in-depth interviews (Kvale, 1996) attached in (Appendix B). The individuals selected (Appendix D) are well-respected and considered opinion leaders with regard to AEE and BEE. Drawn from the academia, private sector and state owned enterprises. An expert in history and politics at one of the leading universities in Cape Town was approached and interviewed. The purpose of the interview was three fold: firstly to explain research aims and objective, secondly to obtain information on Afrikaner Economic Empowerment based on research questions chosen and lastly to obtain introductions to possible interviewees. The first interview went very well and the UCT/Cape Town expert was impressed with the researcher's understanding of the Afrikaner history, he agreed to connect the researcher with one of South Africa's leading Afrikaner history experts based in Stellenbosch. He contacted him via email and called him introducing the topic and asked the Afrikaner history expert to lend a hand. The Afrikaner history expert agreed to be interviewed and on top of that he volunteered to organise five more Afrikaner experts situated in Stellenbosch area in business and academia.

The BEE experts were hard to reach. The researcher sent more than hundred emails available in the Black Pages directory, leading directory on SA

successful BEE individuals. The emails yielded no success and three primary contacts were made through meeting two candidates by chance, one at the airport and another at a meeting held at a leading Johannesburg university business school. Interviews were set up via the experts personal assistants (PA). The purpose of the interviews was twofold: to interview the respondents on BEE using four research questions and also to ask for potential interviewees. The third primary candidate happen to be close friends with the researcher and well-connected, and most importantly a member of the Black President Advisory Group responsible for giving strategic input and advise on BEE/BBBEE. The expert provided the researcher with the list and e-mails of all the twenty-five members who belong to the Black President Advisory group. The researcher sent entire list emails explaining the nature of the research, asking for an interview. Four more BEE experts agreed to take part and meetings were organised by their PA's and three were based in Johannesburg and one in Cape Town. The list of all experts interviewed (Appendix D).

Eight interviews took place at the candidates' office, four took place at the respondents' house and one took place at a Golf club in Johannesburg. All interviews lasted between one and three hours. The interviews were recorded and permission granted by the participants. The researcher took lots of notes. At the end of each interview the researcher summarised the key findings using the four dimensions proposed (see example Appendix E).

4.5 Data Analysis

According to Zikmund (2003, p.73) data analysis 'is the application of reasoning to understand and interpret the data that have been collected'. Secondary data analysis involved a review of historical literature or desk research, which helped in identifying gaps and issues that still needed explanation in the qualitative phase.

The interpretation and application of reasoning in qualitative research is highly subjective and intuitive, making it very difficult to identify the source of an insight (Merriam 1998; Zikmund 2003). The qualitative research method of analysis is not a perfect science; therefore a mixture of content analysis, discourse analysis, narrative analysis and comparative analysis was used (Daft, 1983; Creswell, 1994; Merriam, 1998 and Silverman, 2000). Two key approaches were used: the McCracken's (1998) five-phase approach which states that when analysing qualitative data one should move from a specific unit to broader themes. The second approach used was discourse analysis, and 'discourse theory begins with the assumption that all objects and actions are meaningful and their meaning is a product of historically specific system of rules' (Howarth, 2000, p.8). The key objects analysed were AEE and BEE.

Each transcript was studied in detail and then compared to each other, searching for meaning beyond words spoken (Howarth, 2000; Leedy and Ordmond, 2001). Using a mixture of analytical techniques, key themes emerged from each research question and those themes were summarised into key models.

4.6 Potential research limitations

4.6.1 Budget Constraints

The research was financed by the researcher and resides in Cape Town. Budget constraints limited the scope of the research in that the number of people interviewed was only fourteen given that some of the experts lived in Johannesburg, Stellenbosch and the interviewer had to drive over thirty kilometres for interviews in the Western Cape area. The interviewer spent approximately over R3000 on transport costs, includes flights to Johannesburg.

4.6.2 Expert interviews and cultural and language constraints

Afrikaner experts were not hard to track but Black experts were not easy to track down. Even though the researcher was not fluent in Afrikaans, all the Afrikaner experts were willing to speak in English and had good command of the English language.

4.6.3 Expertise/Knowledge Constraints

The interviewer errors and biases in this study were due to the researcher's inexperience. Every effort was made to eliminate bias as far as possible.

CHAPTER 5: RESULTS

This chapter will cover the sample and results of the research.

5.1 Sample Description

The in-depth expert interviews helped the interviewer dig deeper and provided valuable insights about Afrikaner Economic Empowerment (AEE) and Black Economic Empowerment (BEE). Most of the respondents are experts in their fields and very passionate about the country and transformation initiatives. The participants shared insights freely and demonstrated deep analysis of the subject and issues affecting the country. Best summed up by one of the respondent:

“ a country’s prosperity is intrinsically linked to our prosperity, for all to prosper we need to redress the imbalances of the past and acknowledge upfront that mistakes will be made and we should all judge knowing that the intentions are noble and genuine”

Fourteen experts on Afrikaner Economic Empowerment (AEE) and Black Economic Empowerment (BEE) were interviewed. The AEE experts were mostly based in the Western Cape and one in Johannesburg, whereas the BEE experts’ majority were based in Gauteng the economic hub of South Africa and one in Cape Town. Five of the 14 participants came from the academia with very high credentials (i.e. Emeritus Professor). Other participants came from

business sector, occupying very senior executive positions i.e. Chairman, CEO, and Founder. Age profile of the participants range from forty-five to seventy plus years old with lots of experience and understanding of South African history. Some of the BEE and AEE experts were ex African National Congress (ANC), National Party (NP) and Democratic Party (DA) senior members. The gender profile was skewed towards males; over eighty six percent of the respondents interviewed were males. The race profile for AEE was hundred percent white and mainly Afrikaners, whereas the BEE race profile was mixed, but majority black (90%). Only two respondents commented only on AEE, the rest had insights on both AEE and BEE.

The majority of the participants were in agreement that empowerment of the previously disadvantaged is important and necessary in helping the country consolidate and entrench peaceful transition to democracy. Also agreed that no policy is perfect and there would be unintended negative consequences, the key would be pragmatism from leaders within government, civil society and business. However the interviewer observed different emotions depending on whether the respondent sees himself or herself as beneficiary or victim of apartheid.

The participants who saw themselves as beneficiaries “ *I benefited from Apartheid because I am white*” tended to show guilt, frustration, fear, and the participants who saw themselves ‘victims’ sometimes became highly emotionally charged, angry, impatient, irritated with change and pace of transformation. All the experts acknowledged that change needs to happen,

however the beneficiaries (white) from apartheid would not want reverse discrimination to take place as this will increase fear and lead to capital and skill migrating to Australia, UK and US.

The participants, who considered themselves apartheid victims, felt that they have worked hard for their success and would not want their wealth fairly gained post 1994 democratic elections to be looked down upon and be confused with wealth quickly gained by those who are politically connected or previous liberation comrades and hold high positions within the liberation movement:

“It is important that when we talk about BEE and its beneficiaries we separate those who worked hard and been in businesses since 1980’s to date and those who have been just politicians who took advantage of BEE window. You can easily classify beneficiaries into Money Hard Earned (MHE) and Money Easily Earned (MEE)”

Most of the respondents could easily talk about AEE and BEE and were willing to share their views on both subjects. The respondents were asked five Research questions about BEE and AEE, the section below will cover the results for each research question.

5.2 Data Analysis

The researcher kick-started the data analysis as soon as the first interview was finished (Silverman, 1993). Every recorded interview was listened to twice in order to capture more meaning based on interview: semantics, use of language, body language and expert's experiences. The process was followed by transcribing and most importantly the researcher summarised key highlights from each interview (see example Appendix F). Each transcript and recorded interview was reviewed in light of research questions, four modes proposed, researchers' notes and literature review. All interviews were compared and contrasted to each other, also examining the quiet force of what each interviewee say to allow for broad and key themes to emerge. The quiet force means that going beyond spoken words in search of deeper insights.

The analysis was based on the assumption and belief that there is no such thing as 'pure data and perfect way of analysing qualitative research. Silverman (1993, p.208) suggest that 'all data are mediated by our own reasoning as well that of participants'. If no 'pure data' this also suggests that there is no pure and perfect answer. For this research; data analysis attempts to fuse meaning derived from linguistics, oral, written and cultural theory (Mills, 2004). According to Thornborrow & Wareing (1998) meaning is complicated and seems to be derived best within a certain context. In analysing the data, it became clearer that AEE and BEE happened within a certain context. Therefore the data analysis process involved the researcher combining multiple elements such as context, behaviour, body language, historical background of the participant,

written literature, transcripts, semantics and stories in order to come up with 'multifactorial explanations' and be able to move from a specific unit to broader themes (Silverman, 1993, p.205).

To unearth multifactorial explanations and broader themes a mixture of content analysis, discourse analysis, narrative analysis was used (Daft, 1983; Creswell, 1994; Merriam, 1998 and Silverman, 2000). Two key approaches were used: the McCracken's (1998) five-phase approach which states that when analysing qualitative data one should move from a specific unit to broader themes. The second approach used was discourse analysis, and 'discourse theory begins with the assumption that all objects and actions are meaningful and their meaning is a product of historically specific system of rules' (Howarth, 2000, p.8). The key objects analysed were AEE and BEE.

Before digging deep into research questions, all respondents were asked to give their interpretation and understanding of the word: empowerment from an Afrikaner and Black perspective using word association projective technique.

5.3 Meaning of Empowerment

The majority of the participants were in agreement that the meaning of the word is complex, not always easy to define and means different things to different people. But all the experts felt that for both parties (Afrikaners and Blacks) the word conjured up the same meaning. The key words spontaneously mentioned when asked using word association projective technique: "*redress, power,*

correct, freedom, fair share, dignity, honour, balance, exclusion, economic power, political power”:

“The key words that come to mind for me are access to opportunities, achievement, success, dream bigger and liberation consistent for both sides”

When asked to define empowerment from an Afrikaner perspective hundred per cent of BEE experts and sixty per cent of AEE experts concluded that for the Afrikaners and National Party empowerment meant *“Black disempowerment and equality with the British and sometimes desire to be more powerful than the British”*. Therefore the majority of the participants saw AEE empowerment as negative:

“Meaning of the word for Afrikaners is very negative as it was done at the expense of the majority and disempowerment of blacks”

“You cannot talk about Afrikaner empowerment without talking about black disempowerment, creation of unfree – unskilled – illiterate labour force. The meaning of empowerment in SA is linked to exclusion of another group and all benefits flowing to a selected few”

Four of the 14 participants saw AEE in a positive way and did not talk about AEE being negative and when prompted about the possibility of AEE being negative they disagreed and chose to look at the positive:

“for the Afrikaners empowerment meant economic freedom, access to factors of production, equality, whereas empowerment for blacks means jobs, jobs, jobs also ownership of things they did not own, opening up of economic opportunities”

“To the Afrikaners meaning of empowerment was linked to skills development, given the fact that the bulk of the Afrikaners were poor and unskilled”

“For the Afrikaners I suspect it meant they wanted to cultivate insightful participation in the South African economy as the British also excluded them”

When asked to define empowerment from a Black perspective, majority of the respondents saw BEE empowerment in a positive way. Ninety per cent of experts defined empowerment from a black perspective as positive and attempting to redress the imbalances of the past with minimal damage.

“The meaning of empowerment for Blacks is positive, it’s all about the historically disadvantaged not just blacks, and even white women are included in the definition”

“About creating economic balance, increasing equality and definitely its intention was never to drive whites to the sea”

“Blacks catching up in financial, economic terms to where white Sac’s are”

The majority of the participants spontaneously mentioned that BEE has double sided meaning depending on whether you benefited or not and for those who feel they have been left behind the word empowerment conjures up bitter, sour meaning:

“BEE is about self enrichment, obscene wealth for the selected few, politically connected”

“Those in position of power and influence used their connections and skin colour to benefit and ignored everyone else in the process. Its absurd that over 70% of the recent deals only went to six people, almost all linked to politics and no real business acumen and skills talk about”

“BEE lacks values of Ubuntu”

Thirteen of the 14 experts interviewed commented that empowerment is emotional and carries a lot of pain; therefore in defining empowerment one should not forget the emotional pain. Both AEE and BEE experts showed similar emotions and two kept looking down and with their hands in their forehead:

“Empowerment pre-occupies itself with wiping out previous humiliation (in the Afrikaner case defeat in the Anglo Boer War, and the urge to show English – speakers that they can be their equals in the urban economy”

“About restoring black dignity, for a long time Blacks have been humiliated, disrespected, emasculated by Apartheid. We have to restore their dignity, we have to, and we have to”

The meaning of empowerment seems to carry both functional and emotional meaning and is heavily influenced by the participant background and whether he or she is a beneficiary of apartheid or was previously disadvantaged because of the colour of his/her skin. Next question asked, seek to find insights about the drivers behind AEE and BEE.

