

QUO VADIS

SOUTH AFRICA



Hennie Dreyer

June 2014

## FOREWORD

The past twenty years were very exciting for me. No one was sure what the future holds under the new democratically elected government. The only certainty in 1994 was that things will change dramatically.

The population of this beautiful country of ours was to start a new journey. Some with great expectations and others with fear in the heart. The benefits and problems that would arise from the new dispensation would become clearer much later and could only be evaluated in the future.

There was not a reliable roadmap for the unknown terrain ahead and the newly elected government learned over time expensive lessons, with serious consequences for those who are at the helm of affairs, as well as their supporters.

In this book, we will deal with the food and medicine dished out by the Authority to the South African population as well as its consequences and which action plans must be taken to mitigate the impact.

Hennie Dreyer

## Table of Content

<b>FOREWORD</b> .....	2
Chapter 1: The Political History of South Africa.....	5
Chapter 2: New is not always better.....	6
Chapter 3: Uhuru!!! .....	9
3.1 POVERTY.....	9
3.2 CRIME.....	10
3.3 ROLE OF THE POLICE .....	15
Chapter 4: The New South Africa in 1994 ..... ? .....	18
Chapter 5: The Political Power Play .....	21
Chapter 6: The Water Tread Economic Phase .....	24
Chapter 7: Exchange Control and Relaxation .....	29
Chapter 8: The Effect of Political Change in 1994.....	31
8.1 On the Whites in South Africa.....	31
8.2. On the black population in SA.....	31
8.3 On the colored population.....	33
8.4 On the Apartheid Policy .....	33
8.5 On The economy with special reference to the Infrastructure .....	35
8.6 The Foreign Policy .....	36
Chapter 9: Medical Welfare in South Africa .....	37
Chapter 10: Two Plus Two = Five .....	40
Chapter 11: Delivery of Public Services by the State .....	45
Chapter 12: The Origin of Crime in South Africa and its impact.....	47
Chapter 13: Cultural differences and its influence .....	49
Chapter 14: Property Rights Are Threatened .....	51
Chapter 15: Protect Your Assets .....	54
Chapter 16: Trade unions and their negative impact. ....	56
Chapter 17: Expectations for 2014 and Beyond .....	58
17.1 THE GENERAL ELECTION .....	58

17.2 DEPRECIATION OF THE RAND .....	58
17.3 FUEL PRICE .....	59
17.4 WATER CRISIS.....	59
17.5 INTEREST RATES AND INFLATION .....	59
17.6 YOUTH UNEMPLOYMENT .....	59
17.7 LITTLE INCREASE IN INCOME TAX .....	60
17.8 CHINA MARKETS BECOME ACCESSIBLE .....	60
17.9 AMERICA REDUCE PURCHASE OF GOVERNMENT SECURITIES .....	60
Chapter 18: CHANGE OFF DIRECTION IS ESSENTIAL .....	61
Chapter 19: The Transition Phase From The ANC To A New Political Regime.....	64
Chapter 20: Though The Fig Tree .....Yet .....	67

## **Chapter 1: The Political History of South Africa**

We experienced the closure of the second phase of the political history of South Africa when the newly elected black democratic government took office in 1994.

The first phase was characterized by Portuguese- Dutch- and English settlers who governed the country from 1488.

In 1652 with the arrival of Jan van Riebeeck the second phase commenced and lasted until 1994.

Initially, the colonists established themselves along the coastal areas, and later they emigrated to the east and north of the country. As they populated the country, they took over control. In the process, there were several clashes between the whites and the blacks who migrated southwards from the north of Africa. The Europeans, however, prevailed, and the land conquered was occupied and controlled. Local-provincial and national authorities were established and the necessary legislation promulgated.

As the years passed, major problems developed due to the dramatic increase in the number of black people, as a result of population growth and inflows from other African countries. Over time, this became a nettle for the South African politics. The last fifty years of the three hundred and fifty years of the second phase was under control of the Afrikaans-speaking population that was led by the National Party. It was during this period that the black populations, led by Mandela and others have decided to work out their own salvation, and not to wait for the Europeans to do it.

The third phase of the political history of South Africa is characterized by the fact that it is the first time in the history of the country that there is not a minority government in power, but a democratically elected government elected by all the residents of SA

## Chapter 2: New is not always better

In 1996, the United Nations HUMAN DEVELOPMENT REPORT reported that in 100 of the 160 member states (of which South Africa was one of them) the residents were worse off than was the case in 1980. The report also found that the per capita income of the poor countries started to decrease. During the same year the World Bank reported that 20% of the world's population income was less than one US dollar a day. In the developing world, the per capita income is a hundred dollars a month to two thousand five hundred dollars in the developed world.

The extreme poverty in the world, as in South Africa, is a very unpleasant reality. A further reality is that the poor becomes, poorer and the rich, richer, and the gap between rich and poor are growing despite all efforts to stop it.

One of the consequences of this situation is an increase in crime. For many people, stealing is the only alternative to obtain food.

The question arises, namely, who or what is the cause of this state of affairs? To my mind there are several reasons. The following are the most important, namely the tremendous population explosion and the globalization of the world economy, as well as the deterioration in the quality of world governments.

The poor man's wealth is his number of children. The answer is however that the population growth should decrease, not increase, so that fewer people share in the cake, and everyone gets a bigger slice.

It is generally accepted that poverty refers primarily to inadequate access to material assets, but it can also mean lack of access to non-material assets such as resources. The interaction between physical disability and vulnerability in terms of unemployment must also be taken into account.

The following information became known recently and shocked:

- Children are disproportionately affected by poverty. 50% of all people in South Africa live in poverty, while 62% of all children live in poverty.
- Only 33% of children live with both parents, while 23, 9% do not live with their parents.
- 3, 3% of children live with their father and 39, 3% live with their mother.
- Elderly blacks (15.3%) suffer more from hunger than colored people (9.3%), Indians (3.0%), while the figure is only (0.6%) in the case of whites.

- Despite the fact that South Africa allocates 18, 5% of the annual budget to education the education system is generally in a very poor condition. Sixty-six percent of the children who started school in 2001 dropped out of school before the matriculation examination.

According to the World Economic Forum report, South Africa's mathematics and science standards is the second lowest in the world. We find that the government boasts the metric results as a pass figure of 79%. Many of them cannot even read or write.

Another consequence of poverty and avarice is corruption. In 2011, Parliament was informed that between R25 billion and R30 billion from the government's annual budget goes for corruption and incompetence. Money that could be used to alleviate the problem of poverty.

The number of orphans in South Africa totals three point nine five million. Nearly ten percent of the total population.

Notwithstanding this gloomy picture there is hope. There are countries where this dismal situation has been reversed. The "Asian Tigers", South Korea, Taiwan, Hong Kong, Singapore, Thailand, Indonesia, and China made significant progress in the situation in their countries.

A number of years ago, China (country with the largest population in the world) passed legislation that forced families to have only one child, and thus they drastically brought down the population growth. In Taiwan, people hold two jobs. For their dally job they received a salary, but for the temporary job, at another employer they received no compensation. In these countries, political freedom was subordinated to economic freedom.

In Indonesia, the government abolished the state pension scheme. Their view was that if you want to eat, you have to work.

The role and influence of trade unions in these countries is extremely limited. Government interference was only for specific reasons and did not threaten the economy with nationalization. Sorry to say but democracy has not brought prosperity to SA. After twenty years of black rule, the vast majority of the people are worse off than before 1994. The only growth was a sharp increase in the population, corruption, poverty and the tremendous increase in the number of civil servants and their remuneration.

The third phase of the political history of South Africa has not so far gone as was expected by many residents of this beautiful country , and the country is paying a heavy price for this transition to the fourth phase.



## Chapter 3: Uhuru!!!

My goal with this book is to look at the political change in South Africa as well as the consequences since the transition to democracy in 1994, and what the possible solutions may be in the future.

After the first twenty years of a black government, the picture does not look very promising but we will investigate the reasons for that and search for solutions for the following social problems.

### 3.1 POVERTY

The size of the population and the increase in numbers play an important role in the cycle of poverty in a country. It is an economic fact that as there are more people who have to share the cake, everyone's slice will be smaller, unless the size of the cake gets bigger. For a country to grow, the number of participants is reduced or enlarged as well as the size of the economic cake. For a long time in the history of this country, the cake did not grow, while there is a population explosion in the mainly black community, and we cannot say that the process was reversed since 1994.

Twenty years have passed under the new regime, and we find that the process of impoverishment of particularly the black population increased. The policy of the current government follows the previous government's policy and resulted in an increase in the number of people and not in the growth of the cake. On one side free condoms are issued while on the other side an allowance is paid for each child that is born. Later the grants were extended to all children up to the age of eighteen years. It will be difficult to change this policy in the future especially because today we have a government that begins to falter and within its own ranks is eroded.

China has been identified this population explosion about forty years ago, and a one child per family policy was enforced by legislation. As a result of this policy, they managed to stop the population growth, but also increased simultaneously the

economic cake and thus a hopeless situation was changed into a prosperous country today.

The opposite of the Chinese policy, namely an increase in the birth rate can lead to catastrophic consequences of hunger and misery like we saw in Rwanda, Burundi and Zaire in 1996. It appears that hunger is the only effective way to reduce the growth of the population and large numbers of people need to die from starvation, before governments take action.

It is also true in the case of a family. Wealthier people do experience better health and fewer children die young, better education, and a higher standard of living.

The illegal influx of people from other African countries (currently estimated at 10 million) creates a further problem in the number of people who must share in the economic cake. Several times the locals attacked the immigrants and destroy their assets and they even killed some of them.

### 3.2 CRIME

Apart from the aforementioned, crime and corruption also plays an important role in the decline of the welfare of the South African population. The criteria, by which crime is measured in South Africa against other countries, may not be as reliable, but as for the status of violence there cannot be arguments.

In 1993, the Center for the Study of Violence and Reconciliation of Wits, found that 47 people are murdered per 100 000 of the population per year, twice as high as the second country, the Caribbean island St. Lucia. The World Health Organization put the figure at 54 per 100,000. Even higher than the previous figure. The average international figure is 5.5 per 100 000. With regards to rape of women the statistics in 1996 were, 3300 cases per month.

A study by the GSP in the same year found that at least 80% of all households are affected by crime. On average there are two persons killed per hour, four women raped, ten vehicles hijacked and stolen, broken into eight places and ten robberies committed. As the years moved on from 1996, however, matters worsened, and we find that even the law enforcement officers are now part of the crime network.

The latest statistics released by the Minister of Police, Nathi Mthethwa recently for the period 2012-2013 is very vague in order to hide the true facts, This is the first time that there had been reported in this way.