5.4 Research Question 1: Drivers for AEE and BEE

What were the key drivers or burning platforms that led to AEE and BEE?

All the respondents commented that when analysing AEE and BEE one has to interrogate history and not suffer from amnesia or forgetfulness or denial. One of the respondents summed the drivers as driven by: *“HISTORY – political, economical, social, identity”*

5.4.1 The key drivers for AEE were:

Twelve of the participants spoke about history and showed extreme feelings of anger, frustration. Two of the AEE experts walked up and down showing restlessness and told the AEE drivers as if they were personally affected by British humiliation and exclusion. Also showed a lot signs of frustration, feeling

that when Afrikaners history is told very little mention is made of the fact that the Afrikaner people were also once excluded; suffered from British Oppression and humiliated by the British:

“When talking about Afrikaner empowerment one has to go back to history, way back and history tells us that the Afrikaner people were also victims of colonisation, excluded by the British, subjected to British Imperialism. What made things even worse was the Anglo Boer War, many Afrikaners lost their lives, farms scotched, lost the war, as if that was not enough acts of God punished them even further through the great drought, depression. All this led to white poor problem”

“The drivers can be best explained using my Grandfather story who comes from a generation of farmers and land people. After the defeat by the British in the Anglo Boer War, add to that the great depression of 1933-38, my grandfather inherited a debt of over four thousand (4000) pounds in those years. Therefore he was taken out of school and farming. Forced to move to town with no training, therefore he had to do manual, unskilled labour”

Three of 8 AEE experts and hundred per cent of the BEE experts mentioned that AEE dominant drivers were eradication of emotional pain, Poor White Problem (Carnegie Report) and economics of power especially their low presence and control of the commanding heights of the economy such as manufacturing, industry, banking, mining and public sector. Two of the 14 respondents powerfully described the situation as follows:

“In 1948 the Afrikaner role in the economy was less than ten per cent, close to zero in mining, less than nine per cent in industry and banking. Less than fifty per cent per capita incomes compared to the English speakers who were educated and belonged to old money. There was no Afrikaner Labour class to talk about and majority of Afrikaners were disempowered. End of 19th century the Afrikaner was an unequal society based on land ownership and income. At the top of the pyramid were the Notables, Kommandos who had smart several farms, houses, such as General Botha and Piet Joubert etc. the second layer small and third layer made of subsistence farmers in great majority”

“Non vulnerable sustainable subsistence farmers. The Rand Repaste, cattle have died. The British were also not prepared to employ the Afrikaners. Anglo Boer War and its Scotch earth policy burnt down huts, and harvests, over forty thousand homesteads burnt down, sixty to seventy per cent property lost. Afrikaners were a divided people after the Anglo Bower war, not a homogenous group, lots of mistrust. Then add most serious drought of 1933, great depression of 1929 -1933, Epidemics 1918 all led to the Carnegie White Poor problem of which one third were poor and another one third alarmingly poor”

5.4.2 The key drivers for BEE:

Hundred percent of the participants singled out Apartheid laws and policies as the key driver, that resulted in cheap unfree black labour, Black Poverty – Black Poor Problem, economic exclusion, lack of access to resources, deprived better

education, disempowerment of the South African native, racial inequality. Sixty per cent of the participant commented that AEE sometimes equalled Apartheid:

“We cannot talk about AEE or Apartheid without Black Economic Disempowerment (BED)”

“The Soweto uprising of 1976 and the death of Steve Biko in 1977. We currently have eight million unemployed black people, no poverty net and a pro rich American economic system”

Eighty per cent of the respondents mentioned that black foundation and starting point was flawed and not strong. The fundamentals were not in place in order to compete fairly with the whites and after Apartheid they added poor Bantu education system and problem of majority of black people not entering varsity and majority exiting without a certificate or qualification:

“Flawed and bad foundation – poor education, talent loss and skills flight, poor basics: reading, writing, maths and science. Less than ten percent blacks enter varsity and very few finish or complete degree”.

However three of the BEE and two of the AEE experts mentioned that BEE should not be analysed by only looking at Apartheid. The participants commented that Blacks have been disenfranchised before 1948. The British, Dutch, and Portuguese were the founders of black disempowerment and post 1948 National Party just carried on the tradition with lot more pain and vigour:

“BEE drivers date way back, from British Imperialism and Colonisation, segregation, then apartheid. Discriminatory laws such as the Land Act 1913 which created an unfree black cheap labour.

“It is unfair to look at black oppression and only blame apartheid for it. This dates way back pre 1948, all the Afrikaners did was carry on an evil tradition started by the British, Portuguese, Dutch”

The majority of the participant concluded that the key BEE drivers were all about black inclusion in the economic, political mainstream and best summed up by one of the respondents:

“Apartheid = Black Exclusion and therefore BEE = Black Inclusion with minimal damage to whites and the previously advantaged”

5.5 Research Question 2: Intent of AEE and BEE

What were/are the major objectives and intent behind AEE and BEE?

Majority of the respondents commented that some aspects of AEE and BEE were/are similar even though the events are happening at different times. However the AEE and BEE participants pointed out that at the heart of AEE was Black Disempowerment and that *“for the Afrikaners economic advancement would also mean the advancement of the Afrikaans language and more status for Afrikaans”*.

5.5.1 Afrikaner Economic Empowerment

The 10 of the 14 participants linked Afrikaner Economic Empowerment to the 'volk' nearly being wiped out by the Anglo Boer War defeat, depression, the drought, and forced to move to the urban areas to seek work and sometimes ending up having to compete with Blacks, Coloureds and Indians:

"Fear of extinction and memory of oppression led to Afrikaner Ethnic survival at all costs"

Hundred per cent of the BEE and two of the AEE experts alleged that black exclusion was intentional and not an act of God or invisible hand. The participants commented that the Afrikaners made God and religion allies in the disempowerment of the Natives:

"Enrich Afrikaners through black exclusion, consciously planned and justified through religion"

"Volkskapitalisme, the Afrikaner empowerment and the upliftment of the ten percent population of which Afrikaners made up more than 60% of the minority population at the blacks expense"

Four of the eight AEE and three of the five BEE participants mentioned that empowerment of the Afrikaners was heavily influenced by mining. Mining economic needs were at the forefront but playing the "invisible hand".

According to the participants mine owners consumed by economic greed and power, decided to compromise, and sell their values for abnormal profits. The mine owners played a huge role in ensuring that blacks were disempowered. This done through asking the Afrikaners to guarantee cheap black labour so as to speed up economic inclusion of the Afrikaner volk:

“To serve interest of mining”

“Business owners of the time especially mining collaborated with the Afrikaners and they shared the same objective albeit for different reasons”

All the respondents agreed that the Afrikaners saw the British as their number one enemy followed by Africans. However the participants spoke about Afrikaners were enslaved by the British but ended up only harshly excluding Africans only and collaborating with the British:

“AEE was to enable the Afrikaners as a collectivity to catch up with the English and earn their respect”

“Fight British enemy, Africans and assert Afrikaner Nationalism”

Two of the respondent's best summed up AEE intentions and objectives as:

“Paranoid and fear of threats, also linked to survival and fear of being wiped out especially during the Anglo Boer war, Poverty, drought and depression”

“Speed up wealth creation for the Afrikaners and provide psychological security”

One of the AEE participants commented that one of the drivers had a racist element to it:

“There was also a racial (racist) element; it was thought that white supremacy would be at risk if the poor whites were not rehabilitated”.

5.5.2 Black Economic Empowerment

Black economic empowerment objectives mentioned by all respondents centred on addressing the imbalances caused by Apartheid and British Imperialism, segregation:

“Address legacies of the past and drive meaningful participation, black Inclusion”

“The intention has always been to expand participation in South Africa’s economy in a systematic way with respect to ownership and management of economic assets”

Most of the respondents commented that the spirit of the BEE objectives if one holds constant Apartheid or Black exclusion were similar to those of the Afrikaners but unfortunately seem to have been redefined to benefit a selected few:

“BEE exists to enable blacks as a collective to catch up with Whites (Afrikaners and English) and earn their respect. However the purpose of BEE has mutated in a project to advance the black elite”

5.6 Research Question 3: Processes

How did the Afrikaners/Blacks empower themselves?

Before answering this question the majority of the BEE experts expressed anger, frustration about slow pace and unintended negative consequences of BEE. They also gave praises to some of the AEE initiatives. Four out of five BEE respondents concluded that AEE process was better planned, detailed and integrated than BEE. However they all commented that most of AEE implementation was achieved *‘through state force and the use of the military, and the police’*. Five of the eight AEE experts talked with sense of pride, but mixed with anger, guilt and also very critical of some of the AEE processes especially those that excluded the majority and were morally and ethically unjust. Ninety per cent majority of AEE participants commented without being prompted or asked by the interviewer that they have benefited from apartheid and AEE programmes indirectly or directly. The next research question asked was about the process used to achieve AEE and BEE, with the researcher hoping to identify if there were differences or similarities and also to be able to draw lessons for BEE.

5.6.1 Process

In assessing the process, nine of the 14 experts agreed there were economic, social and political external variables or factor inputs that helped AEE. Those variables have changed for BEE thereby making BEE even tougher to achieve in the same time it took the Afrikaners to empower each other:

“Afrikaner empowerment happened at the time when a lot of things were unclaimed, closed economy, sanctions driven, the environment was a virgin, still had lots of minerals to be exploited, virgin economy therefore still lots of opportunities for most business categories “

“ It is important to realise that BEE is operating under a changed landscape, to make money now you have to be more innovative, requires even higher R&D, new inventions, new financial tools like hedge funds etc. The ANC inherited a bankrupt economic system and Afrikaners did not have this problem. The stakes are higher, the economy well developed, globalised environment, globalised companies with a different mindset in doing business. Fear of whites and global companies of being misplaced, white people entrench in their ways, and behaviour modification will take a long time and very difficult. We still have 60 years old with great influence, part of the problem but still part of the business decision making”

AEE Process

The majority (Ninety percent) of the respondents felt that Apartheid was at the centre of AEE, and without apartheid the AEE would not have happened fast.

Also heavy state involvement helped a lot in achieving success:

“ The Afrikaners greatly underestimate the role the state played in poor white advancement but the fact is that the Afrikaner nationalist movement managed to re-integrate the poor very effectively in the community and there was strong to addressing the problem of poverty by way of pensions and other forms of social welfare dependency”

“The key to AEE was 1948, when the Nats won the election. They first gained political power and with this power ere able to set policies and legislation place to help their own people”

However five of the eight AEE and hundred per cent of BEE participants commented that black exclusion started with Afrikaners collaborating with the British in the exploitation of the natives (blacks). For most of the respondents AEE process happened in three to four stages or phases:

“Collaboration with the British, before apartheid in the exploitation of blacks the majority”

One of the AEE expert's best summed up the phases as follows:

“1st phase was British rule and white supremacy institutionalised by Westminster, voting rights for whites (Act of Minster) and laws such as Land Act 1913, Industrial Reconciliation Law of 1924, The influx control Act of 1922. The second phase started with People’s Conference (Volsko) in Bloemfontein 1939, then in 1948 NP won the election and the whole ball game changed radically. In the 50’s the NP policy was pro poor Afrikaner orientated ad in the 60’s pro richer Afrikaners farmers, industrialies through quotas, contracts. The period, 1934 to 1974 is known as the Period of Progress, the 40 fat years. The NP put more discriminatory laws in place designed to protect poor whites, such as Bantu education and better education for whites, job reservation, price subsidies for farmers to make farming profitable, systematic exploitation of black people”

One of the BEE experts summed up the phases or stages as follows:

“Three stages: Political Power (1948) resulted in apartheid policy, legislation and laws that allowed the policy to be implemented. Apartheid worked because there was policy, legislation, and excellent administrators. Second stage: Public Service fuel for job reservation, and administrative systems. Third stage: Institutions set up to support apartheid system, build and control access away from Blacks”

The majority of the respondents from both AEE and BEE, asked the interviewer to highlight that there were always two sides to AEE and that most people tend

to only look at the hard side not the soft side. Four of the five BEE experts commented that the soft side to BEE empowerment is missing and has been completely ignored or not included in the scorecard. The question asked by one of the BEE participants was “*how do you empower confused people, who suffer from inferiority complex, lack of confidence, do not know they are human beings, do not trust and help each other, and nogaal think English is better and that white man is superior to black?*” The Afrikaner empowerment soft side was best captured and explained by one of the AEE experts:

“There are two sides to AEE empowerment soft and hard side. National Party, Afrikaner Intellectuals in the Broederbond and other organisations, drove the soft side. The soft side involved the mind, heart, culture, and identity of the Afrikaner driven mainly by the religious leaders in the Dutch Reformed Church, Broederbond, and Helpmekaar organisations. The key messages sent were positive and encouraging all about trust, sacrifice (save now and pull yourself up by your own shoe string), loyalty, unity (support from your own people first – your own people must support you). Hard side = savings through Redding at Bond, Co-operatives formed by wool merchants and wine farmers, entrepreneurs such as Anton Rupert and government initiatives State Owned Enterprises, job reservation”

Four of the five BEE experts gave praises to the Afrikaners but also showed signs of disappointment on government for not having a far more integrated empowerment programme:

“ AEE proceed was interlinked, they understood empowerment went beyond just money and boldly erected visible symbols of success i.e. Voortrekker Monument, Universities such as Stellenbosch, Pretoria, RAU and most importantly made Afrikaans language dominate commanding heights of the country from public sector, universities, commerce and industry, what an achievement”

All respondents also mentioned the use of state owned enterprises as the key driver to speeding up AEE and Afrikaners into middle class. The majority of the participants commented that Afrikaner empowerment has been most successful because the majority of the folk where empowered using state offices. The participants suggested that the Afrikaners turned State Owned enterprises and public sector offices into developmental entities that sacrificed some profit so as to allow for Afrikaner people to catch up.

“ They were more successful in using state owned enterprises like Telkom, Post Office, Transnet, IDC among others to provide employment, develop artisans for those without education, develop a management class for those with education. They also worked as a collective for the economic emancipation of the Afrikaner notwithstanding their differences”

“Designed systems to empower Afrikaners and give them time to accumulate assets and capital equivalent to the British and then privatise parastatals bought by Afrikaners savings and investments”

In conclusion AEE economic empowerment can be best summed up by one of the BEE experts as an: *“integrated programme that excluded blacks but truly linked to a National vision and filtered right through to all spheres of development such as education, health, language, culture, symbols etc and BEE process lacks this fundamental ideology”*

BEE Process

Ten of the twelve respondents commented negatively about BEE, and hundred per cent of BEE experts had very little positive things to say. The respondents were very critical and unhappy about the process of which many use the word *“so called process”*.

“BEE is not a process, No real process to talk about, its is a knee jerk reaction, more reactionary than planned”

“BEE suffers from lack of an integrated human capital development plan. The process lacks measurement of the foundations of empowerment such as culture, religion, identity, heritage, education, and language”

One of the BEE experts summed up the process:

“BAD process: slow decision making, ACT only came out in 2003. The codes and scorecard only finally approved in February 2007 and Industry charters not yet finalised. There is rating uncertainty; leads to confusion, as we speak there are no credited rated and rating agencies. Interpretation uncertainty, simplify

the codes from 1000 pages reduced to 100 pages) Now even more confusing, clumsy. Clumsy drafting. It's a lawyer playground, need careful interpretation"

Three of 5 BEE and two of the eight AEE respondents also rejected the process and saw it as a Western model that was initiated by captains of industry in fear of Nationalisation and it therefore promoted individualism and opportunism.

"Those who caused the problem (white owners of capital), also helped define the solution called BEE"

"We work as individuals, those with greater access to economic opportunities have failed to bring in new people to participate, and as a result most opportunities circulate among a few. The broad based BEE existed to enforce greater participation but has not been successful in my view"

The majority of the respondents also heavily criticised as not aligned to National Vision and economic development. Due to the lack of an intergrated strategy the respondents also commented that there were a lot of overlaps and policies fighting against each other:

"Social grants creating a dependency syndrome, kills the opportunity for people to think bigger, counter BEE. Clearly shows that BEE is not an integrated plan"

The majority of AEE experts also commented that the ANC practised the same policies as the NP when it came to Public sector. The majority of the Afrikaner

experts were unhappy and suggested that this amounted to reverse discrimination and anti racial unity. They blamed most of the skills flight to affirmative action in the public sector and private sector. Whereas the BEE experts saw Affirmative action as necessary to speed up transformation in the work place.

“In a sense history repeated itself, the Afrikaners moved the English off and put their own kind in positions of power in the public sector. First there was the Afrikanerisation of the public sector now the ANC went on a massive drive to Africanise and the last 13 years we have Africanisation of the public sector”

“The Afrikaners were pushed push out by ANC in state owned jobs. Government became the provider of jobs”

They all agreed that BEE process had two phases: *“the first phase was persuasive and the second phase introduced through regulation such as 2003 Act, Codes, employment Equity Act, Affirmative Action, Scorecard”*

The BEE process can best be summed up as a *“policy based on coercion and persuasion, not an act of law. Less directed by government and less definitive approach with no supervision. Definitely not well orchestrated and integrated compared to AEE. Whites manipulated the system they proposed through encouraging fronting, window dressing, hoax companies, fictitious owners, and exploitation of vulnerable blacks seeking wealth, prosperity at all costs”*

5.7 Research Question 4: Measurements of success for AEE and BEE

What variables were/are used to measure success of AEE and BEE?

The majority of the respondents concluded that AEE was and still is successful than BEE. However all reminded the interviewer that measurements of success should take into account of the factor inputs i.e. Apartheid, and external variables such as sanctions, closed economy etc

5.7.1 AEE Measurements

All the respondents could easily mention AEE measurements of success top of mind without being prompted. The experts also repeated that factor inputs need to be taken into account when talking about success. The variables used to measure varied from class, education, disposable income and buying power, political power, economic power, private ownership, skills, entrepreneurship, and access to capital, shares, assets, property, land, discipline, pride, and culture. All experts agreed that state power was the fuel for AEE success:

“ From 1948 to the 1970’s predominantly all Afrikaners were into them middle class and when the Afrikaners were pushed out of the public sector they moved to Entrepreneurship, developed a global mindset, move into private sector because they had the skills. Public sector within 10 years it became Afrikaner Public sector”

“Government built Parastatals such as Eskom, Iscor, and Sasol to create opportunities for poor Afrikaners. They did not just built parastatals they use them to kick start and spin off new Afrikaner businesses that got privatised, such as banks and created Afrikaner Businesses through procurement, licensing, contracts to up and coming Afrikaners. Creation of entrepreneurs such as Paul Harris, Rupert’s and some of them educated and trained in by the State Owned Enterprises such as IDC”

Income per capita was seen as one of the dominant variables and majority of the Afrikaner experts commented that it was always compared to British so as to gauge progress:

“In 1975 greater than 75 per cent of the Afrikaners had achieved a much higher per capita income versus the English, this led to Embugoeument of the Afrikaner”

One AEE experts commented that when assessing measurements, they should start prior 1948:

“Measurements should start before 1948, Naspers started in 1915, and 1918 Sanlam and Santam started the beginnings of Afrikaners in the business worlds, followed by Volkskas”

Seven of the 8 AEE and hundred per cent of the BEE participants spoke about Afrikaner soft side to empowerment. Mentioned that this was one of the

biggest areas missing in BEE empowerment, especially in the area of fostering a strong identity and Afrikaner pride, getting rid of any low self esteem and inferiority complex:

“They understood the importance of visible symbols, culture and education: they built Voortrekker Monument, Universities such as Stellenbosch, Pretoria, RAU and beyond education the Afrikaners spent a lot of money and resources promoting their own language.”

“They (Afrikaners) fostered a strong Nationalism, identity, unity, created a sense of pride, language heritage”

Hundred per cent of the BEE experts and 80% AEE participants also added savings culture and investment in asset that appreciate in value as an element missing in the BEE:

“Created a savings and investment culture, created multimillionaires, made lots of sacrifices in the beginning”

However majority of experts did not view BEE as successful and very little was mentioned about the success. Hundred per cent of the BEE and AEE experts expressed disappointment and two of the five BEE respondents became angry, walked up and down, hit the table and closed their eyes:

“ Unfortunately BEE has not worked as well, black people are still sitting worth dead capital, making it difficult to access capital, BEE does not even scratch the surface only 2,5 per cent of lives of black people are being touched. Black people are still consumers not owners of capital and factors of production”

The positive comments coming from four of the five BEE and two of the eight AEE respondents were mainly about the public sector, class mobility and a few black owned successful companies:

“The last thirteen years we now have an Africanisation of the Public sector, either than that there has been very little progress”

“Royal Bafokeng Tribe a real example of real empowerment, Mvelaphanda, Wiphold are all examples of successful BEE companies but not a lot we need more. BEE has made a difference where blacks have a majority shareholding e.g. Mvelaphanda, AMR, Thebe

Hundred per cent of the BEE experts spoke about the unintended negative consequences of BEE and most importantly that BEE lacks will power, teeth less and unenforceable:

“BEE ignored the marginalised people, and BEE has no teeth, it needs legislation”

“BEE is engineered by political favour and connections, unfortunately those politically connected get there first. This therefore leads to over-concentration of opportunities amongst few people”

5.8 Research Question 5: Lessons Learnt

What lessons can be learnt from AEE that could enhance the efficacy of BEE?

When asked this question the majority of the participants, commented that lessons learnt should take into account of current factor inputs versus the time of Afrikaner empowerment. One AEE respondent did not see anything that could be learnt from AEE initiatives:

“Nothing can be learnt from Afrikaners empowerment, as the system used was evil and cruel. Nothing good can be learnt except not to do it again”

The majority of the respondents highlighted key themes, integrated plan, education, skills transfer, genuine empowerment, independence, broad based, state intervention, role of state owned enterprises and public sector departments in empowerment:

“Most important Afrikaner weapon was and is still EDUCATION in big capital letters. It was easier to fund education for a minority. Therefore the most important thing for BEE is education, education, and education. Blacks 80% of

the population do not have access to good education. We need more Pro-more state intervention and an Anti American Pro Rich culture and economic system”

“The SOE – state owned enterprises did not have a profit mandate, they were responsible to bring to life Afrikaner empowerment and they were measured on how many Afrikaners enterprises have been developed, not runned like private sector only. What are our current black CEO’s of these SOE companies doing are they developing black people?”

“Afrikaner empowerment was far more intergrated, it focused on Religion, Economy, Business, Education, Culture, Savings, Language, and Participation. The scorecard had a good balance of soft and hard issues and all in one scorecard and it was measurable with short wins and long term wins”

“The emphasis was always on sustainable empowerment and therefore Afrikaners focused a lot of time, resources on skills transfer, and culture of delivery. Black people can never be built by aid, only through skills transfer will empowerment be sustainable.

If blacks are skilled then ownership is easier”

“I suppose the fundamental difference between the Afrikaner economic movement and BEE is that there was a robust intellectual dialogue among Afrikaner intellectuals that informed both the values and the principles of their

economic strategy. BEE lacks this intellectual engagement. We have acted in a vacuum”

The majority of the participants concluded that AEE was broad based but Afrikaner leaders had few people to empower relative to what BEE attempts to do. Therefore when looking at lessons it is important to recognise that numbers play a huge role in determining pace of change:

“AEE was much more broad based than BEE because it was part of an ethnic mobilisation and because the Afrikaners were relatively small community (only topped a million in 1930’s). It sometimes helps to be small”

Conclusion

The results above cover the key findings shared by the experts. All the experts shared openly and even asked the interviewer to share with them the final report so that they can learn some more about this topic. The following chapter provides an interpretation of these findings.

CHAPTER 6: DISCUSSIONS OF RESULTS

The main aim of the study was to analyse Afrikaner Economic Empowerment (AEE) and Black Empowerment (BEE). The study sought to find out if there are any lessons that can be learnt from the AEE experience, lessons that could help enhance, alter or affirm BEE practices and policies currently in place.