According to the report, contact crime decreased by 4.2%, but for the first time in history, there is an increase in violent crime. For the first time in six years there has been an increase in the number of murders. The figure has increased by 650 or 4.2%. It is not possible to compare these statistics with previous years. What is shocking is the sharp increase in murders over which the white media reports, but it is ignored by the police in their reports. Attempted murders and consequently serious injuries increased by 6.5%. By contrast sexual offenses decreased by 0.4%. Other statistics from the report reads as follows:

- Housebreaking ..... increase of 3.6%
- Hijacking .....Increase of 5.4%
- Truck hijacking ..... increase of 14.9%
- Business robberies ..... decrease of 0.6%
- Business burglaries..... increase of 1.7%
- Car burglaries ..... ,increase of 3.6%
- Commercial crime .....increase of 0, 6%
- Stock theft .....Decrease of 6.5%

It cannot be expected from the police to prevent interpersonal offences (between family members), but good visible policing can definitely lead to a large reduction in

crime. It can certainly not be said that the aforesaid crimes are because of poverty.. Anything but. There are groups of criminals who move about freely and not apprehended by the police.

Street crimes affect mostly the poorer people (black) when they are on their way to work, or when they go to school or visiting friends. Their movements are usually on foot, and their exposure is increased and they become easy targets. It usually takes place in quiet streets or dense forests where they are heading to the train or bus stations, these crimes cause anxiety and uncertainty among the public (black and white) t they feel threatened in their homes, cars and workplace.

There was a small light in the tunnel. Cash in transit robberies, declined by 20.3% (261 cases)but bank robberies increased by 80% (35 cases) and ATM bombings have fallen by 18%, As in the case of hijacking and truck hijacking these crimes are committed by syndicates.

The aforementioned crime statistics are the worst drop in crime over the past decade. Factors that impact on the high levels of crime can be attributed to inequality and poverty as well as the instability in the management of the police force as well as the collapse of the police intelligence system.

Most of the killings, assaults and rapes took place in the neighborhood of the victims. This violence occurs due to several reasons, including the fact that it is accepted today that it is normal to use violence to achieve your goals. A poor self-image and gender inequalities also aggravate the problem. Another major factor is the abuse of drugs and alcohol. In many cases, police assistance was requested before a violent crime occurs, but very often they arrive hours later when the crime has been committed.

Police actions such as roadblocks, patrols and more visible policing and proper investigation and prosecution of the perpetrators in court, can play a major role in curbing the following crimes:

- Murder and attempted murder often takes place during robberies and inter-group conflicts. A good example is the gang violence in the Cape Flats.
- All types of robberies, vehicle hijacking and burglaries
- Illegal possession of firearms and ammunition.
- Drug crimes as well as driving of a vehicle under the influence of alcohol.

A different trend these days is that many of the crimes are not reported to the police. People are of the opinion that it serves no purpose. Only crime where an SAP reference is required for insurance purposes is being reported. Personally we stopped many years ago to prosecute our staff for theft and fraud. Too many man hours are lost in the investigations and court appearances, and then it comes to naught because the police's investigation was not done properly.

What one often takes to heart is the increase in the killing of old people who are vulnerable and unable to defend themselves. Similarly, the rapes and murders of babies are frightening. This must be attributed to alcohol and drug abuse

It is regrettable that the criminal in SA escapes from prosecution. According to a Nedcor report out of every 1,000 crimes committed, only 450 are reported, 230 are resolved, and 100 ended up in court, with 77 convictions Only 8 are imprisoned for more than two years. No wonder it is said that crime today is the most rewarding profession in SA, since your chances are 92% that you will get away.

A dominant feature is that organized crime today penetrated a vast majority of community organizations, as well as the local and national government authorities, the police, courts and even the banks. Along with this trend, you hear daily of policemen who are killed to prevent the criminal to be apprehended...

Crime has no racial boundaries-but it is the perception, rightly or wrongly, that hijackers and robbers are 99% black persons. The result is that where a white person sees a non-white in his neighborhood, he always gets fearful and treats the person

with suspicion. It might be a robber or murderer? Crime can be seen as a war. A low level of war between racial groups but also between the "haves" and the "have not's". Crime has increased since 1994, so much so that the criminal activities today have a significant influence on the economy and culture in South Africa as well as the way of life of the population.

Criminality has a secondary economy .It is built around the illegal and criminal activities of the criminal. He could not bring home his actions in the mainstream of the economy, because it is unsafe for him. Examples are the large-scale copper pipe and cable theft that are sold as scrap metal. Stock theft and stolen food are sold in the shantytowns at sub-economic prices. Another example is where the syndicates employ unemployed persons and reward them to commit certain crimes, among others, robberies and even murders.

A major industry of the syndicates is motor hijacking and motor theft where vehicles sometimes land in a "chop shop" and then end up being stripped and sold as spare parts. Sometimes they just rebuilt the vehicle and sell it locally, or export it to our neighbor countries or even export it as second hand vehicles overseas. The criminal organizations have rich owners and paid employees. They trade, bank and change money and funds in this secondary economy, similar to the primary economy.

Crime has racial and class differences and social aspirations. A Seventy five year old lady who had been tied up by robbers on her bed, asked one of them why they take her television, radio and microwave and why they are doing this to her? His answer was: "You white people have always had everything, and now it's our turn."

Another growing phenomenon is the killing of white homeowners by persons who are hired as temporary gardeners. After the murder they steal the owner's car and other assets, and then disappear. This is according to some black people a different method of asset allocation.

Crime has democratized. Black neighborhoods were plagued by crime over the years. This is only since 1994 that white residential suburbs also feel the pain...

### 3.3 ROLE OF THE POLICE

With the view to stop crime it is necessary that government policy regarding the police should be reviewed. The solution is certainly not located in that we should have more police, or in number or money. We already have many more police per capita than the free world. In South Africa there is a policeman for every 328 residents, while the international ratio is 1 to 1014. The answer is that the police force is re-organized and better managed.

According to a Democratic Alliance report the police station at Hillbrow has a staff of 314, of which 274 are involved in administration and support services, which means that only 40 were actually police officers, many of whom are illiterate and do not even have a vehicle driver's license. It is clear why crime flourishes and the perpetrators run free.

The morale and integrity of the police force are in a downward spiral. In 1996, an average of 56 policemen per month was dismissed for violations. There were 8,300 files of offenses at the attorney general's desk. The numbers of police officers who have committed suicide have increased sharply. Younger statistics are missing but the reader will find the following very informative.

A research report by Julian Rademeyer and Kate Wilkinson, was preceded by recognition of the South African police service that hundreds of members of the police force were convicted criminals. I would like to quote from the report:

"The South African Police Service (SAPS) revealed recent that 1448 serving police officers are convicted criminals. Among them are a major general, 10 brigadiers, 21 colonels, 10 majors, 43 lieutenant-colonels, 163 captains, 84 lieutenants and 716 warrants officers. And it was hesitantly promised to rid the police of these unwanted elements before June 2014. "

"Lieutenant-General Nkrumah Mazibuko- the acting deputy national commissioner for human resource management addressed a Parliamentary Committee earlier this month about the outcome of an internal audit of the police that cross referenced the identity numbers and salary records of the police with the national criminal record database. National police minister Nathi Mthethwa described the audit which produced the figures as protracted and thorough. The 1448 police it uncovered were all convicted of serious crimes ranging from murder and attempted murder, rape, assault, corruption, theft, robbery, housebreaking, drug trafficking and domestic violence. At least 64 of them are currently at police headquarters. A significant number of them had been convicted of multiple crimes committed between 1978 and 2009. "

The police force is rotten. During 2010, the country was shocked when Jackie Selebi, National Commissioner of Police was found guilty of corruption and imprisoned for 15 years. After only 229 days in jail, he was released for medical reasons.

It was Selebi's instruction that the anti corruption unit after functioning for only seven years were closed. During these seven years, the unit received 20779 complaints of police found cheating. During 1995 to 1999, an average of 1320 police officers a year were convicted and discharged.

After the scandalous conduct of Selebi, his successor, Bheki Celi was also later suspended and dismissed in 2012 after complaints of illegal property transactions. He was never charged and he was appointed to the cabinet in May 2014 by President Zuma.

Gareth Newman of the Institute of Security Studies said: "Most police officers involved now in criminality aren't being held accountable, and therefore the numbers of police who are involved and have been implicated in crime are far higher than the 1448 figure"

According to the police watchdog they investigated 720 deaths in 2011/12 where the police were involved. In 162 cases they established criminal offences claims of R14, 8 billion against the police, resulting from assaults, accidents, shootings and destruction



of property. The question may be asked whether it is the intention of the government to change this unacceptable situation. Would they risk it and find themselves at the wrong side of the law?

## Chapter 4: The New South Africa in 1994 .....

Thabo Mbeki (former President) remarked some time ago: "When the poor rise up, they will rise up against us all". Apartheid was always accused of everything, before 1994 and even more recently (twenty years after independence). However, the realities reveal the contrary. Many of the issues for which apartheid was blamed, has disappeared, but many have not. Just as in the world many things in South Africa have improved while others have worsened. Suddenly SA is again part of Africa with all its problems, including increased population growth and slow economic growth; nepotism; corruption, etc.

Two contrasting developments are taking place in South Africa, namely the income gap between black and white is narrowing, whilst the gap increases between rich and poor. A new black elite group is established, and they distant themselves from the rest of the black population, both physically and emotionally. It is precisely the latter that determines the limits for the class conflict that is beginning to develop in the place of the racial conflict in the previous political phase. Now I understand Mbeki's ruling. There are more poor blacks in South Africa than in the past, and tomorrow there will be more, and the worst is that the numbers increase daily in an environment and a country that cannot care for them.

The economic growth rate was a few years above three percent during the "honeymoon" period. That changed, and we barely see two percent lately and it is still falling every year. It is said that the economic growth rate should be double the population increase in order for the economy to stay in balance. That means that the economy should grow by at least 6% per annum to provide jobs for the population which is growing at a rate of 3 %. Asian countries' growth rate is between six and eleven percent per annum.

A further problem with the population growth is that the population immigrates to the cities from the rural areas and creates greater pressure on the infrastructure, and so on. No wonder that we experience increasingly protest actions.

Before the change in power in 1994, the ANC promised blacks that everyone will get a home, work, etc. on condition that they vote for the ANC. Let's see what transpired.

Do you remember the RDP (Reconstruction and Development Programme)? Mbeki promised a million homes would have been build during the five years of his reign. After three years, only six percent of the promise was achieved, and then there was silence. What happened to the many new jobs that would have been created? Apart from the sharp increase in new jobs in the government sector, we find a sharp decline in all other sectors of the economy with a sharp increase in the unemployment rate. According to

the latest statistics, the unemployment rate is currently 25.4%. If we add the number of unemployed people who stopped to look for work, then the unemployment rate increases to 33.0%.

Ranjeni Munusamy (an ANC cadre) recently said the following: "The statistics do not lie. South Africa is undoubtedly a world away from the place it was 19 years ago. When the ANC took power in the first democratic elections, millions of people who were shut out of the government system, now have access to basic services and the state machinery. But all the rights guaranteed in the constitution and the freedom previously denied, why is South Africa such an unhappy angry place in 2013? It is lacking two fundamental things it had in 1994, qualities that separate an average country from an exceptional nation that South Africa has every right to be. "

But let's look at what President Zuma recently said: "While income inequality remains high the expansion of our social grants system from 2.7 million people in 1994 to 16 million currently contributed to a significant reduction in the proportion of households living in poverty"

Where does this money come from? Apart from the fact that the taxpayers are milked empty (60% + of your income goes to income tax, sales tax, property tax and a slew of other taxes), the rest is borrowed from abroad. The foreign debt has increased since 2000 from R25,7 billion to R46,7 billion in 2012 and the preliminary figure for 2013 is R124 billion. How will it be paid back? No wonder the finance minister in his budget speech in February 2013 highlighted the following key issues for the next three years:

- A low rate of economic growth.
- Labor unrest that affects production negatively.
- Extensive social demands and resulting stress.
  - An increase in the imbalance of government revenue (taxes) and expenditure as a result of the increasing proportion of the government's pay package and an increase in the deficit in the budget. Add to this the dramatic increase in financing costs on the government debt.