Discussion of results would focus on four research questions:

1. DRIVERS- what were the key drivers or burning platform that led to AEE and BEE?
2. OBJECTIVETS/INTENT- what were /are the major objectives and intent behind AEE and BEE?
3. PROCESS- how did the Afrikaners/Blacks empower themselves?
4. MEASUREMENT - what variables were/are used to measure success of AEE and BEE?

This chapter gives an interpretation of the findings in relation to these questions.

6.1 Meaning of Empowerment

Before answering the research questions the participants were asked using word association projective techniques the meaning of empowerment. The findings of this study concurred with Khoza (2006) and Wilkinson (1998) that empowerment is complex and not easy to define and that there is no single

variable, most importantly that empowerment happens in a certain context. The context for AEE and BEE can best be summed up in Table 2:

Table 2: AEE and BEE Historical Context

AEE	BEE
Closed Economy	Globalisation
Backbone of Imperialism, Colonisation, segregation, Apartheid	Democracy
White Supremacy	Non racial society
Fear and survival of the volk at all costs	Maintain Racial Peace and Inclusion
Democracy for whites only	SA belongs to all
Black Exclusion and less inclusion of white women into mainstream	Inclusion of the previously disadvantaged incl. white women
Beneficiary of Apartheid	Victim of Apartheid
White and Afrikaner	Black, White Sympathiser /Activist

Table 2 compares AEE context vs. BEE. The context for AEE was very different from BEE. AEE happened post World War 2 when countries adopted a closed economic system, whereas BEE is heavily influenced by globalisation and open markets meaning that money can move in and out of the country easily, face global competition etc. Apartheid and Black Exclusion had a foundation to build on, left by the British and Dutch Imperialism and colonisation (Terreblanche, 1993). BEE has to work within a democratic state that promotes inclusion,

integration and non-racialism. Analysing the context it becomes clear that the meaning of empowerment for AEE was seen as negative due to the fact that its context and foundation was based on Black exclusion and white supremacy and BEE was seen as carrying a more positive meaning due to the fact that it was more sensitive to the needs and concerns of the minority and apartheid beneficiaries, also it attempted to include all previously disadvantaged person including white women.

The analysis revealed that if we hold the context constant, all the experts agreed that the meaning of empowerment is similar for Afrikaners and Blacks. For the Afrikaners and Blacks empowerment meant economic freedom, meaningful participation and equal access to economic factors of production (land, labour, capital, entrepreneurship), all these variables were seen as functional and tangible, depicted in the Figure 1 below:

Figure 1: Meaning of Empowerment

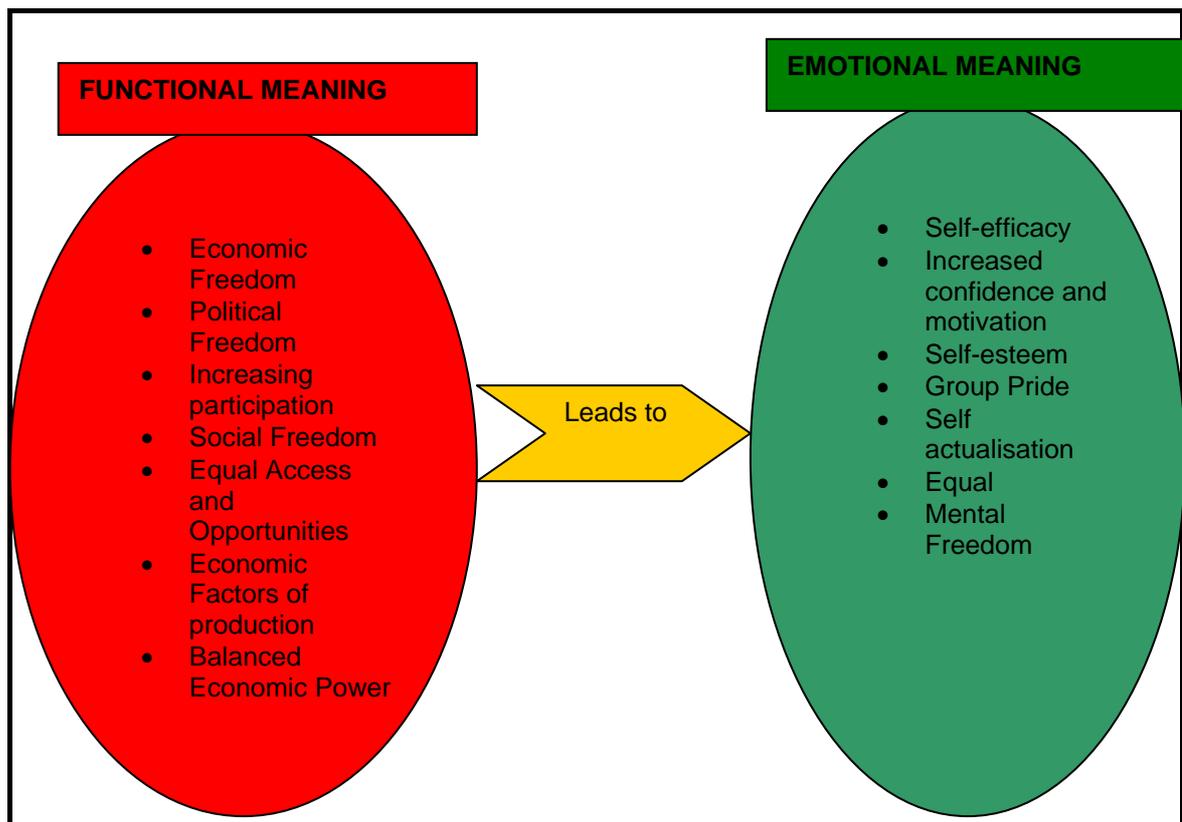


Figure 1 shows that empowerment has two dimensions; first one is tangible or functional and can be measured. The functional meaning when achieved often leads to an increase self confidence, group pride and freedom which are all emotional variables that are not easy to measure. The citizens tend to feel these benefits more than they can easily touch them. Therefore the findings of this study corroborate the findings of a study by Wilkinson (1998); Collins, (1994); Smith, (1997); Friedman, (1992) that the positive functional benefits and meaning of empowerment (political and economic freedom) lead to an increase in people's confidence, self-efficacy and actualisation. Also consistent with Friedman (1996) argument that effective empowerment that leads to greater emotional meaning involves social, mental and political empowerment.

6.2 Research Question 1: Drivers for AEE and BEE

What were the key drivers or burning platforms that led to AEE and BEE?

The key drivers for AEE:

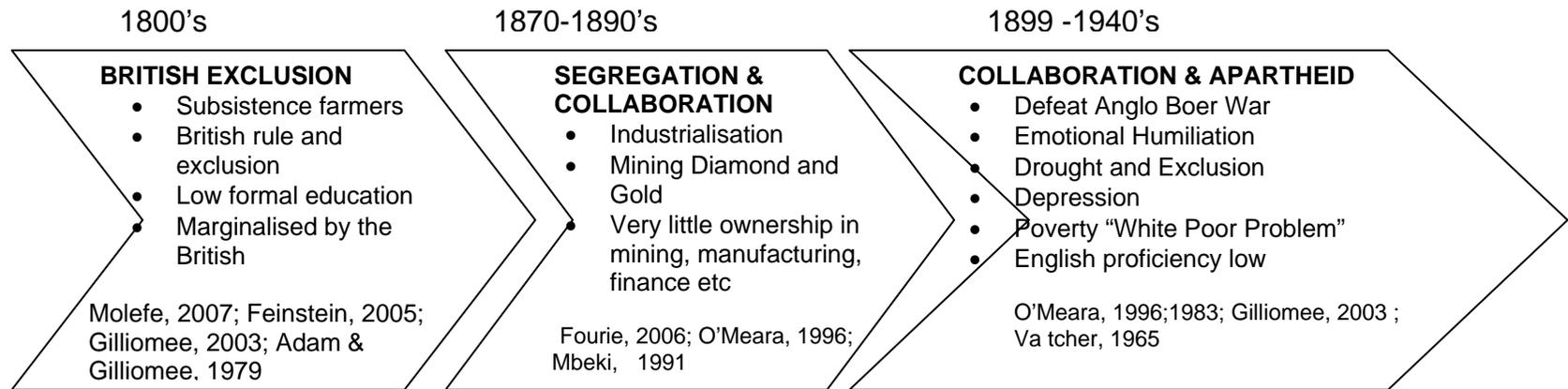
The drivers depicted in Figure 2 and 3 below demonstrate that the early 1800's till close to 1900's Afrikaners were once under British rule, and knew the pain of humiliation and defeat (Gilliomee, 2003; Sadie, 2002/1). One of the AEE and BEE experts commented that 'Blacks were also under brutal oppression from 1600's till 1994 but more severe and painful than the Afrikaners, since they lost ancestral land, cows, and freedom to be human in their own country' . From the 1870's till 1940's the Afrikaners collaborated with the English in excluding Blacks. From 1948 till 1994 Apartheid ruled and black exclusion was intensified. There are three key themes driving BEE (Figure 3 below): the first one being Imperialism and Colonisation thought and implemented by the British (Terreblanche, 2006), mainly focusing on black slavery, black exclusion from fertile lands. The second theme involves AEE Collaborating with the British in segregating Blacks and creating unfree, cheap black labour through various acts such as Land Act 1913, and taxes. The majority of the respondents spoke about '*capitalism and monetary greed*' driven by the discovery of gold and diamond as the main reason for Black exclusion and Afrikaners collaborating with the British (Mbeki, 1991). Post 1948 the third theme was Apartheid which built on the foundation set by the British and added more discriminatory, immoral, and draconian laws that ensured that Blacks were completely marginalised. This also led to the rise in racial and income inequality (CIA, 2006; Feinstein, 2006; Gqubule, 2006). If we hold constant Afrikaner

Collaboration and Apartheid, some of the essence of AEE drivers were similar to BEE such as desire for better education, wars and defeat, unskilled work force, lack of access, desire for freedom, independence, rights, and white poor problem vs. black poor problem, inclusion, English proficiency and emotional humiliation. Interesting finding is that the Afrikaners went through the same pain of humiliation, exclusion but repeated the cycle.

Conclusion

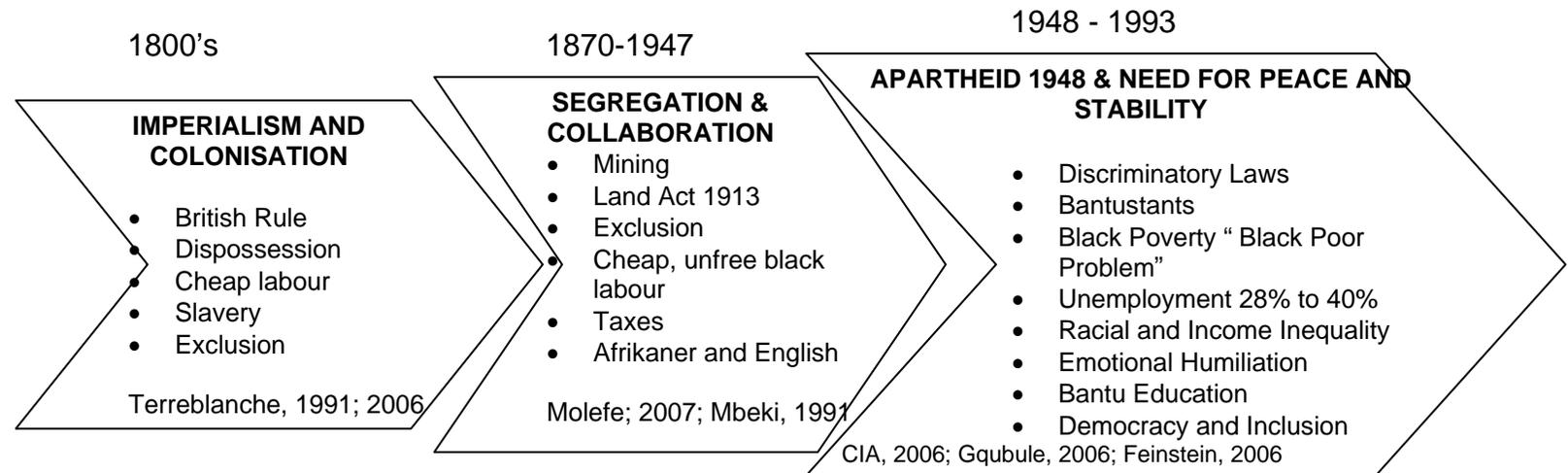
The findings on AEE and BEE drivers mentioned by the majority of the participants are consistent with the literature review: ownership, desire for independency, skilled labour, industrialisation, wars, psychological security, emotional humiliation, fear, imperialism, colonialism, exclusion, segregation and collaboration, apartheid (Molefe, 2007; CIA, 2006; Fourie, 2006; Gqubule, 2006; Costa, 2006; Feinstein, 2005; Gilliomee, 2003, Furlong, 2003 and Vatcher, 1965).

Figure 2: Afrikaner EE Drivers



The key drivers for BEE

Figure 3: BEE Drivers



6.3 Research Question 2: Intent of AEE and BEE

What were/are the major objectives and intent behind AEE and BEE?

The analysis (Table 3) revealed that AEE was based on a foundation of white racial supremacy, ethnic survival at all cost, patriarchal, male dominated and separatism (Gilliomee, 2003; Mbeki, 1991; O'Meara, 1983). Whereas BEE has been more reconciliatory in spirit focusing more on unity, inclusion, upliftment of the previously disadvantaged including white women who were considered beneficiaries by some of the participants (BEE Com, 2001, BBBEE Bill, 2003). Figure 4 illustrates the differences and similarities between AEE and BEE objectives.

One of the most significant findings of this study drawn from the interviews is that the major difference between AEE and BEE that did not come out clear in the literature review: Afrikaners made it clear that Afrikanerisation of public life was going to be a priority. Afrikanerisation meant use of Afrikaans language and culture dominating all factors that govern a country from commerce, education to governance. This factor does not come out clear in BEE literature, and definitely not written down in the BBBEE Act 2003 and generic revised BBBEE Scorecard, whereas for the Afrikaners this objective was made clear in the Afrikaner Boederbond manifestos, 'a society whose decisions made national policy' and Wilkins & Strydom (1980, p.1) suggest that ' the South African government was the Boederbond and the Boederbond was the Government, and no Afrikaner government could rule without the support of the

Boederbond. No Nationalist Afrikaner could become Prime Minister unless he comes from the organisation's elect ranks '.

Table 3: Comparative analysis of AEE and BEE Intent/Objectives

AEE	BEE
<p>Apartheid = Separation of all non white races in SA.</p> <p>Protect white interest through Black Exclusion at all costs.</p> <p>O'Meara, 1983, 1996</p>	<p>Non racial and democratic society</p> <p>Reverse Apartheid's negative legacy</p> <p>Fair and Legal Discrimination. Benefits for all will outweigh costs (white casualties) in the long run. BEECom, 2001; Mbeki, 2003</p>
<p>Independent / Bantustants/ federal states</p> <p>Peace through Military Force, legislation.</p> <p>Mbeki, 1997</p>	<p>One country</p> <p>Stability and Peace.</p> <p>Mbeki, 2003</p>
<p>Upliftment and Ethnic survival at all costs and instil Afrikaner Christian national spirit</p> <p>Gilliomee, 2003; O'Meara, 1996</p>	<p>Upliftment of all Previously Disadvantaged and sensitive to white concerns, fear.</p> <p>DTI, 2003</p>
<p>Afrikaans Consciousness</p> <p>Language, culture, identity, symbols of success. Afrikanerisation of commerce, education, public life</p> <p>Gilliomee, 2003</p>	<p>Not clear, not written down ANC documents, BEE and BBBEE Act, Scorecard.</p> <p>(No Reference, not in Lit Review)</p>
<p>Afrikanerdom and Afrikaner Nationalism and Volkskapitalisme.</p> <p>Gilliomee, 2003; O'Meara, 1996</p>	<p>South Africa that is united and intergrated.</p> <p>Mbeki, 2003</p>
<p>Economic Empowerment, Ownership and upliftment of less than ten per cent population.</p> <p>Terreblanche, 2006</p>	<p>Economic Upliftment of all. Expand Participation. Balance of economic power.</p> <p>Better life for all</p> <p>BBBE Bill, 2003</p>

Conclusion

Table 3 last row shows that AEE and BEE underlying objective was economic upliftment of the previously disadvantaged and humiliated. However AEE objectives and intent were only designed and meant for whites, especially Afrikaners. Whereas BEE intent was far more inclusive, sensitive to whites or minority concerns. BEE intent and objectives were far more reconciliatory, peace and stability focused. The findings in Figure 4 are consistent with the literature.

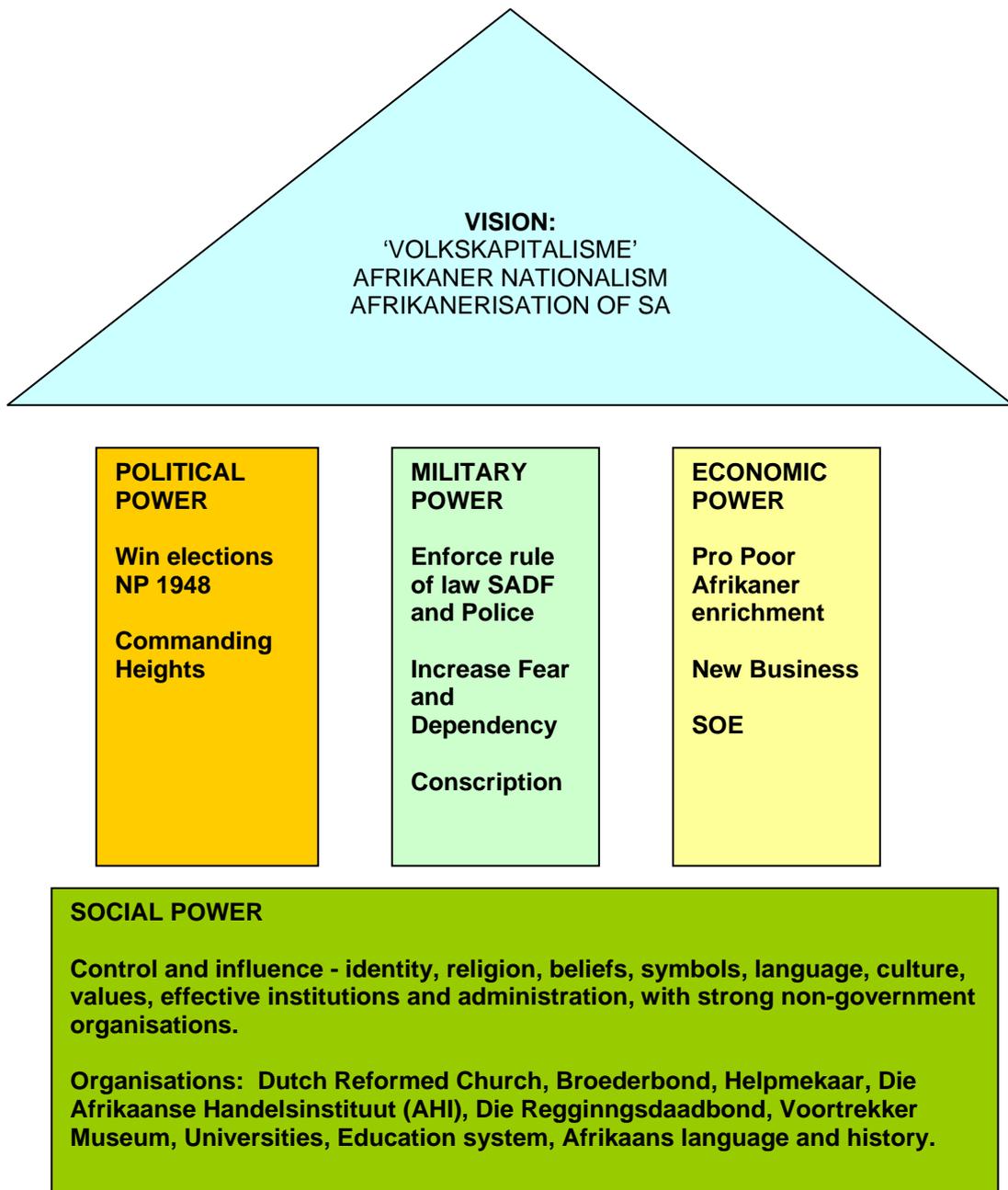
6.4 Research Question 3: Processes

How did the Afrikaners/Blacks empower themselves?

Afrikaner Economic Empowerment

In analysing the findings from interviews, the analysis revealed that AEE process to Afrikanerdom or Volkskapitalisme was intrinsically linked to Power (see Figure 4). The Afrikaners understood that to speed up empowerment of the 'volk' they would need to consolidate Power. Power had 3 pillars (Figure 4) and a foundation that will help ensure that Afrikaners achieve their vision of Afrikaner Nationalism or Volkskapitalisme. The key three pillars were Political Power, Military Power and Economic Power, and a strong foundation built using Social Power. Therefore the AEE Power can best be depicted in a diagram below (Figure 4):

Figure 4: Power Pillars and Power Foundation of AEE



The power pillars and foundation were used to advance the interest of the Afrikaners (O'Meara, 1996 and Mbeki, 1991) and the process to AEE had two phases:

Phase 1: Collaboration

Before 1948 the Afrikaner had very little political and economic power and influence, to oppress and discriminate against Africans on their own, so they collaborated with the English or British to marginalise Africans through repressive such as Land Act 1913 and 1936, the Wage Act 1925 (Steenekamp, 1990).

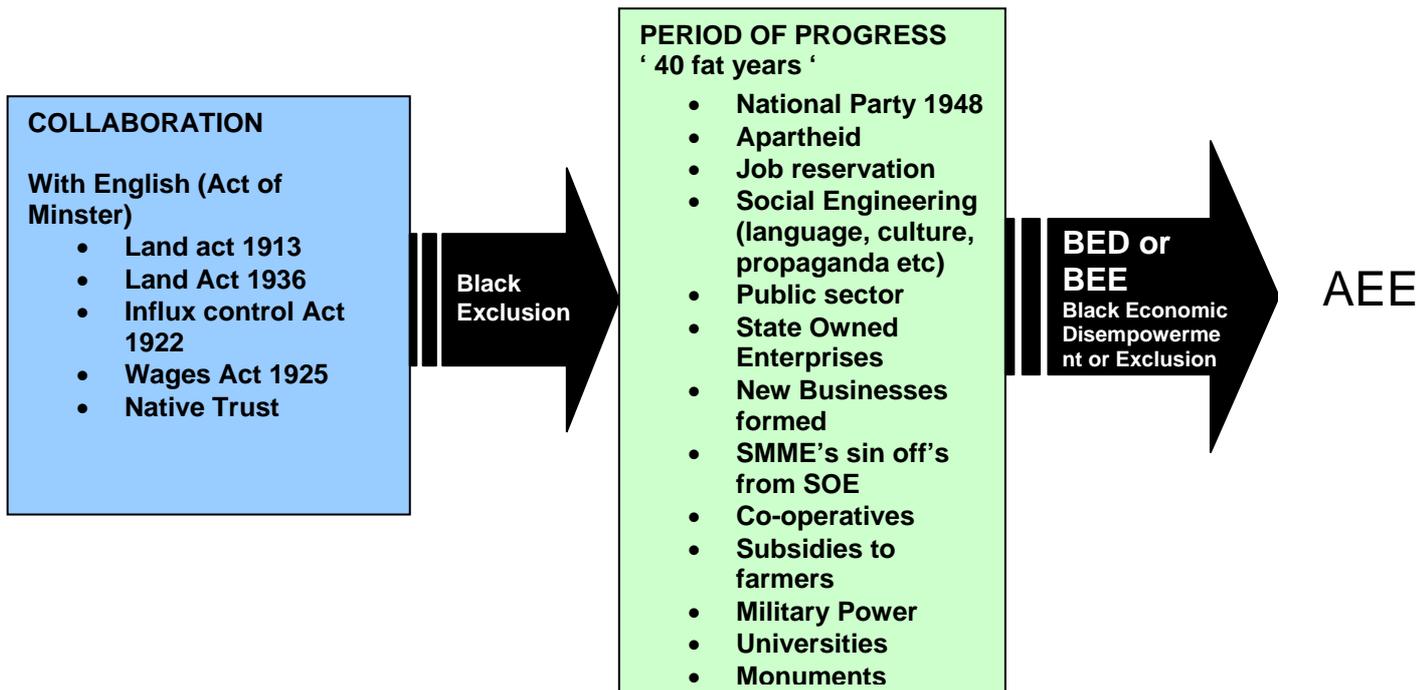
Phase 2: Period of Progress “40 fat years” 1948-1988

The second phase according to the experts started “with *the People’s Conference (Volsko) in 1939* “which helped mobilise the Afrikaners to in order for the NP to win the elections. In 1948 the National Party won the elections (Hackland, 1980) and one of the respondents summed it up as follows:

‘NP won in 1948 and the whole ball game changed radically’.