The country was also informed by the minister that the government intends to develop a National Health Insurance Scheme for implementation from 1 March 2015 over a period of fourteen years. There have been no funds available to balance the current budget. Will this also remain election promises? I trust that it will be the situation otherwise we only hasten the economic bankruptcy faster.

Besides housing and employment, health and education are the building blocks of a happy society. The financial resources available to the government falls short and it will

be impossible to fulfill all their promises. This will eventually lead to the demise of the ANC!

## Chapter 5: The Political Power Play

The ANC is a centrist political party and they invited the Communist Party and the Trade Union Movement in 1994 with wonderful promises to get together in the same political bed. Often there were skirmishes between the members but then by clever foot movement by the ANC the problems were resolved.

History repeats itself in the history of the ANC. In the middle fifties Mandela and his youth brigade challenged the ANC leaders to change their policies to become a resistance movement. Today we find again a resistance movement on the part of the youth. Again, the young rebel leaders Malema and friends were kicked out by the movement. Malema and his brigade formed a political party (Economic Freedom Fighters) and positioned them to the left of the ANC. Their policies and promises to the electorate (especially the youth and the unemployed masses) reminds one, of the same promises made by the ANC in 1994 .It included the confiscating of the farms of white farmers, banks and the nationalization of the mines in order to divide the wealth of the country and to provide employment to all the people.

The masses swallowed these promises in large numbers during the elections of 2014 and the Economic Freedom Fighters won 6% of the votes cast, on them with a resultant 29 representatives in parliament.

Apart from this problem for the ANC, another problem arose. Numsa, who is the biggest member of Cosatu decided not to support the ANC during the 2014 elections. Here to, we expect a break to the left and probably a future coalition between the youth and the trade unions on the left of the ANC.

President Zuma recently commented as follow "Disposable income per capita, of households Increased by 43% over the last 19 years and total employment has increased by more than 3.5 million since 1994. The ANC alliance partner Cosatu, gave some indication as why the nation is restless. It is true to say that the social concessions have been to a large extent undermined by the rising cost of living and the rising unemployment rate. This has caused some of the biggest protests with over 1.3 million workers go on strike yearly and over 40% of Municipalities witnessing service delivery protests"

Archbishop Desmond Tutu's statement in this regard was: "They stopped the gravy train just long enough to get on."

Fraud and theft in the government assumed enormous proportions. One of the largest of these is the R246 million that was spent to upgrade Zuma's home at Nkandla under the pretext that it was done to protect him.

I recently read a great truth that says: "If the ministers and officials who have their noses in the trough could look up to the horizon they would see enemy of their own making gathering there. As far as political vulnerability goes, in a society where voters are impoverished and frustrated, the government might as well paint a bull's eye on their collective forehead. The failure of the social accord, the rise of populism and the tarnishing of the government's image are not the only reason why a new political force will rise to the left of the ANC, but they are decisive"

Unlike the old ANC which was a group of black people, we find that the Communist Party was open to all races. A group of white people who felt at home in the communist party led this group. People who campaigned for a non-racial political dispensation have also joined this party. It is also true that many of these members do not really realize what communism has as its goal. The creed of freedom, equality and fraternity have dominated and blinded them for the real goals. Of the best thinkers were members of the party and played a major role at the codesa negotiations. However, the party was small and although they took the lead during the negotiations for the new constitution for South Africa, they had to content with the crumbs that fell from the ANC's table over the past twenty years.

As the political reign of the ANC comes to a close these same people will again play a key role in the downfall of the current regime, as they are convinced of the "raw deal" they got.

The SACP and Cosatu will not easily break away from the 3-party alliance. There will be many fights this year on privatization, economic policy, and housing as well as the candidates for certain jobs. The announcement of the thirty-five ministers as well as the thirty-six deputy ministers for the next five years, confirmed my suspicion. It is my opinion that these are the aspects that will lead to the establishment of a labor party. The union members feel that the government do not have their interests at heart, while the youth who have a serious unemployment crisis belief that Malema's ideology is a better solution for their problems Add to this the SACP's free-thinkers, and here you'll find the perfect brotherhood for a labor party. This time with the Communist Party as the dominant group. The big problem with this new party, however, will be that the focus will be moved away completely from wealth creation to wealth distribution. It's these vague promises and rhetoric that will convince the masses to break away from the ANC. Could it is that Winnie Mandela might be the leader of this new party? She is very quiet lately.

Meanwhile, the quiet dynamics of change continues which includes an accelerating population growth, urbanization, unemployment and crime. Everything plays a role in destabilizing a community and lead to unrest.

An early symptom of the decline of the ANC's popularity is the disappearance of the existing leaders who are replaced by Zuma with his faithful personal friends. During his leadership, we already experienced four cabinet changes; the previous one was the biggest. As expected, Pravin Gordhan, finance minister, was replaced by the first black minister of finance. . Significantly is the fact that 40% of the cabinet members are members of the SACP.

## Chapter 6: The Water Tread Economic Phase

As a result of the Government's policy to focus mainly on the political aspects of the country, we find that very little attention is given to the economy of SA. Economic growth is based on investments, productivity, constructive labor relations, good and positive government policies as well as a free market.

The past few years have been marked by a sharp decline in investment, both by local and foreign investors. Currently we find that South African investors invest their surplus funds into shares on the Johannesburg Stock Exchange. It can be quickly converted into cash if it becomes necessary to send it out of the country. The underlying reasons for this are the current labor law, the struggle in the labor movement, strikes, threats of nationalization etc.

The interference of the government in the affairs and decisions of enterprises (see the staff reduction at Amplats regarding the retrenchment of 14,000 workers in order to restore profitability) create further uncertainty among investors. The unprecedented strike of more than five months at the Rustenburg Platinum mines indicates that the trade union movement would rather see the closure of the mines than to a compromise. They do not want to drop their unrealistic demands of a minimum wage of R12500 as a starting wage the result has been losses of hundreds of billions of rands for workers, employers and the treasury. I just wonder whether it is not the first step to force the mining industry to its knees with a view of taking over the mines by the State.

This abnormal wage demands is not only in the mining industry, but also in other sectors where employees including the civil service demand unaffordable wages. If the workers (read union) do not get their own they embark on strikes with associated losses and damage to the economy.

A further result is that companies move away from labor and replace it by mechanization. Even agriculture, where large numbers of permanent and seasonal workers are employed, farmers are forced to mechanize and replacing workers with machines. The claims by the workers and the government's minimum wage legislation, forced farmers to walk this path. Not only do we find an increase in unemployment in the country, but also an emigration from the farms to the cities and a resulting increase in social demands and problems.

Foreign financial assistance from various countries were great after the new government took power in 1994. These assistance programs played an important role, in that extra buying power became available with the resulting economic growth. As the political climate changed in South Africa, the government changed its friends to Russia, China and African countries in place of Europe and America, The latter were big donor



friends of SA. This resulted in a sharp decline in donations from them. Instead of receiving donations, we make huge donations to Cuba, Zimbabwe, Swaziland and many other countries. South Africa choked already in its foreign debt, and cannot balance its books, but we give generously to the foreign friends while our own people suffer.

The government believes that job creation is needed to stimulate the economy. This is true. However, it is the way they do it that creates problems. The last few years we saw a tremendous increase in staff numbers in the public sector (national, provincial and local government). In addition to the increase in the numbers (one in four people who work, work for the state), the salaries of civil servants increased remarkably. It is practice in First World countries that wages in the private sector are higher than the public sector. In SA it is not the case. A further problem is that the public sector is a service sector, and not a production sector.

We are moving strongly in the direction of a Zimbabwe or a Mozambique. Zimbabwe has sought to grow its economy in the same way, and it resulted in a runaway inflation. The exchange rate of the Zimdollar increased to 1000% + . In Mozambique, the economy reached such a low point that there was hardly an economy. Today Mozambican workers will do any job for any amount of money, in order to earn money to buy food.

At this stage it is also necessary to look further to the calls of nationalization. The National Party of the previous regime was the leader to place assets in the hands of the State. Refer to Eskom, South African Railways, Telkom, and Sasol etc. Already during the reign of the National Party, government was forced to privatize some of these assets (see Sasol) in order to generate funds for the state. The ANC is today the managers of these state assets and public corporations. Sorry to say but they do a very poor job, and huge subsidies must be transferred annually from the budget to compensate for the losses. If they were profitable they could generate revenue for the State.

Today it is generally accepted that 50% of the country's assets belong to the State. An American analyst has estimated that it amounts to R248 billion. The government could sell these assets to the private sector and secure enough funds to repay its public debt and still have enough for job creation. It is true that unemployment may increase as a result of privatization, but then the state does not need more tax money for subsidies to these enterprises, and collect taxes from these privatized institutions instead.

The dilemma of the ANC, however, is that their partners' policy is aimed at nationalization and thus more government control and less in the hands of the private sector.

Some state institutions such as Eskom, Telkom, Railways, SABC and the Airports are of strategic importance and therefore should rather stay under control of the state. Other groups that are less strategic for example Armskor, Denel, SAA, and Soekor and Mosgas can easily be privatized. Then, there are holiday resorts and parcel delivery services that definitely do not belong here.

The attempt by the ANC to sell a minority share of the Post Office Company to the disadvantaged people at a huge subsidy per share did not result in profits for the State. The management control remained in the hands of the State.

The Policy charter of the ANC that was issued ahead of the 2014 elections promised that six million jobs will be created over the next five years. The voters were also promised that the government will build a million homes. To satisfy the left wing and the EFF supporters they also promised that urgent attention will be given to nationalization in the next few years.

As expected, Julius Malema did not wait to respond and it was reported as follows in the press. "Economic Freedom Fighters leader Julius Malema praised Zimbabwe president Robert Mugabe on Thursday and said that the only systems for Africans was the Zimbabwean system. Speaking at a media briefing in Braamfontein, Malema was full of praise for Mugabe, particularly the Zimbabwean president's land expropriation policy. There is no system that has worked successfully for Africans, except the Zimbabwean system. The Zimbabweans today can be hungry and poor, but at least they own property. You are eating pap and vleis here in South-Africa, but you have nothing to show as proof that you belong to South Africa. "

"The EFF's stance on land expropriation without compensation has been widely critiqued but according to a report in Eyewitness News, Malema said white people had been compensated enough since 1994. The 20 years of not taking the land should have been regarded as compensation because the land should have been taken in 1994. So we have compensated them enough"

It's not only the comments of the ANC and EFF, but also the labor movement who bend the rules until it breaks. The implosion of Cosatu on a wide front, wider than the mining industry as well as the backlash of the members of the unions at their own organization and the backlash from employers create a bleak picture. Collective bargaining may fall along the way.