The findings show that AEE was fuelled by Apartheid or Black Exclusion or Black Economic Disempowerment (BED) and this finding is consistent with the literature Bonner *et al* (1993) and Terreblanche (1991) suggest that apartheid or black exclusion policies cannot be ignored in analysing AEE and that apartheid was the catalyst for AEE. Phase two still driven by BED, resulted in the Afrikanerisation of public sector, subsidies given to farmers, co-operatives, creation of state owned enterprises, establishment of major business organisations in banking sector, insurance, mining, by 1980’s majority of Afrikaners were absorbed into middle class (Mangcu *et al*, 2007; Giliomee, 2003; Terreblanche, 2005 and Falkena *et al*, 1984) illustrated in Figure 5:

Figure 5: AEE Empowerment Model



The majority of the participants commented that AEE was far more integrated and well planned when compared to BEE. The overall findings on AEE model and drivers (see Figure 5) are consistent with the literature and best summed up by Lucas–Bull (in Mangcu et al, 2007, p.137), she concludes that the second phase of AEE process can best be described as ‘history of white democracy and black exclusion’.

Black Economic Empowerment Process

The literature and findings suggest that AEE was formulated, designed and planned by the Afrikaners (Giliomee, 2003; Terreblanche, 2005) but BEE seems to have had many external influences which were acting on self enlightened interest and far driven by protecting their own interest than being concerned about transformation and economic participation of the previously disadvantaged (Mbeki, 2006). Mbeki (2006) argument was supported by the

participants and they also argued that BEE is a Western model that was initiated by captains of industry who are also apartheid beneficiaries:

“Those who caused the problem (white owners of capital) also helped define the solution called BEE”

The BEE process was criticised heavily and was seen as suffering from “lack of an integrated human capital development”. From the findings the analysis revealed that the respondents concluded that AEE process was far more intergrated than BEE, well planned and executed with the help of military power. Even though the participants commented that BEE is not a process or it is a bad process they were able to give a detail description of what has been done so far, preferring not to call it a process (see Figure 6 below).

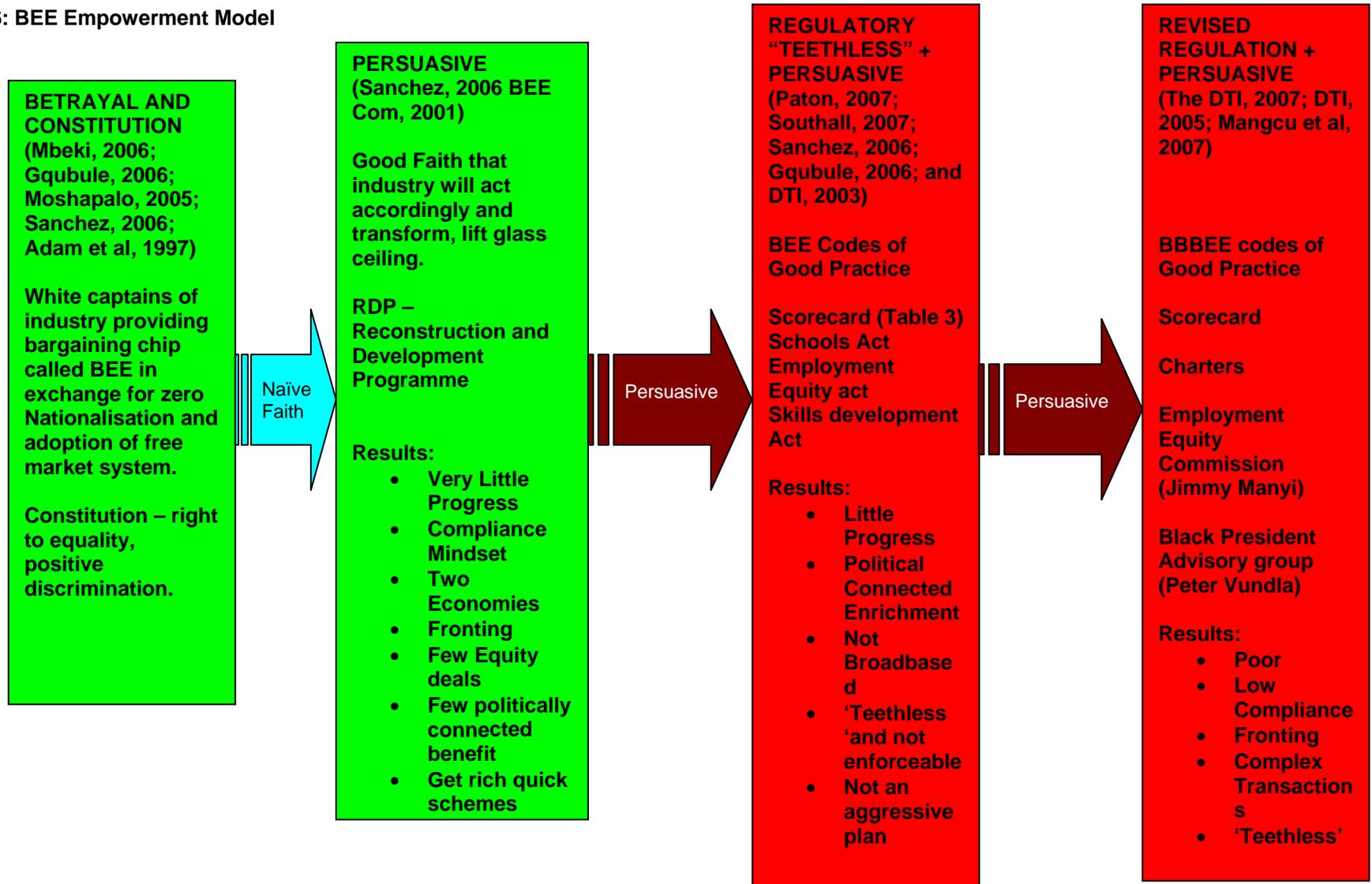
Conclusion

BEE empowerment model (Figure 6) illustrates that BEE was based initially on Faith, Naivety and persuasiveness. The ANC comrades believed that the captains of industry will see transformation and redress as a moral and business imperative. The captains of industry were expected to help redress the economic imbalances of the past. However, Mbeki (1991) and Terreblanche (2006) argued that BEE’s foundation was flawed from the start because white captains of industry were acting on self enlightened interest and not really genuine about transformation, therefore the ANC were deceived and influenced to swap Nationalisation for BEE, ‘pro-rich’ free market system. Faith and Persuasiveness did not yield much results, the next phase was followed by

regulation, which the Black President Advisory group and head of Employment Equity Commission refers to as ‘teeth less regulation’.

ROAD TO BLACK ECONOMIC EMPOWERMENT

Figure 6: BEE Empowerment Model



The overall findings on the process concurred with literature review, except for comment from the participants that AEE was also helped by military power, and this factor does not come out clear in the literature.

6.5 Research Question 4: Measurements of success

What variables were/are used to measure success of AEE and BEE?

Table 4: BEE vs. AEE Intergrated Scorecard

ELEMENTS	BEE Weighting Inclusion, Persuasive	AEE Weighting Black Exclusion
Ownership	20 points	20 points
Management Control	10 points	10 points
Employment Equity	15 points (old 10)	5 points
Skills Development	15 points (old 20)	15 points
Preferential Procurement	20 points	10 points
Enterprise Development	15 points (old 10)	10 points
Socio-Economic Dev	5 points (old 10)	0 points
Social Re-Engineering		20 points
Savings (Sacrifice) and Investment		10 points

The analysis (see Table 4 above formulated by the researcher) revealed that the variables used to measure empowerment for AEE and BEE were similar and in line with the General Codes of Good Practice Generic Scorecard (Appendix C - Table 5) (the DTI, 2007). However the contexts in which BEE was and still measured differs greatly from AEE scorecard. AEE operated under

sanctions, virgin territory, few businesses, lots of opportunities to build new companies such as SOE, closed economy and most importantly Black exclusion thereby only serving less than 10% of the population. BEE is heavily influenced by globalisation, free markets, volatile currency, open markets, peaceful democratic transition, attempting to serve whole population including the 90% previously excluded with limited resources.

From the analysis of findings it became clear that the AEE put lot more emphasis on certain elements of the scorecard when compared to BEE. Ownership and Management Control were driven by similar principles and therefore given equal weighting. The Afrikaners and Blacks sought to have economic interest, voting rights and encourage proper representation of people in company boards (the DTI, 2007). Employment Equity for the Afrikaners had lower weighting because a lot of new businesses were created in most industries that were owned and controlled by Afrikaners supported by National Party. It was therefore easier to recruit and promote other Afrikaners since the firm were created for Volkskapitalisme. BEE has a tougher task because most of the industries are saturated, businesses have been created and in the key industries such as banking, mining, manufacturing, and telecoms; monopolistic competitive firms already exists. Therefore BEE has to persuade existing white male dominated captains of industry to transform and break the race and gender glass ceiling; have a company that projects the countries demographics.

Skills Development for AEE and BEE had the same weighting since the principles were the same. However the participants felt that AEE was linked

directly to the countries education system. The Nats were more pragmatic and also introduced Artisan training for those who had little education. BEE Skills Development was heavily criticised for not being pragmatic and definitely not linked to the overall country education system and institutions. Preferential Procurement and Enterprise development were for the AEE had a weighting of 10, because there was less pushing needed for new businesses to be created, or Afrikaners procuring from other Afrikaners. This was easier to enforce because AfrikanerDom was linked to identity and a very emotive vision.

The most important finding from the analysis of discussion is that the AEE scorecard had two more variables, which were not included in the revised B-BBEE Scorecard:

1. Social Power/ re-engineering include factors such as use of Afrikaans language, Afrikanerisation of South Africa, culture, identity, confidence, self-efficacy, and optimism. Social power carried a high weighting of 20 points because the majority of the experts commented that the Afrikaners understood that economic empowerment could not be divorced from social power (i.e. culture, mind, spirit) empowerment. In order to empower the volk the soft side of empowerment had to walk side by side with other elements of the scorecard. The National Party and its institutions (i.e. DRC, Broederbond, and Helpmekaar etc) put a lot of effort in shaping the mind and spirits of the Afrikaners (Gilliomee, 2003).

2. Savings Culture or Sacrifice and Investment. Majority of the participants commented that the Afrikaners were persuaded by National Party and its institutions to believe that self sacrifice was an important value to have in order to create a better future the next Afrikaner generation. Inherently linked to sacrifice was the culture of savings, which could be used to start up or buy or expand companies. This started with the creation of Santam, Sanlam, Old Mutual, Merchant Banks, Banks, and Rembrandt etc all initially supported by Afrikaners savings and deposits. BEE does not have this element, majority of blacks are not saving nor investing enough to create wealth for the next generation. This partly driven by the fact that when the ANC took over it did not create empowerment based on firm and sound values (Luhabe, cited in Mangcu *et al*, 2006). Savings and Investment was pursued by the Afrikaners but it was helped by Social Engineering and instilling a culture of self sacrifice, pulling yourself by your own shoestring mentality, no one will save us and constantly playing images of Anglo Boer war, black swartgevaar.

All the participants agreed that AEE was far more intergrated when compared to BEE. They felt that AEE had more visible proof of success, well planned, linked to National vision, government departments helped support AEE, and it was Broad Based when compared to BEE. Most cited companies such as Eskom, Iscor, Sasol, Banks, Naspers, Insurance companies, and the use of Afrikaans language in education, commerce and industry, complete inclusion of Afrikaner poor into the middle class. The AEE participants estimated that the middle class success took less than 40 years to accomplish etc.

The following findings, as mentioned by the majority of the respondents were consistent with the literature review: scorecard elements, savings, social and cultural power issues, all the efforts led to creation of middle class, new businesses, (Mangcu *et al*, 2007; Sadie, 2001/2; Terreblanche, 2005; Furlong, 2003; Gilliomee, 2003; Mbeki, 1991; Steenekamp, 1990 and Sadie, 1979)

6.6 Research Question 5: Lessons Learnt

What lessons can be learnt from AEE that could enhance the efficacy of BEE?

All the findings from this chapter will be consolidated and discussed in Chapter 7.

The next chapter will highlight the main findings of the research ; include recommendations to key stakeholders such as the DTI policy makers, Black President Advisory group, the Office of the President and the head of Employment Equity Commission.

CHAPTER 7: CONCLUSION

7.1 Highlights

The purpose of this paper was to unarchive AEE initiatives that led to the volk being economically, politically and socially empowered and draw lessons that could help enhance BEE. From the findings it became clear that the meaning of the word; empowerment is not easy to define and there is not a single variable that wholly defines empowerment. Empowerment has two dimensions: first Functional dimension which can be easily measured and visible to all citizens such as education, meeting basic needs, jobs, GDP, GDP/capita, prosperity, productivity, competitiveness, and political freedom. When a variable from the first dimension is achieved it leads to an increase in one of the second dimension variables such as self – esteem, confidence, confidence, group pride.

AEE and BEE happened within a certain historical context. In assessing AEE and BEE empowerment models, the researcher needed to be sensitive to the historical context, beliefs and ideology of that time. AEE model grew at the back of British Imperialism and Afrikaners collaborating with the British. After 1948 AEE model was based on separate development, Black Exclusion and benefits flowing to less than ten per cent of the population. Without Black exclusion AEE would have been slow probably not achieved within forty years. BEE historical context is an antithesis of AEE (Terreblanche, 1991). The BEE model was influenced by an ideology of inclusion, integration, non-racial and democratic

society which meant that the model had to be sensitive to the fears and concerns of the white minority.

At the heart of AEE and BEE there was a need and desire for freedom, economic inclusion, and desire to feel that Afrikaners and Blacks are human beings that breathe the same oxygen as the master. However the AEE model (see Figure 5) compared to BEE model (See Figure 6) underlying variable was based on Black Exclusion and Economic Disempowerment (BED) while BEE was based on Persuasion and sensitivity to white minority needs.

The AEE scorecard (see Table 4) and BEE scorecard (see Table 3) the first 7 elements are the same however AEE scorecard was more integrated and well planned than BEE. The two additional elements in AEE scorecard that are non-existent in the BEE scorecard: the first one is social re-engineering; National Party and its institutions such as Broederbond, DRC, and AHI understood that they had to work on the hearts, psyche and spirits of the volk and help them develop group pride, self esteem, zero inferiority complex to the British. Social engineering was an acknowledgement that economic empowerment cannot be separated from social and cultural empowerment. This was done through Afrikanerisation of the public sector, use of Afrikaans language in all spheres of government, building of monuments, propaganda. The second element involved savings and investment that helped create Rembrandt, Sanlam, Santam, and Volskas.

In conclusion, the other key learning's learnt from AEE that could enhance BEE:

- a. Black Exclusion, closed economy, sanctions helped speed up AEE. BEE has to wrestle with globalisation, democracy, inclusion, and intergration, non-racial and democratic society. Therefore BEE would not be achieved at the same time as AEE model. It would probably take twice the number of years to achieve what AEE gained in 40 years.
- b. AEE model was far more integrated and linked to national vision of Volkskapitalisme or Afrikaner Dom. Afrikaners understood that for empowerment and freedom went beyond solving the visible and tangibles. They put a lot of focus on the Intangibles referred to as social re-engineering. Therefore BEE needs a clear National Vision and the BEE scorecard should be linked to all government departments to ensure that all plans are well integrated and there are no duplications.
- c. The state played a developmental role in AEE, it made best use of state owned enterprises (SOE), public departments. The mandate of most of the state owned companies was to help the state achieve Volkskapitalisme and not always profit. A review of current SOE post 1994 on how best they can be used to help achieve BBBEE scorecard. Most of the state owned enterprises especially the development banks should not compete with private sector on profitability targets. They should be used to help achieve BEE scorecard and vision.

7.2 Recommendations

The recommendations are aimed at BEE experts, policy makers such as the DTI, Black President Advisory Group, Head of Employment Equity Commission, BEE consultancy firms and any other organisation's passionate about transformation, and empowerment.

Most important practical implication coming out from this study is that BEE does not qualify as a well-planned, national intergrated human capital development plan. Most of the experts commented that BEE does not seem to be linked to a overall National Vision. I would argue that there is not clear national vision at the moment that all citizens understand and a plan well communicated that intergrates all key departments and other stakeholders such as civil society and business. In coming up with an intergrated BEE or Human capital development plan, a National vision is needed first and then BBBEE plan must help to bring that vision to life.

As part of an integrated plan two more variables should be included in the scorecard one being the soft issues such identity, values, culture, self-sacrifice, language, trust, and intergration should be included in the scorecard and an action missing. Second being a savings culture linked to self-sacrifice, no nation can generate sustainable growth through spending and driving up domestic consumption. The vision should clearly spell out why we need a culture of self-sacrifice and clearly demonstrate short term consequences but most importantly long term benefits that will be enjoyed by our children and next generation. This requires a joint partnership from financial institutions and

governments. It seems as if banks are designed to promote debt not savings since they seem to make bulk of their revenue on interest on debt paid.

Two of the BEE participants spoke about that state owned enterprises during the AEE not always having a profit mandate. They were responsible to bring AEE to life and they were measured on how many Afrikaners they have lifted out of poverty, enterprises created and definitely no run like a private sector. Currently the feeling from the AEE experts is that our State Owned Enterprises such as Development Banks are run like the private sector, compete head on with merchant banks instead of fulfilling a developmental state mandate. Currently the Black President Advisory group has conducted research on measuring the effectiveness of State owned enterprises and government departments in helping achieve transformation and meeting scorecard requirements. The recommendation is that SOE should have a far more developmental agenda and be measured less on profit; the target should be break even at most not abnormal profit.

The last recommendation is about the unintended negative consequences of BEE and those who have benefited. Mbeki (2007) in his Steve Biko 30th Anniversary quoted Prof Mazisi Kunene “*those who feast on the grounds of others are often forced to gestures and friendships they do not desire*” and Freire (1970) argues further that the oppressed have a bad tendency after liberation of mimicking the oppressor and define freedom and success using the same symbols and tools used by the oppressor. These two statements speaks volume about BEE negative unintended consequences such as fronting, greed,

individualism, unethical behaviour, corruption, lack of genuine and credible ethical black role models etc. BEE is not sustainable if its foundation is not education, genuine skills development, skills depth, transfer and producing new intellectual capital.

If black people gain wealth by using only the colour of their skin and political connections and get inside those companies and become glorified executives then they have sold out liberation for greed and could no longer be classified as freedom fighters. Government, civil society and business emphasis should be put on education, skills transfer and those with skills will become entrepreneurs in the long run. There is no quick fix to depth and skills development, we need to adjust our targets and timelines but track progress and be harsh, shame companies and departments that are not serious about transformation.

7.3 Future Research

Three areas have been identified for future research:

- The research study was not able to dig deep into each element of the revised BBEE scorecard. Further research should be undertaken in order to establish in detail how each element of the scorecard compares to Afrikaner empowerment.
- An in-depth analysis of Afrikaner social re-engineering and how they went about conscientising (social re-engineering) the ‘volk’ and whether there are any lessons for building a new South Africa and helping both sides overcome inferiority and superiority complexes.

- Is there an empowerment model globally that is well integrated and linked to National Vision. This requires a global study of empowerment, beyond just Affirmative action or Employment Equity. What would be the elements of the scorecard and how are they linked to National Vision and key departments or ministries.

7.4 Final conclusion

Many around the world celebrated South Africa's first peaceful democratic election in April 1994. The key word being 'Peace', which is not easy to define; however Dietrich (2006) argues that there is no single definition of peace, instead there are 'many peaces'. The key words that come to mind which represent 'many peaces' are: presence of justice, absence of war, inclusion, equality, fairness, redistribution, redress, forgiveness, apology, all sharing and benefiting, stability, respect, prosperity and dignity. Currently in South Africa we have many signs that our peace is threatened; mainly driven by poor delivery at municipality level leading to unhappy and disappointed black people, economic promises not fulfilled, elite black few benefitting economically, and presidential candidate uncertainty.

The country is at the crossroad, to guarantee sustainable peace and democracy; economic prosperity has to flow to all citizens of the country. Close the gap between the have-lots, have-some and most importantly the have-nots. Black Economic Empowerment main aim is to redress the racial and gender economic imbalances of the past created by the Apartheid system. However an

assessment of BEE from inception to date suggests that it has failed to meet this objective, using key measures such as poverty, employment, Gini coefficient, and the scorecard elements. The aim of this paper was to dig useful insights from the Afrikaner Economic Empowerment from 1890 -1990 that could help enhance the effectiveness of BEE. For B-BBEE to be effective the key learning coming out from this study is that economic empowerment that leads to sustainable peaceful democracy should not only be linked to pursuit of riches; it should also encapsulate the soft side of empowerment and development focusing on the mind and spirits of SA citizens. Acknowledging that government can create an environment that allows people to prosper but those who are mentally strong, self-confident, self-aware, full of self-love with strong spirits will be the first to grab the available opportunities.

The AEE scorecard (see Table 4) shows that AEE was intergrated, well linked to government structures and all departments. Because the AEE focused also on Social Power they managed to persuade and influence the volk to save which led establishment and growth of Afrikaners owned firms such as Santam, Old Mutual, Merchant Banks, Banks, Rembrandt, Ruperts etc

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APPENDICES

Appendix A: Consistency matrix

QUESTIONS	LITERATURE REVIEW	DATA COLLECTION TOOL	ANALYSIS
<p>Research question 1</p> <p>Meaning of Empowerment</p> <p>When the word empowerment is mentioned what comes to mind?</p>	<p>Collins, 1994</p> <p>Friedman, 1992</p> <p>Harley, 1995</p> <p>Khoza, 2006</p> <p>Thomas and Velthouse, 1990</p> <p>Wilkinson, 1998</p>	<p>Discussion Guide</p> <p>Appendix B</p>	<p>Word Association</p>
<p>Research question 2</p> <p>Drivers/Burning Platform</p> <p>What were the key drivers or burning platforms that led to AEE/ BEE?</p>	<p>Adam & Giliomee, 1979</p> <p>BBBEE Bill, 2003</p> <p>Costa, 2006</p> <p>DTI, 2003, 2005</p> <p>Feinstein, 2005</p> <p>Fourie, 2006</p> <p>Giliomee, 2003</p> <p>Gqubule, 2006</p> <p>Mbeki, 1991</p> <p>Mbeki, 2003, 206</p> <p>Molefe, 2007</p> <p>O'Meara, 1983</p> <p>Sono, 1999</p> <p>Vatcher, 1965</p>	<p>Discussion Guide</p> <p>Appendix B</p>	<p>Content Analysis</p> <p>Narrative Analysis</p> <p>Comparative Analysis</p> <p>Discourse Analysis</p>
<p>Research question 3</p> <p>Intent</p> <p>What were/are the major objectives and intent behind AEE / BEE?</p>	<p>BBBEE Bill, 2003</p> <p>BEECom, 2001</p> <p>De Villiers, 1971</p> <p>Giliomee, 2003</p> <p>Mbeki, 1991</p> <p>Mbeki, 2003</p> <p>O'Meara, 1983</p> <p>Van den Berghe, 1965</p>	<p>Discussion Guide</p> <p>Appendix B</p>	<p>Content Analysis</p> <p>Narrative Analysis</p> <p>Comparative Analysis</p> <p>5 phase approach</p> <p>Discourse Analysis</p>
<p>Research question 4</p> <p>Process</p> <p>How did the Afrikaners/ Blacks empower themselves?</p>	<p>Adam et al, 1997</p> <p>BBBEE Bill, 2003</p> <p>BEECom, 2001</p> <p>Bonner et al, 1993</p> <p>Browning, 1999</p> <p>DTI, 2003, 2005</p> <p>Falkena et al, 1984</p> <p>Giliomee, 2003</p> <p>Gqubule, 2006</p> <p>Mbeki, 1991</p> <p>Mbeki, 2006</p> <p>O'Meara, 1983, 1996</p> <p>Sanchez, 2006</p> <p>Sono, 1999</p> <p>Steenekamp, Terreblanche, 1991</p> <p>Verhoef, 2001</p>	<p>Discussion Guide</p> <p>Appendix B</p>	<p>Content Analysis</p> <p>Narrative Analysis</p> <p>Comparative Analysis</p> <p>McCracken's 5 phase approach</p> <p>Discourse Analysis</p>
<p>Research question 5</p> <p>Measurement of Success</p> <p>What variables were/are used to measure success AEE/ BEE?</p>	<p>DTI, 2003</p> <p>Furlong, 2003</p> <p>Giliomee, 2003</p> <p>Luiz, 2002</p> <p>Natrass, 1981</p> <p>Sadie, 1979</p> <p>Southhall, 2006</p>	<p>Discussion guide</p> <p>Appendix B</p>	<p>Content Analysis</p> <p>Narrative Analysis</p> <p>Comparative Analysis</p> <p>McCracken's 5 phase approach</p> <p>Discourse Analysis</p>

Appendix B: Phase 2 (Qualitative) Discussion Guide

Project Empowerment

AEE BEE/BBEe →

DISCUSSION GUIDE : EXPERT INTERVIEWS (1 hour)

1. WARM UP (10 min)

The aim of the introduction is to get to know the respondent and their lifestyle, making them feel comfortable with the interview and trying to establish a feeling conducive to openness and honesty. Warm-ups will be used so that every respondent has a chance to get to know the interviewer.