Warnings about South Africa's "hostile" labor relations were raised long before the mine strikes in 2012, the Marikana massacre or the current stalemate at the platinum mines in Rustenburg. Four people have been killed during the past week (May 2014) but it does not come close to the violence of the security strike in 2006 in which some 60 people who no longer wanted to strike, were killed.

Currently, the court case of the Free Market Foundation against the bargaining council system who determines wages in most manufacturing industries, in the constitutional court, is still pending. If successful, it could undermine the important setting in which unions rely on to make equal wages for certain sectors. In the bargaining system employers' longstanding request is for a dual labor agreement.

The apparent disintegration of Cosatu also opens the door for new union rivalry. The establishment and growth of AMCU is a prime example..

According to media reports, employers in the metal and engineering sector will this year come with radical claims against their 290000 workers to the table. Employers will demand a reduction in wages. This step by the employers was preceded by the unions' demands that the minimum wage should be established between R5300 and R9713 per month plus benefits and allowances which will increase the wage package from R7400 to R13600.

The claims reflect claims that have failed in the clothing industry and led to the down fall of the industry. In 2011, the South African Clothing and Textile workers agreed that new workers receive between 20% and 30% lower wages in exchange for the creation of jobs. The irreparable damage to the industry led to thousands of job losses.

Changes are one of the hardest things to predict. It always takes longer to happen, but once it starts, it happens often at a pace that you did not think that it's possible. Nowadays the newspapers and analysts predict that the current situation is unsustainable in the country, and that this must change. Even books have been published. One such a book is titled "The Fall of the ANC" and was written by Prince Mashele and Dr Mzukizi Qobo. It is concluded in the book that "the ANC is an empty shell, who is undermined from inside by corruption, abuse of power, ideological differences and party politics".

One of the reasons for the successful transition between 1990 and 1994 was the presence of an advanced school of thought on what was then called "post-apartheid South Africa." Wide and well conceived views and policies outside the political boundaries of party politics visions and models of how South Africa can look and function in a democratic dispensation were on the table. Options and consequences were spelled out

As early as 1988 it was my privilege to attend several workshops with other business leaders in SA. The topic on the table was "What if Mandela is released from jail?" Strategic plans were discussed and implemented. Some of the members of the Jewish community even sold their business interests and assets and left the country, while others have made different plans. We are now at the same point again!!

The challenge is here again, as was the case after the post apartheid regime to consider the available options and to plan for the “after the ANC regime” We should be careful not to make the same mistakes like the Arab world during their Arab spring where they focused only on bringing down the existing governments but they forgot what should come in its place.. Egypt is a good example.

Shortly before the ANC Bloemfontein congress in 2013 the Zuma clique caused troubles with their story of a "second transition". Undoubtedly there should be a second transition away from the first transition in 1994 because the ANC is not up to the task!! The current policy of the ANC focus on politics and it is expected that the economy can support it without any constructive policy and management.

## Chapter 7: Exchange Control and Relaxation

During the National Party's rule there were very strict currency regulations. Exchange control made it very difficult for people to take their money out of the country. After 1994 the ANC adopted this legislation also, because they feared that the whites would take their money out of the country. South Africans were denied the opportunity to invest abroad.

Despite all the regulations and restrictions, people do find ways and means to move their funds after the independence of Southern Rhodesia, now Zimbabwe, for example, tourist from SA went on holiday to Zimbabwe and in Bulawayo they received as many Zimdollars as they needed for their holiday. On their return to SA they deposited SA rand into these people's bank accounts. Businesses that imported and exported, from Zimbabwe, over invoiced..

Foreign investors and donors, however, exerted a lot of pressure on the ANC government to ease exchange control. Steps were taken by the government several times to ease the exchange regulations. Today a person can transfer up to R5 000 000 per annum out of the country provided that your tax affairs are in order.

Because of the excessive spending of the ANC government, strikes and political unrest during the past few years, we find that the SA Rand weakened drastically against foreign currencies

The exchange rate of the rand was as recently as 2011 still at R6, 50 / \$ and it has fallen to R11, 00 / \$ today, about a 70% depreciation. This implies that import prices have risen dramatically, with a resultant increase in product prices.

It is a disadvantage for persons to buy us dollars in order to get funds out of the country because they need to pay more for their dollars. The volatility of the rand also means uncertainty, and some economists have predicted that the level can decrease to R15.00 / \$. The influence of the weak rand has a tremendous impact on our fuel prices and resulting consumer prices.

It is argued that a weak rand in turn is beneficial to our exports. It is true to a certain extent. If we analyze the situation we find that the cost of our products destined for export is high because of our extraordinary wages and other high input costs. Add to that the low productivity of our workers and now we can no longer compete .As a result of the ongoing decline in the productivity of workers, we find that the imported goods are sometimes cheaper than domestically produced products A recent survey have shown that we are 45th out of 46 countries, as far as our productivity goes. Pressure by trade

unions with regard to job performance, and poor training (scholastic included) also contribute..

Government policies to support the automotive industry in South Africa are commendable, and for a number of years it was a major source of foreign exchange brought about by their exports. The last few years, however, the industry suffered strikes with a decrease in production, and deliveries could not be done within the time frames, thereby losing markets, BMW announced that they abandoned their 100 million rand expansion in SA. Here we are also moving backwards!

Agriculture was one of the great champions of the South African economy as far as food security, foreign exchange and employment concern. Within a space of 15 years the number of commercial farmers in South Africa dropped from 66000 to 22000. A few months ago we saw the destructive trail of the trade unions and the untimely intervention of the ANC and the government with the unaffordable minimum wage determination for agriculture. The effect will be reflected in the agricultural mechanization which will result in more job losses and more unemployed people with the associated social problems.

The relaxation of the exchange regulations are still in place, but it can be tightened any time and thus preclude the options for the emigration of funds for South Africans,

## Chapter 8: The Effect of Political Change in 1994

### 8.1 On the Whites in South Africa

Many whites supported the change, and in the referendum in 1994 they voted in favor of change. They believed that the rainbow nation will be able to live well together. Between 20% to 30% of the white population, mostly non Afrikaans speaking people emigrated to Australia, New Zealand, Canada and Europe. Other white South Africans would certainly have taken the same route if they had the resources and if they complied with the immigration requirements of these countries.

It is a fact that the whites today are much less optimistic about the future than was the case 10 years ago. The reasons are the increased levels of stress including the increase in crime (murder, theft, fraud, etc.) Personal safety is threatened, and even the police are contributing to the uncertainty.

A different aspect of the social and environmental factors adding to the unhappiness of the conservative Afrikaner includes that pornography is legal, abortion on request, is acceptable and gay marriages are allowed. Even the content of publications and media reports is alien to the white South Africans. You often hear people saying that they feel like strangers in this beautiful country of ours.

Something remarkable in the last few years is the fact that, some whites have become lazy. A spirit prevails, of the law is made to be broken. It was shocking to learn that only 8% of all traffic fines are paid. National pride does not exist anymore.

The concept of a rainbow nation is nonsense. A lion is a lion and a leopard remains a leopard. That is how the Creator created them. They can never blend. They can stay and live together but each group must retain its own identity.

### 8.2. On the black population in SA

Chief Buthelezi said several times that the African people are now worse off than before 1994. Black people on the left of the spectrum claims the same.. Unemployment and poverty have increased tremendously, and it's the black people that are suffering most. The leaders of the liberation movement created a false illusion for the black people. They were promised that every person will get a house a job, a car and a refrigerator

and so on. What they should have promised them was that they will have a voice in the election of a government. After twenty years in power only a small part of the forty million black people are better off today. Even today the black leaders still make the same promises of houses, jobs, land etc but nothing materialize. Best of all is that they believe it when elections come around. Protests against poor service is a daily feature. If you ask these protesters why they are protesting, but on the other hand they elect the same people to govern, they reply that they vote for the ANC and it is the government who is responsible for the poor services and not the ANC. They cannot understand that it is the same people.

Black people believe that someone should care for them for this reason they always reminds International organizations of their responsibility.

The South African black population is deeply unhappy and they express it continuously, yet they remain tolerant of these exploitative leaders. Let us take the example of Jacob Zuma. Last year it was pointed out that he made R246million improvements to his home in Nkandla, under the pretext that it was necessary for the upgrading of the security of his home. This was done while the inhabitants of the country are plagued by enormous poverty. If this happened in any western country the voters at the earliest opportunity would have dismissed him. Also shocking is the fact that no one wants to accept responsibility for this event.

The question arises, namely how long will the silent majority and the unemployed people still accept this state of affairs?

For many centuries, the chiefs in Africa reigned over their subjects. It is still the case in SA but to a much smaller extent. If Mandela did not descend from one of these chiefs I am not so sure that the chiefs would have joined the new dispensation. Something tells me that the Zulu king will some time or another in the future claim his place as chief of the eight million Zulus. We may again see an area for the Zulus (Natal), and an area for the Xhosas (Eastern Cape). Then you ask whether Carl Boshoff was wrong with the establishment of Orania for only white people? The only problem in SA is that urbanization and crossbreeding complicates things due to intermarriage,

Although the impression is created by the election results that the black people are united, it is all but the case. They are not a monolithic block. Differences between poor and wealthy black people have become larger in the new South Africa. It is only a small though growing black middle class group that benefits most from the new dispensation and it is they who are now coming into the focus of Malema and his friends.

A high percentage of black people, especially the younger voters abstain from voting, because they refuse to vote for the government party or any of the other political parties.



### 8.3 On the colored population

Despite the rhetoric of a rainbow nation, we find that the colored people once again are losing out in the new dispensation. The National Party made efforts to accommodate them through the three chamber policy. The vast majority, however, were not pleased with this arrangement, and in the 1994 election decided to pool their efforts and voice behind the ANC and other black parties.

Already in the 1999 elections, after the takeover by the ANC in 1994, they discovered their raw deal and they began to promote their own political movement and party. They formed the Independent Democrats (ID party) and won a few seats in parliament. After some time it was decided to form a coalition with the Democratic Party and the new arrangement was more beneficial for them in the Western Cape, due to the fact that the provincial government is now under DA control that looks better after their interests.

### 8.4 On the Apartheid Policy

In 1948 the National Party defeated the United Party of General Jan Smuts in the general election and a series of new legislation were introduced to promote the policy of apartheid. Under apartheid, people of different races were separated. Homelands were established where black people got the right to vote and to elect their leaders.

The policy brought infinite suffering to millions of South Africans through forced removals, limitation on movement and employment.

Apartheid also hampered the economic progress especially of black people. While the white minority experienced a very high standard of living, in many respects similar to the first world, the black majority were left behind in terms of almost every possible measurable standard, including income, education, housing, and life expectancy.

For many years, the residents of this beautiful country lived with the great lie. We were told that apartheid was the best political dispensation for all the people. White people would have exercised its politics in white South Africa, while the vast majority of black people exercised their politics in the impoverished homelands. We were taught that the white people would act as the patriarch and look after the welfare of non-whites.

History has shown that it was not possible that 75% of the population be happy with 13% of the land I remember very well the phrase "it's only a matter of time ,then the numbers will take over" We did not believe it, and lived as if things will never change and the situation would last forever

Now we live with another big lie and the population is made to believe that the ANC will always act as the parents who have the interest of their followers at heart. The promises made did not materialize and only family and friends are benefiting and new black elite is established. The majority is suffering and it is these people who will ultimately make the country ungovernable.

Apartheid became increasingly controversial in the international arena and it eventually lead to sanctions against SA as well as isolation and disinvestment accompanied by increasingly unrest and civil disobedience. Many people were killed and this finally led to the change in the political dispensation.

The country was in turmoil due to a combination of international boycotts and economic sanctions, strikes, protests, and sabotage. In 1990 the National Party took the first steps to a negotiated settlement when they met with the ANC and other political organizations which led to the unbanning of Nelson Mandela after 26 years in prison.

In South Africa, the attack against the policy became more severe and extended to the schools and youth I remember the day when Hector Pietersen and other children rebelled against the school system and the chanting of "Liberation now and Education later". Notwithstanding the fact that he was shot by the police, it was the beginning of change.

The aforementioned shows that there was a culture of civil disobedience against the authorities. A culture of disobedience that grew and became part of the way of life in SA today and this put together with a denial of acceptance of responsibility has taken root; Theft under the guise of "bread" is an accepted norm among black people who claimed that they are entitled to it as it belongs to them. I dismissed many black employees, even senior people for theft and fraud.

Another unacceptable behavior that appeared over the years is the nonpayment of outstanding debt to the government. In the private sector, legal action is taken against culprits but not in the public sector. The outstanding debt to the public sector amounts to

billions of rands. Now we find that the local authorities, in turn, does not pay their debts. The process of non-payment undermines the economic system and will lead to the collapse of the country's economic system.

After the elections in 1994 the ANC government scrapped all the laws on the statute book pertaining racial segregation,

For years, apartheid was blamed by the black leaders and used as an excuse for failures and mistakes. Today after 20 years of democracy you still hear it but it may well be said that it is much less ..

In the new dispensation however, we now find a new form of reverse discrimination. The negotiations which took place before 1994 led to a new constitution that provides solid protection for human rights. Unfortunately the constitution does not protect white people in the field of the working area including the private sector. The constitution allows the government to legislate on issues such as black economic empowerment and affirmative action. This means that many white people cannot find a job because of the racial quota system.

## 8.5 On The economy with special reference to the Infrastructure

Since 1994, with the transition to democracy and the transition to a freer market system, the maintenance of the South African infrastructure came to a violent halt. Before 1994 maintenance was done functionally and the infrastructure was properly maintained. This included the railways, roads and public transport that were under state control, The ANC as the new ruling party totally neglects it today.

Since 1994, very seldom new infrastructure projects were build or existing ones maintained .As a result, the railway, which was considered back in 1992 as the backbone of the South African economy, moved backwards and the railways are considered as unreliable with the result that a large percentage of the freight businesses was turned to road transport, which is more reliable. Unfortunately, it has a devastating effect on the roads which were not built for these heavy trucks plus their load,

The policy of the ANC to provide every household in the country with electricity put pressure on Eskom's capacity and today we experience regular blackouts. The projects to generate additional power also slowed as a result of constant strikes by the workforce. New economic investment and thus job creation is also hindered by this.

To meet the country's future power needs, new power plants will have to be constructed. Eskom raised a loan from the World Bank for almost four billion US dollar to build the new Medupi power plant (the budget was two point six billion US dollars.) Critics also pointed constantly out the effect of the high carbon dioxide emissions from coal fired power stations and the consequent global warming, but the government ignored it and has given little attention to alternative power generation.

Similar to South Africa's mining and agriculture sectors the country's processing industries, are also under pressure since 1994 due to very little government support and open boundaries. Sharp international competition and continuing price pressure makes survival difficult. The local processing and transformation of the country's mineral wealth, heavy industry and manufacturing of machines has become ever more important in order to create jobs.

## 8.6 The Foreign Policy

South Africa is a regional power in Africa and plays in many ways a pioneering role. It sets an example for many other African countries After decades of international isolation during the apartheid years, the foreign policy under Mandela was still in a phase of re-orientation and careful re-entry into the international community, .

Mandela's successor Thabo Mbeki's foreign policy has changed, and according to him it rested on two pillars, namely the continuation of strategic cooperation with the North, but as equal partners and the expansion of cooperation with the South, the so-called African Renaissance. Because of Mbeki's ridiculous policy on AIDS, among others, his international standing suffered major damage.

During Zuma's presidency, focus of South Africa's foreign policy is still in cooperation with other emerging countries. During 2010 South Africa was invited to join the BRIC group. (Brazil, India, China and Russia) .This policy, however led to, a degree of cooling in the relationship with the Western countries.

## Chapter 9: Medical Welfare in South Africa

It was previously mentioned in the book that medical care is one of the pillars of a happy society. Prior to 1994 South Africa had a first world health service. Great medical progress was made and Dr. Chris Barnard, did the first heart transplant operation in Cape Town. It is public knowledge that until today this country has excellent and well trained medical staff. This situation was both a good and a bad thing as especially white people benefited.

In the previous dispensation before 1994 South Africa had separate hospitals for whites and non-whites. The largest hospital in the southern hemisphere, was the Baragwaneth Hospital in Soweto, and black people were treated at a nominal fee.. This was all well and good, but most of the black population in the country lived in areas where medical care was not close and only limited care at clinics was available. They often travelled great distances on foot to clinics for medical care and medication..

It was and still is these circumstances that give rise to the high infant mortality in South Africa

Medical schemes exist for many years and serve as a source to pay medical costs. The members of the schemes contribute a monthly premium towards the scheme and their employers also contribute. Black people's salaries were of such a nature that they do not have enough to make a contribution and therefore could not join the schemes hence; they rely on clinics and provincial hospitals where the medical services are not of the same caliber as private hospitals.

After the ANC took power, these aspects were addressed, and 152 clinics were upgraded and it was envisaged to erect another 3170 clinics nationwide as well as 144 mobile clinics. Unfortunately this also did not materialize.

Prior to the elections in 1994, and for each subsequent election the ANC promised the voters if they come to power all pregnant women would get free medical care, including all children under 6 years of age. It can really be said that this is the only election promise that materialized. Unfortunately, the medical services and quality that is delivered at provincial hospitals are poor. Inadequate management and equipment that do not work and are not maintained properly, as well as stock shortages are major problems.

The Government plans a medical insurance scheme which was rolled out in 2013, for the whole population. The project was originally announced in 1997. Since then, the government allocated each year 11% of the budget for medical care, but still the object

cannot be achieved, because of, among others, the excessive salaries that is paid and rising medical inflation.

Some new hospitals are built and equipped with modern equipment, but the doors have not been opened and it stands like ghost houses locked up. At other existing hospitals very little maintenance was done and it will cost millions to fix them and prevent them completely from decay. From time to time physicians refuse to deliver services because of the dilapidated state of the hospital equipment or a lack of stock. Creditor's statements are also not paid on time which leads to the suspension of deliveries.

Another phenomenon is that many doctors leave the country after their training and settle in other countries. The result is that much weaker trained doctors are imported from Cuba and Bulgaria to provide medical services in public hospitals.

Because of the exorbitant salaries paid to public employees, astronomical bonuses and pensions as well as the misappropriation of funds, the government was compelled to save on certain expenses for medical care. The first in the battle is maintenance to buildings and equipment as well as cleaning operations. This had negative effects and patients died as a result of poor hygiene. The responsible minister indicated a number of years ago that it would need 10 billion rand to wipe out the arrears.

The affirmative action policies of the government have also had a major impact. Emigration by doctors has increased by 500% since 1993. The doctors who did not leave the country opened their own practices. Salary packages were offered to medical staff during 1996, In the Gauteng Health Department 3000 persons applied for packages and then left the service. They were replaced with black and poorly trained personal. In 1996 there were only three of the original highly trained qualified and specialized nurses in the cardiovascular division of the Johannesburg Central hospital. In Groote Schuur hospital they experienced in the same year an increase of 25 % in p

Patient numbers but a decline of 31% in their staff numbers...

Just as in other sections of the South African economy hospitals also become victims of the plague that hit the country, namely, theft, fraud and dishonesty. According to the Superintendent of Baragwanath hospital every month more than R500 000 medical equipment and stock is stolen. At the end of 1996, the public hospital had debtor unpaid bills of R162 million. The Gauteng Department of Health originally had 450 ambulances in the province and today only 160 are operational.

Something that has never occurred in hospitals is strikes by hospital staff. Patients who are critically ill are left intact and the staff goes out on a strike. Unheard of!!

According to a report in the Financial Mail, Professor John Terblanche said: "My advice is: do not get sick, injured or run over by a car because you are likely to end up at one of our academic institutions. Despite the best will in the world, we will treat you badly. You could sit for 5 days slobbering with a broken jaw because we do have the staff to see to it. "

If you must have cataracts removed in the Johannesburg hospital or a knee or hip replacement or even heart surgery, there is a waiting period of two to three years. In 1996, there was a waiting list of 2000 patients at this hospital. These statistics does not get revealed anymore.

Wikipedia reports as follows about medical care in South Africa: "Parallel private and public systems exist. The public sector serves the vast majority of the population, but it is chronically underfunded and under staffed. The wealthiest 20% of the population uses the private system and are far better served". Eighty seven per cent of all doctors work in the private sector.

South Africa has more HIV / AIDS patients than any other country in the world. It is estimated that 5.3 million people are infected with the disease. A survey shows that 10.8% of all residents over the age of 2 years would be HIV positive in 2005. There was an average of 1,000 deaths per day because of HIV / AIDS. On death certificates the cause of death is no longer listed as HIV but "phenomena'

As the years past it becomes clearer that the government has a huge problem as far as health is concerned, and will have to make serious choices between a healthy population and a higher mortality rate.

## Chapter 10: Two Plus Two = Five

It is a fact that education and training reflects the quality and performance of a nation. Education was the key during the Industrial revolution, and it was also the basis for the economic success of the Pacific Rim countries. All the emerging countries with high success stories, has a history of large investments in education and training and they reaped the benefits. This is also the case when someone is well trained,

The Department of Education is responsible for public and private schools and preschool development centers as well as special schools. They are also involved in post metric education, which involves universities and technicians.

In the year 2010 there were 12,644,208 students 439,394 teachers in 30586 schools. There were 837,779 students in higher education institutions. The statistics look good, but further analyzes is necessary.

During 2013 21% of the country's budget was spent on education and training.

According to the National Census of 2011, 35.2% of blacks, 32.6% of colored's, 61.6% of all Indians and 76% of whites completed high school education. It is not mentioned whether it is grade 12 or grade 10 A total of 41.7% of the total population has thus completed high school, while 8.6% of the population older than 20 years never attended school. To get a better overall picture we should look at the history of education in South Africa.

Before 1953, many black schools were run by religious organizations. Die standard of training was the same as that of the state schools for white scholar's .In that year the Bantu Education Act was promulgated with the view of getting more control over the church schools. Financial assistance to these institutions was suspended and over time they closed because of a shortage of funds.