● Interviewer introduces himself

- Brief explanation of discussion and rules of communication
- Assurance of confidentiality
- Including audio-recording/one-way mirror
- No right or wrong answers
- Spontaneous reactions are important even if they may sound 'silly'

● Respondent to introduce themselves

- Background (short)
- Expertise – AEE or BEE and what they have done or been involved in
- Lifestyle (hobbies, spare time, et cetera)
- Family (children)
- Anything good/frustrating that happened today?

Empowerment

This section will focus on the meaning of empowerment, broadly speaking.

When I mention the word empowerment what comes to mind?

Probe meaning of each word, symbol, picture. Meaning of empowerment from an AEE or BEE perspective.

Drivers

This section will focus on the drivers that led to AEE and BEE

What were the key drivers or burning platforms that led to AEE/ BEE?

Intent

This section will attempt to determine the major intent, objectives of AEE or BEE.

What were/are the major objectives and intent behind AEE/ BEE?

Meaning of empowerment from an Afrikaner or Black person's point of view?

Process

This section will focus on, how the Afrikaners/ Blacks empowered the volk/black people .

1. How did the Afrikaners empower themselves? AEE
2. Who were the leading figures responsible for AEE?
3. How did ANC empower blacks? What steps?

Measurements of Success

How was AEE/BEE measured?

What variables were/are used to measure success?

Visible proof of success for the Afrikaner people?

How is BEE measured?

Learning – best practise, what to avoid, weaknesses

What lessons can be learnt from AEE that could enhance the efficacy of BEE?

What were the successes and failures of the Afrikaner Empowerment programmes?

Critical success factors for empowerment (AEE and BEE)

Lessons and best practice from AEE and BEE

Critiques of AEE and BEE

WRAP UP/CONCLUSION (5 mins)

Any final thoughts/recommendations for the BBBEE policy makers and implementers?

Thank you and goodbye!

Appendix C: Tables

Table 1: status of blacks

	YEAR	BLACK	WHITE
State expenditure per pupil	1989/90	R930	R3375
Matriculated	1985	2,2%	53%
State old age pension	1991/92	R225	R304
Income /person	1991	R 2 296	R20 369
Earning above R50K/pa	1991	0,6%	21,5%
Life Expectancy	1980-85	59	71
Advance building societies		R841	R19149
Loans and credit		R757	R34060

Source: Nomvete, BD. (1993) *The Economic Democratisation of South Africa*. WR Publications (Pty) Ltd

Table 2: Income Earning – Afrikaners

Income Class	Income earning	Income earning	Income earning
	1946	1960	1980
R0-6000	89,1	61,9	51,4
R6k-12k	9,1	33,7	36,2
R12K -18k	1,3	1,8	8,3

Sources: Keizer (1966) and Republic of South Africa, Population Census 1980: Social Characteristics report No 02-80-12, Pretoria, 1980, cited in Steenkamp (1990, p. 62)

Table 3: Afrikaner Entrepreneurial Contribution By Sector

SECTOR	1938-9	1954-5	1975
Agriculture	87%	84%	82%
Mining	1%	1%	18%
Manufacturing & Construction	3%	6%	18%
Trade & Commerce	8%	26%	16%
Finance	5%	10%	25%

Source: Natrass, J. (1981) The South African Economy. Cape Town: Oxford University Press, p.119

Table 4: Bee Generic Scorecard

ELEMENTS	POINTS WEIGHTING
Ownership/Equity	20
Management Control	10
Employment equity	10
Skills Development	20
Preferential Procurement	20
Enterprise Development	10
Residual	10

Source: Financial Mail (2005): Everyone's Guide to BEE.

Table 5: Bbbee- Revised Scorecard

ELEMENTS	WEIGHTING	Compliance targets
Ownership	20 pints	25%+1
Management Control	10 points	40% to 50%
Employment Equity	15 points (old 10)	43% to 80%
Skills Development	15 points (old 20)	3% of payroll
Preferential Procurement	20 points	70%
Enterprise Development	15 points (old 10)	3% (NPAT)
Socio-Economic Dev	5 (old 10)	1% (NPAT)

Source: DTI (2005) Codes of Good Practice for BBEE

Table 6: Total Number Of Employees By Occupational Level, Race And Gender

Occupational Level	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	1282	410	689	9219	446	310	256	2250	15311
	8.4%	2.7%	4.5%	60.2%	2.9%	2.0%	1.7%	14.7%	100%
Senior Management	3206	1216	1762	16922	1181	699	746	6182	32591
	9.8%	3.7%	5.4%	51.9%	3.6%	2.1%	2.3%	19.0%	100%

Source: Commission For Employment Equity (2006-2007)

http://www.labour.gov.za/report.jsp?report_id=12257&parCat_id=8522

Table 7: Afrikaner Intergrated Scorecard

ELEMENTS	BEE Weighting	AEE Weighting
	Inclusion, Persuasive	Black Exclusion
Ownership	20 points	20 points
Management Control	10 points	10 points
Employment Equity	15 points (old 10)	5 points
Skills Development	15 points (old 20)	15 points
Preferential Procurement	20 points	10 points
Enterprise Development	15 points (old 10)	10 points
Socio-Economic Dev	5 points (old 10)	0 points
Social Re-Engineering		20 points
Savings (Sacrifice) and Investment		10 points

*Social re-engineering = education system, military conscriptions, language, media, monuments, literature, arts and culture.

Appendix D: Participants

NAME	EXPERTISE	SHORT RESUME
Prof Extra Ordinaire Herman Giliomee	AEE expert /BEE input	Well-respected academic, well published and author of Biography Afrikaner people. Stellenbosch University.
Prof Emeritus Andre du Toit	AEE/BEE input	Part of a team of intellectuals that attended the Lusaka ANC meetings. Well published and respected in his field : Politics. University of Cape Town.
Prof Emeritus Sampie Terreblanche	AEE expert BEE input	University of Stellenbosch, one of SA's most distinguished scholars. Vice-Chair SABC 1972-1987. Among Afrikaner delegates and academics who held numerous clandestine meetings in Britain with Thabo Mbeki and other ANC leaders to discuss transition to democracy in SA.
Mr Sizwe Nxasana	BEE / AEE input	University of Stellenbosch, one of SA's most distinguished scholars. Vice-Chair SABC 1972-1987. Among Afrikaner delegates and academics who held numerous clandestine meetings in Britain with Thabo Mbeki and other ANC leaders to discuss transition to democracy in SA.
Mrs Gugu Molo	BEE expert AEE input	Non-executive board member Firstrand group, Chairpersons of various govt State owned enterprises (i.e. Forestry) , Member of government Black President Advisory group. Chair and Founder –Imani group.
Mrs Wendy Luhabe	BEE expert AEE input	Chairwomen of Wiphold, Defining Moments, and IMC. Hold various non-executive board memberships. Voted in the top 20 of SA most influential women and people in business.
Mr Peter Vundla	BEE expert AEE input	Leader and Chair of the Black President Advisory Group to President Thabo Mbeki. Chairman Safika Holdings and various non-executive board member in various blue chip companies.
Dr van Zyl Slabbert	AEE/BEE expert	Parliament and leader of the opposition against NP from 1974 to 1986. Sat on the board of Firstrand Ltd, Chairman Adcorp Pty Ltd, Caton and CTP Publishers and Printer Ltd.



<p>Mr Saki Macozoma</p>	<p>BEE expert AEE input</p>	<p>Chairman Stanlib, ex CEO Transnet, ANC National executive committee and heavyweight. Freedom fighter, ex Robben Island prisoner. Member of the BEECom. Contributor to recent published book: Visions of Black Economic Empowerment.</p>
<p>Mr Sello Moloko</p>	<p>BEE expert AEE input</p>	<p>Started his career in the retirement funds industry, 1996 joined Brait Asset Managers as an analysts and he became Deputy CEO in 1997. Executive Director responsible for OMAM Old Mutuals Asset Managers portfolio and risk management. July 2003 appointed CEO of OMAM. Cofounder of Thesele .Non-executive director of Makalani Holdings, Accucap Properties limited, IDC. Serves on the Nelson Mandela Endowment & Investment Committee. Current President of ABSIP. Sits on the Financial Sector Charter Council as lead representative. Member of the Black President advisory group</p>
<p>Mr Jan Groeneveld</p>	<p>AEE expert</p>	<p>He was personal assistant to Dr Anton Rupert almost from the early years of Rembrandt. From 1961-1995 Dr Rupert Assistant</p>
<p>Mr Pieter Hassbroek,</p>	<p>AEE expert BEE input</p>	<p>Previous chief economist of Barlows, Member of the Afrikaans Handelinstituut.</p>
<p>Prof A. Grundling</p>	<p>AEE expert</p>	<p>Well Published</p>
<p>Prof Emeritus Francis Wilson</p>	<p>AEE/BEE input</p>	<p>Co-Published with Dr Mamphela Ramphele Uprooting Poverty. Well published. University of Cape Town</p>

APPENDIX E: SAMPLE – INTERVIEW KEY HIGHLIGHTS USING 4 MODELS

	AEE	BEE
Meaning Empowerment	Liberation	Access to Opportunities Achievement Success Dream Bigger
Drivers	White Poverty British Oppression	Apartheid -British & Afrikaners
Intent	Enrich Afrikaners thru black exclusion	Address legacies of the Past Meaningful participation
Process	Black Exclusion- Apartheid Integrated AEE programme linked to a National Vision and filtered to education, health, language, culture, symbols, jobs etc Intellectuals Govt Š directed and enforced Institutionalised, Autocratic Collaboration with English Š British survival Well Communicated to all key stakeholders	Influencing/Coercing no teeth. Not an ACT of law Less Directed by government Less definitive approach No supervision Not well orchestrated and integrated (Disintegrated) vs. AEE Initially first phase was equity only and whites manipulated the system: fronting, hoax companies, fictitious owners, and exploitation of vulnerable blacks seeking wealth, prosperity. Created Loopholes Second Phase Š Codes, EE Act, Aff. Action Poor Communication
Measurements	HARD SIDE: Visible symbols i.e. Voortrekker Monument, Universities- Stellenbosch, Pretoria, RAU. Increase standard of living Beyond education, promoted Language Š spent a lot of money and resources Invested in increasing excellence, standards to be the same or better than English Govt departments Savings State Owned Enterprises Entrepreneurs who were far more global and think big (Rupert etc Private Sector new companies (Banks Š Land Bank, Boland Bank, Global mindset - Overseas Training , sent Afrikaners to Learn Participation far broader	Fairly Successful Suffers from Lack of intergrated human capital development plan. Lack Measurement: Cultural, religious, identity, heritage, education, language. Measurement Scorecard Watch dogs: Dept of Labour, The Presidential Black Business, Working Group and EE Working group. NO teeth, cannot fine E.Equity report