A new education system called Christian National Education was introduced in order to cater for cultural differences and schooling in the early years of the child's life in the child's home language.Strict management control was placed in the hands of school governing bodies. The latter's members were elected by the parents of the pupils of the school.

During 1959, the law was altered and universities were prevented to allow non-white students. Separate universities for black, colored and Indian students were established. The standard of education was the same as white universities. The only problem was that not all disciplines were taught at all the universities.



The number of black schools has increased rapidly since 1960, but the curriculum was of a lower standard than those of white schools, and the teachers were also less trained than white teachers and many did not have teaching diplomas or degrees. The per capita spending in respect of black education dropped to 10% of the expenditure on white education because of the number ratio.

In 1974 the Minister of Bantu Education placed legislation on the statute book whereby the use of English and Afrikaans was compulsory in black high schools. It was this act that triggered the riots in Soweto on 16 June 1976, Black students under the instigation of the black teachers took to the streets to protest against this law. This revolt has spread throughout the country and led to widespread vandalism and violence Hector Pietersen was killed during the uprising, by the police.

In 1984, a new law was passed making school education compulsory for all races, the only difference was a determination regarding the age of the scholar. White children were obliged to attend school between the ages of 7 and 16 years, while black children were compelled to pass grade 9 or 16 years of age.

Ninety-six percent of all teachers in white schools had a Teachers diploma, while only 15% of black teachers had a Teachers' diploma whilst there was an explosion of black scholars.

The pass rate for black students in metric was less than 50% of the number of white matriculates (i.e. for every 100 000 white students that passed metric only 50000 black students were successful)

Since 1996 the white school system was restructured and white children have a choice between Models "A", "B" or "C" or "D" schools. "Model C" schools were a semi-state school with financial support from the state, but greater autonomy. In 1996, the majority of white schools opted for Model C schools.

In 1997 the ANC government introduced a new schooling system called Curriculum 2005 which was based on Outcome Based Education (OBE). In 2006 it was clear that it was a hopeless failure, and was scrapped.

With the release of the 2013's metric results, the ANC government claimed that their system was highly successful. A deeper analysis, however, shows the opposite. Of the more than 1 200 000 children who started school 12 years ago, only 574 000 passed metric i.e. 47.8%. What happened?

In a research report from the Department of Basic Education titled: "Internal efficiency in the school system" it was established that poor education, especially in the early grades is the main reason for the poor results and why scholars drop out of school early.

Researchers from the Department says the poor quality of education in the foundation phase is to be blamed for the backlog that children experience throughout their school career .The document also states that several studies and experts in recent years have expressed doubts about the Department's policy that a student may only fail once between grade 1 and grade 9.Authorities believe that it forces children out of the foundation phase without being able to properly read or write or do mathematics. They move through the grades until their teachers in grade 10 fail them. Then they repeat the grade again and again but keep on failing before they permanently leave school.

The number of children repeating a year between Grade 1 and Grade 9 is insignificant. The figure between Grade 10 and Grade 11, however, increases dramatically .The report gives teachers the blame for the poor quality of education. There is ample evidence that the poor knowledge among SA teachers needs urgent attention.

During 2002 a group of black teachers attended a working session at Pyramids .The idea was to train them for two days and then they had to do an exam in Bible and mathematics. If they passed they received a certificate and were suitably qualified to receive the same salary as somebody with a teacher's diploma I saw one of the teacher's papers and was shocked. The question was Is  $2+2=$  to 4,5or.3 and the reply was 5

The government believes in mass production rather than quality Dr Blade Nzimandi Minister of Higher Education's recently announced his future plans in a White Paper. The document contains the vision of an integrated post school system by 2030 and to provide inter alia that even those who leave the school system early is eligible for further training at these newly created community schools.

The goal is to enroll 7.6 million students by 2030 at universities, as well as 2.5 million in technical and vocational education and training colleges and a million at the community colleges. Prof. Sizwe Mabizela deputy vice-chancellor of Rhodes University and chairperson of the Umlazi board said that the White Paper is a step in the right direction but that financing will be problematic. He further said that it is a massive step to find a solution to the challenges of post-secondary education He also said he hoped that the White Paper will be implemented, because South Africa can develop good policies, but fails when it comes to implementation.

"The other problem is funding, because such an ambitious plan demands a substantial financial injection."

This view is shared if we look at recent newspaper reports regarding the opening of the Calvinia High School for the new school year. A power crisis was resolved when the Education Department hurriedly had settled an outstanding municipal account of R190 000.

A study in 2011 by the Mathematics and Science Center indicated that South Africa were second last from a group of 42 countries. Even a country like Botswana, were ahead of us. Mathematics and science are key areas of knowledge for the development of the individual and the population. Performance in these subjects is key indicators of the performance of the education system.

The accusations in the past that apartheid must be blamed for the black people's backlog as far as training and skills are concerned, is certainly unfounded, because after twenty years in the new dispensation, the situation did not improve at all.

Statistics on qualifications show that only one percent of South Africans have a university degree, three percent have a diploma of one kind or another; twenty three percent have training to standard five and that twenty five percent had no training or schooling.

"Another big difference is that 80% of all white children pass metric while only 20% of black children achieve it these statistics are 1996 figures and recent figures are not available.

Black African governments rewrite the history books today. Zambia's history books were changed from Livingstone discovered the Victoria Falls to he was the first white man who saw the falls first...Since 1998 all the history books in South African schools are replaced, and the children learn about the struggle of black people and their "heroes".

What are disturbing about our education system are the poorly trained staff and teachers. A massive training program of teachers is essential if proper results want to be achieved.

In the publication "Frontiers of Freedom" issued by the Institute of Race Relations an anonymous lecturer who was for many years involved in the training of black teachers from schools in the North West, said that the battered and schools where books and educational equipment is missing, learners who have to travel long distances on foot to get to school:, gets there only when the school day has been completed; the extremely high rates of absenteeism of students and teachers, and even principals are all contributing factors that need to be corrected.

One of the successful stories was the privatization of schools. The number of schools has increased since 1990 from 200 to 500 in 1999. Since then, the Curo schools, a company listed on the Stock Exchange joined in and are remarkably successful. Access standards at these schools is high, and the school fees are much higher than is the case at public schools. At Model C schools there is still a scaled down financial support

from government while at the most black schools education is free The situation before 1994 has been reversed.

One of the biggest mistakes in education that the ANC made in 1996 was to offer retirement packages to 20,000 white teachers and many accepted it. 17,000 highly qualified teachers were replaced with teachers with standard two qualifications. This mistake has not yet been rectified this was the procedure how affirmative action was brought about in education.

The government is still pushing ahead with their policy of Africanisation of education, just like medical care and, little success has been achieved by their policy of mass results instead of quality results .As a result of globalization SA participates internationally, and not only within the countries boundaries University standards weakened and in case of a student who wants to further his studies abroad an entry exam must be done first. Many of our university degrees are not recognized by them.

## Chapter 11: Delivery of Public Services by the State

"Implementing the National Development Plan (NDP) and achieving its objects or radically reduced poverty and inequality, crucially requires the development of a competent, professional civil service, National Planning Minister Trevor Manuel told a conference of senior government ministers and managers."

He said: "The Government could not continue to blame apartheid for its failures. For almost two decades, the public has been patient in the face of mediocre services there was a legal framework within which the black economic empowerment (BEE) could be taken into account. BEE was not an excuse to award tenders to friends and family and politically connected persons simply because they are black and were oppressed. "

He went on to point out that the public is tired of tenders to be assigned to incompetent people who do not have the knowledge and ability to deliver quality work

Could it be this speech that cost Manuel his job?

The South African legal system and in particular the lower courts was one of the departments where services to a large extent collapsed with the implementation of the Africanisation program. This has led to the delay in the completion of civil and criminal cases and the waiting lists increased tremendously. Research has found that urgent action should be taken to get this key player in justice back on track.

Regarding the supply of electric power to South Africa we see that for years no capital expenditure occurred in the power network or new plants for the generation of energy, whilst the needs increased faster than the existing plants can provide.

Eskom and the Department of Energy decided a few years ago to build a huge power supply project. (Years too late)

An amount of R340billion was estimated to build Medupi power station in Limpopo The prediction was that the power station would be completed mid 2013. Nothing has come of this and we are already in mid 2014, and the costs dramatically escalated. We were again promised that the plant will deliver electricity at December 2014. Kusile a second power plant was supposed to come on stream 2014; no one knows what the completion date will be.

The Petroleum Oil and Gas Corporation of South Africa (Petro SA) also operated by the state, are heavily subsidized annually and should be privatized, in order to save costs for the state and even to deliver tax revenue.

In 2012 the Transnet pipeline which transport fuel from Durban to Johannesburg was completed for an amount of R23, 4million (double the original estimate) and put into service.

## Chapter 12: The Origin of Crime in South Africa and its impact

The direct causes of the crime wave in South Africa cannot easily be pinned down, but certainly it can be said that poverty, unemployment, population density, and the disintegration of families creates conditions for crime to thrive. In an environment where only eight out of every hundred youths find employment they have little option but to join gangs and revert to crime... These conditions can be called NEED CRIME. Poverty and unemployment are not the only reasons. Greed, fraud, corruption, dishonesty and other white collar crimes are also thriving There is an escalation in crime against other people, child abuse, assault and murder.

Lester Venter said the following in his book When Mandela Goes: "To understand these phenomena one must look at circumstances peculiar to South Africa. The most prominent of these of course, is apartheid. It spawned a battery of factors that culminate in a severely dysfunctional society. The racial creeds unadorned message was that some lives were worth more than others. Some persons were entitled to decide on the fate of others. "

"Apartheid society was, above all, an engineered society. The social engineers shifted neighborhoods like flags on a map."

"South Africa MANUFACTURED communities became places where normal social patterns and networks unraveled, where families disintegrated and criminal behavior bloomed"

Apartheid was a brute force policy and could only be enforced and maintained by violence. Can we say that the culture of violence took shape there? Another contributing reason may be the disintegration of the police force after 1994 and was replaced by a criminal element. We find that the population (white and black) lost faith in the judicial system...

Also keep in mind the actions of the police before 1994 as part of the apartheid government policy applied to enforce the apartheid policy.

Many criminals of our neighboring countries have also immigrated to South Africa and carried on with their criminal acts here.

In 1997, the Centre for Violence and Reconciliation highlighted in their research the following issues as the origin of the crime culture:

----- Violence is justified in order to solve problems.

----- Men considered sexual abuse as their right and domination over a woman as acceptable

----- The vulnerability of young people is linked to the way they were reared and their improper education.

Because of poverty, instability in the family and parents who do not care much about their children they get estranged from their parents with the resultant decline in values. The crime statistics indicates a dangerous situation that is developing in South Africa. There are already more firearms than driver's licenses and every day more firearms find their way into the country from neighboring countries.

According to Glen Oosthuizen in his book "Small Arms and Proliferation and Control in Southern Africa" more than 40 000 AK-47 firearms were smuggled into the country during the last few years. The police intercepted only 10% of these firearms .Only a small percentage of these weapons are detected during criminal acts. The question is where the others are and where is it stored? The situation has dramatically worsened, and we hear regularly about shooting battles between gangs in the colored areas in the Cape or in shantytowns in the Northern provinces.

A few years ago, members of the right-wing in the white population were arrested and charged for treason. After ten years in court the case is still dragging on.

Vigilant groups are driving all over the country and they are always armed .This create a threat to the population at large. A spark can cause catastrophic consequences. All it needs is the right mix of violent crime, an uninvolved public and public impatience.

Unfortunately, this situation will not change in South Africa, until a new leader and political party takes control in the country .Until then we'll be bombarded by violence and criminality.Eveybody will have to fight every day to save his life and to secure his assets!



## Chapter 13: Cultural differences and its influence

Mike Boon reported some time ago as follows in the Financial Mail He said” that there is a huge difference in the attitude of mind between Africans and Westerners on issues such as performance and remuneration. Africans believe that they should organize and create groups and then conduct their actions in a group with the result that everybody wins, while in the west the focus is more on the individual and his performance.” Example. An entrepreneur runs his business as he wants; he sells his product to the person who is willing to pay the price he charges, and he will pay his employees a salary acceptable to them and who are willing to work for that salary. The government manages the tax he pays and then provides roads and infrastructure so that he can increase his profits and pay higher taxes in the future. Anybody can become an entrepreneur in order to improve his financial standing.

Africans do not see business as private and in the best interest of the individual, but it must favor the group. It becomes an integral part of the community and gives rise to common responsibility to the community and participatory ownership.

The principles of competition also vary. Westerners compete and sort differences among themselves, while Africans see it as a group action. The taxi industry is a nice example. Associations are established in a common geographical area and they will kill each other if another association’s member transgress in their area Competition is strange in their culture and unacceptable.

Boon also said that Western culture compensate for individual performance, while the Africans' preference is that everyone should win. Now I understand the black people's slogan "An injury to one is an injury to all", as well as the reasons why it is impossible during union wage negotiations no negotiate incentives for outstanding individual performance. They also believe that all employees must earn the same salary notwithstanding their years of employment.Eveybody should be equal.

It is these cultural differences that are highlighted by Boon which compares with my lion and leopard example. In my view it's almost impossible to build a nation in South Africa.

The question arises whether or not we can condemn the ANC especially given the cultural differences and deliberate decisions .I do not think so. The higher forces that play a role in achieving the objectives of South Africa will not wait for the ANC decisions. The fact that the problems are not resolved quicker creates impatience and the population will insist on a government that can solve the problems faster.

Decision-making and actions can sometimes speed up as the motivation and incentive is there.

Another cultural difference that is gaining momentum is the phenomenon of bribery. Let us call it unconventional methods- namely bribery money. Sometimes it is boasted that deliberately delays increase their private business of "tips." Another frightening practice is the disappearance of court files. These unhealthy practices are at the foot of corruption-something that is now common practice in South Africa.

Following from this follows the widespread inefficiency in our country. This is enhanced by the constant strikes by employees. It is a mass action with a view to increase benefits to which they are not entitled because it is not earned. There is no increase in productivity, or output, but rather the opposite.

Another development that takes place unobtrusively under our noses since 1994, is the way the black elite is breaking away from the ploritariaat and they settle in the white suburbs in major cities. Their children attend schools in the white areas and they pay the required schoolfees. Now we experience that there is a breakaway from a racially segregated dispensation to a class dispensation. White and black people are joining against the disadvantaged people and also share the unrest that used to be with the white population only.

One of the major concerns with Europeans in 1994 was that after the election of that year a campaign by the black people would be to avenge them on the white people. One of the biggest surprises was that nothing happened because of Mandela's conciliatory policy. The possibility of an outbreak of violence by the large number of poor black people in the country, however, is not excluded. The question is whether it will be against the whites (including blacks in the white suburbs) or will it be directed at the government of the day. Eventually the battle will be between the "haves" and "have not's." These fears are still a possibility.

Let's see what happened in Zimbabwe in 1996. It was sixteen years after their independence and as a result of the failure of the Mugabe government, he launched a vicious attack on the whites of the country. According to him his government was tired to act in a conciliatory way against whites because whites have shown no remorse for their terrible actions in the past. According to him, the white enemy is the reason of the misery and poverty in Zimbabwe and they deserve to be shot and their corpses fed to the dogs. Does it sound strange when you think of what Malema said?

## Chapter 14: Property Rights Are Threatened

In March 2014 the government passed legislation regarding the redistribution of agricultural land. Several methods to transfer agricultural land from white owners to black farmers have failed in the past and were unsuccessful due to various reasons. The major reasons must be sought in the inability and lack of capital of the new generation of farmers, as well as the incapacity of the government to transfer land.

According to the new legislation farmers will be forced to sell 50% of their land to the State who will in turn transfer the land to the farmer's workers. The government seems to determine the selling price, but the value is not paid to the farmer, but it is paid into a pool that will serve to finance the relevant employee's expenses.

During the run-up to the election, the president often promised black voters that the alienation of agricultural land to be accelerated during his second term in office.

Leon Louw of the Free Market Foundation has recently said that: "Urban people's property rights are just as much threatened as farmers' rights, but they do not realize it yet. As ownership of commercial agricultural land is threatened, all other assets are also under threat.

Louw warned at a property rights meeting of AfriSake that the future of property in South Africa is seriously compromised. He referred to the fact that black people after 20 years in the new South Africa has no property rights, and said, "Why do they not complain about it? It's like the worst days of apartheid. None of us will be able to protect our property rights if blacks do not have property rights that they will want to protect. "

Two pilot projects were launched by the Foundation to provide free full property rights to black people in the townships. The transfer cost of title deeds to the value of R1800 per property was made possible by donations from the public.

Dr. Anthea Jeffery, head of specialist research at the Institute of Race Relations, said at the conference that the SA Communist Party sees the National Democratic Revolution (NDR) as the way forward to a socialist goal...More than 40% of the current members of the Zuma cabinet are members of the SACP and there are others about whom question marks are hanging.

She also said: "The country closes its eyes to the NDR and do not discuss it to prevent investors to get a fright In the meantime the ANC and SACP push ahead with their real agenda, The public is encouraged by the National Development Plan and the presence of Mr. Cyril Ramaphosa as vice president let them feel at ease"

Piet le Roux, a researcher of Solidarity, referred to 124 pieces of legislation, policy proposals and court decisions that threatens ownership.

AfriForum tabled a five-point plan in turn which includes extension of property rights to residents of informal settlements; the questioning of redistribution as a government policy; legal actions to protect property rights, hedging of personal assets, and political and economic pressure by the international communities.

Dawie Rood, a leading economist expressed himself as follows on this topic "I consider private property rights, I mean the broad definition, as the single most important right in a free economy. The protection of private property rights should be one of the primary functions of the state. It is ironic that it is precisely this right that governments themselves often undermine. "

"Recent developments in South Africa already suggest that the state seeks to undermine private ownership seriously .Many of the proposed laws is ironically referred to as the protection of property rights, while it is all but the protection of property rights ."

"To make worse, the Constitutional Court recently ruled that expropriation is not only easier, but in fact even possible without compensation."

"In short, the various laws and regulations means that private property rights are further restricted and, more important, that today the state wants to make it much easier to expropriate private property (read: stealing) All property are affected and not only real estate, it also includes other fixed assets, financial instruments, pension funds, intangible assets even money in your savings account"

Rood proposed the following suggestions to protect your assets so that the state cannot steal it as easy.

----- Burden your income property to the maximum limit from a beneficial tax point. Then you get the added protection that the asset is not as attractive for expropriation

----- Diversify your portfolio. Make sure a portion of your assets are in foreign countries where the chances are slimmer that politicians can lay their hands on it.

----- Try to ensure that your assets are liquid as far as possible. This can assist urgent decisions if your assets are threatened by government...

----- Letting rather than buy. For example, consider any offer where the opportunity exists to sell your property at a fair price and lease it back...

----- Get foreign business partners. Expropriation will be more difficult if foreigners' assets are also stolen. Their government will object.

----- Diversify your investments using discretionary structures and not just pension or provident funds

----- Do not violate any laws and maximize your income and ensure that your taxes are up to date.

From the foregoing it is clear that red lights are beginning to flicker and just as was the case in Hungary, Romania and other Eastern Bloc countries in 1956, Millions of white people can overnight be stripped from their assets. Proper thought and careful planning by the 'haves "to protect them from the" HAVE NOTS" and the government, is urgently needed while the time is still there.

## Chapter 15: Protect Your Assets

The Arab Spring in the Middle East was a taste of what can happen overnight if things go wrong. It started in Egypt and spread to other countries. Today we find that the revolution rages on in Syria and Iraq. South Africa's position, however, differs dramatically in the sense that these countries have a homogeneous population composition but the difference is an indifferent religious foundation.

In South Africa, the struggle will be between capitalism and socialism. Consequently the action plans that you and I should follow to protect our assets, are very different.

In a question and answer session between me and a group of MBA students recently, one of the questions that were put to me was: "What strategic plans have you put in place amidst the unstable political and economic climate in South Africa?"

As a starting point I should point out that South Africa is one of the best countries in the world to operate your business, and that emigration is not in my frame of reference. I looked at alternative ways to protect what I worked for 75 years, against nationalization by the government as well as the other political parties... Those who take these threats lightly might later regret that they did not take action when the opportunity was there...

In 1996 I took my first step by placing the assets in a family trust, and thereby protecting my estate from possible extraordinary estate tax.

The next step was to unbundle the various business units and placed them in different companies. Property companies were established for the different properties and fixed assets. Even my house is an asset in a registered company. At the same time several operating companies were set up in which the various businesses operated. The rationale behind this is to avoid that if nationalization were to be adopted, we would lose all the assets, but only the land and buildings.

History in other Africa and the Far East countries showed that land is expropriated, but that businesses continue to exist, and that the business owner is now letting the buildings back from the State who owns all the land and improvements after appropriation.

Within a few years after the ANC came to power, legislation was passed that state institutions are obliged to only support companies with black owners who was later amended to include previously disadvantaged residents of South Africa. Included, were Colored's, Indians and Chinese. The program was eventually expanded to include companies who comply with the government's policy regarding black economic empowerment (BEE). Businesses in South Africa were forced to sell at least 26% of

their shareholding to previously disadvantaged people (read black). There are also other provisions relating to management, out-sourcing and so on.

In order to do business with the state, we converted two of our operating companies to black empowered companies with 26% of the shares in the companies sold to a Trust in which our black staff owns 70% of the shares and the white staff owns 30% of shares. The purchase price of the shares was paid out of the profits of the companies. This step posed several advantages, among others, it was a BEE company and we could deal with all the state institutions, and we also empowered black people to share in the profits of the companies.

We are of the opinion that it would certainly count points if the government decides to nationalize. A White Paper issued last year stipulates that the shareholding percentage must be increased to 40% from the existing 26%. When it becomes law we will probably again have to comply. The diversifying program we follow includes further investments in other companies listed on the Johannesburg Stock Exchange. This provides a better spread of interests. It mainly invests in companies that make their income from abroad. Here we think of SAB, BATS, REMGRO, and RICHEMONT etc.

Recently we have also turned to direct investments in shares listed on the New York Stock Exchange. The big advantage is that the return of these investments is in US dollars, and the money is available in any country in the world.

The last strategic decision was not to invest in the near future in fixed assets. If we do get buyers who are willing to buy the land and buildings we will sell and then lease it back from where we will run our business. Last year we started a new branch in Middelburg with the only fixed assets a computer, desk and chairs.

The above strategy is followed to be ready for any developments threatening our assets by the government. If nothing happens we did not suffer any loss due to our action plans.

UHURU which means political freedom for all the inhabitants of this beautiful country, SOUTH AFRICA, unfortunately did not bring economic freedom. As long as there is a weak leadership, the situation will further deteriorate and a revolution for our country is imminent.

.

## Chapter 16: Trade unions and their negative impact.

The reason for my early retirement at the age of 50 in 1990 is due to a failed labor court appeal hearing that took place after I dismissed 220 employees at Champions Mills in Kroonstad...The workers were out on strike, and after three days of negotiations with the union representatives, we could not break the strike, and we were obliged to issue an ultimatum to the workers to return to work or else dismissal will be the only solution. Unfortunately we were forced to dismiss everyone. In the Labor court hearing that followed, we lost our case, but then we went on appeal to the High Court where we came second again.

The first lesson I have learned was to settle with the other party before litigation, and do not allow lawyers and advocates (for their financial benefit) to fight your case.

I started with this piece of history, because it brings me to one of the many problems of South Africa, which, if it can be resolved, it will be a major step forward. Unions claim that they are there for the worker's salvation, but it is far from that!

Currently, there are 70 000 workers who are employed at the three platinum mines in Rustenburg, on strike since January 23, 2014, longer than five months. The reason for the strike is claimed to be inadequate salaries. They called for a minimum wage of R12500 per month. The current starting salary paid by the mines is R6500 per month and they are willing to increase it by 8.5%, which was rejected by the union. Their demands are unrealistic and unaffordable for the mines.

I do not want to concentrate on this strike but rather the National Union of Mineworkers (NUM) recent strike at Northam Platinum mine. A strike that lasted 75 days.

I struggle to understand how NUM spokesmen get it over their hearts and claim that the strike was a great success; this is how I see the picture. The strike lasted 75 days. Even if a miner works a full year at seven days a week, which of course is not the case, they were absent from their workplace for more than 20% of the time without a salary. Now NUM has the audacity to announce that the workers won the battle because an additional 1.5% increase was achieved. In practice, this means that the average miner should work for more than 14 years in order to catch up for the loss of income. This will obviously not be reached because next year's strike is already in the pipeline. Please note this was NUM members who went on strike, while the strikes at Amplats, Implats and Lonmin are Amco members. Both unions are fighting to get these mineworkers as members and thereby gain increased subscriptions fees, Union leaders currently enrich themselves. Rumours are going around that the president of AMCU has seven cars. AMCU recently donated R50000 as a gesture of support to the 70,000 striking



members, less than R1/person while the workers sacrifice their salaries and the union bosses prosper and carry on with their comfortable lifestyle.

With a strike, especially one so long, it is a lose-lose situation for both the employer and the employee. The employer loses production and income, and it is almost impossible to catch up, while workers lose income.

Surely there must be a better way to negotiate. Can the government not appoint a labor expert who has financial knowledge, to participate together with the trade unions in negotiations, as well as the reporting back to the workers? The current deadlock at Rustenburg can only be resolved by the minister, and it must be referred to arbitration which is also not acceptable to AMCU because they are engaged in a political strike.

Are political points more important than the workers and the future of the South African economy? It is a sad story that is repeated year after year in various industries as well as government institutions. We already refer to the middle of the year as the striking season

.My personal feeling is that unions should be banned which, will only happen in the future when we move to a socialistic dispensation.

## Chapter 17: Expectations for 2014 and Beyond

According to the public media there will be more bad news than good news for South Africans for the rest of the year and beyond 2014. More strikes (the Platinum's strike has already lasted for more than five months), will have a negative impact on the economy which will lead to the weakening of the South African rand against the US dollar and other currencies; Electric load shedding will become a way of life especially during the winter months. Motorist will pay more for fuel, and the inflation rate will increase and an increase in interest rates is also on the cards.

### 17.1 THE GENERAL ELECTION

The election took place in May and the expectation was that the ANC would win all but it with a smaller majority, namely 62%. The participation of the Economic Freedom Fighters Party as well as a host of other smaller parties as well as the progress of the Democratic Party had a sharp impact on the ANC support. The decision of the National Union of Mineworkers to withhold their support also send out warning signals. Soon after the election, the National Union of Mineworkers announced that they want to form a political party in 2015 and this is the first sign of the split of the tripartite alliance. What also raises many concerns with the man on the street is that the President, with the composition of his cabinet had swung sharply to the left and more than 40% of the ministers he has appointed are SACP supporters and most of them have little relevant knowledge and experience.

### 17.2 DEPRECIATION OF THE RAND

The reasons for the weakening in the Rand exchange rate in recent years are still valid, and the headwind will probably blow even stronger than previous years. Given the enormous deficit on the current account as well as the decline in the growth of the economy, it is hard to believe that the Rand can retain the existing exchange rates or even strengthen from these levels. A weak exchange rate leads to price increases on all imported goods (including fuel)

### 17.3 FUEL PRICE

Motorist may this year experience a number of fuel prices increases. With the rand depreciating to its lowest level in five years, we are going to see fuel prices even above R13,00 per liter. Some economists predict a price of R14,00 especially if the government increase the fuel tax more.

### 17.4 WATER CRISIS

Violence because of a water shortage erupted in Brits and Bloemhof and other towns, Towns such as Krugersdorp, Rustenburg, Potchefstroom and Middelburg were also dry for days and the violence lead to the death of people.

Municipal officials do not have the necessary technical knowledge and capacity to maintain the water infrastructure, and there is also no effort to address this problem in the near future. Further violence as a result of the poor quality or shortage of water will escalate and may even lead to more bloodshed.

### 17.5 INTEREST RATES AND INFLATION

Consumers may during the next few years have even more problems to obtain credit and will also have to pay more to the banks on loans from the banks. The pace of recovery and consumer spending can somewhat contribute to the improvement of the bank's balance sheets and here is a strong possibility that interest rates may start rising. An increase in inflation might also force the Reserve Bank to change its interest rate policy for the last few months of this year. The mine strikes and other strikes led to a loss of income for the strikers, employers and the state. Banks and other money lenders will be hard hit when debt repayments slow down.

### 17.6 YOUTH UNEMPLOYMENT

Youth unemployment is not just a South African problem. The problem is that tertiary institutions continue to train people for jobs that do not exist.

## 17.7 LITTLE INCREASE IN INCOME TAX

The record shows that in an election year taxes are not tampered with. The focus will rather be on the wasteful spending in the public sector, the subdued outlook for economic growth and a rising ratio of tax to gross income, South Africans will be very unhappy if they must see an increase in income tax as well.

## 17.8 CHINA MARKETS BECOME ACCESSIBLE

Chinese President Xi Jinping is being compared with Deng Xiaping who changed China's restrictive communist economic system to a more market-oriented system in 1980... Chinese leaders in 2013 decided to extend property rights. Their government is planning to give up control over certain industries, and relax foreign investment limits. This is just the opposite of our government policy as well as the Economic Freedom Fighters of Malema

## 17.9 AMERICA REDUCE PURCHASE OF GOVERNMENT SECURITIES

The Fed has decided to reduce gradually its purchases of government bonds. If the Fed decides to reduce its purchases faster it can lead to a weakening of emerging markets, such as South Africa's currencies further.

## Chapter 18: CHANGE OFF DIRECTION IS ESSENTIAL

In the previous chapters, we dealt with the political and economic consequences of the new democracy that was established in 1994 .The white people who left the country say they are glad that they made the change. Others who came back say that the grass is not greener across the wire. Those who remained behind are very disappointed with the dramatic decline in many aspects, but they maintain their living standards amidst the weakening conditions. A considerable number of whites are living in white squatter camps and you see whites begging on the street corners.

A small group of the colored people experience improved circumstances in their economic and political life, but the bulk of them are living in poorer conditions than their ancestors 20 years ago.

Ninety percent of the black population are worse off today than was the case before 1994 and they are longing to the old days. Strange enough, they keep on supporting the ANC. Thirty percent of the eligible voters (by far the most black), however, stayed away from the polls during the recent election.

As long as this situation persists, we will experience economic and political deterioration until anarchy and civil war is the only solution available to turn the tide.

I and many other people in this country (white and black) are of the opinion that there is a solution .It will demand a new approach everyone in this country. In countries such as China, South Korea, Indonesia, Taiwan and a few other countries, there is good evidence that the momentum can be reversed.

Brand Pretorius, the former head of the McCarthy car group recently wrote an article from which I like to quote: "We were on our way back from our annual Christmas holiday at the sea. What a privilege to spend it together as a family. It's precious to me that everyone has their boots firmly in the SA-15 of us, with 7 grandchildren under the age of eight. "

"It was a time for reflection. What is the future of my children and grandchildren; how do I feel about the current situation? "

"I love my country, but much of what is happening now does not appeal to me. In fact about certain developments and behavior I am upset and disillusioned about others, I am disappointed and even sad. In short, the dream that I had in the early nineties for the new South Africa lies almost in ruins. The question is who is responsible? "

"The fact is that no visionary and committed leadership with high integrity does exist. Inspirational and serving leadership is out of the question. We are almost in a

leadership vacuum. No wonder that many South Africans feel hopeless - even discouraged and powerless. The key question is what we should do. Will vitriolic criticism help? Do negative conversations around dining tables or fires really serve a goal? "

"It would be naive or even irresponsible to leave everything to the government to create a better future. Of course the government should do their part, but things will only improve if we all accept our responsibility in a much greater extent than in the past and take co-responsibility for the future, let's get involved and take action. "

"As a starting point, we must hope for a better future, keep it alive. We must invest and focus in positive things and spend our energy on activities that will take us forward, things that will improve the future. The impact of our personal example should never be underestimated. Does our own behavior reflect integrity and ethics in all circumstances? Do we always honor the principles of fairness and equity? Do we live according to the values of respect for all people of caring and compassion? Do we greet in a friendly way and do, we ask politely, and say thank you with sincerity. Are we bridge builders across cultural boundaries? Do we reach out and join hands with enthusiasm? Do we connect with the real SA? Are we committed to it in our personal capacity to contribute?

"I ask myself often why relatively few people are willing to get involved in initiatives and activities beyond their own interests. Is it due to lack of time or resources or confidence? Could it be selfishness or is it because they do not realize that the country needs every single contribution desperately? Precisely now, yes today! "

"Sometimes I conclude that such uninvolved and critical citizens take delight in the wave of incompetence and corruption at the national and local level across the country. It is destructive and serves no purpose. Nobody has to wait and hope that someone from our country will make it a better place to live. Everybody should do something and contribute wherever and whenever we can. "

"Let's take today to pay tribute to the thousands of ordinary people who have done it. Through their involvement in community organizations, churches, schools, social upliftment programs, they extended goodwill. They shared knowledge and experience, assisting to develop people; they established successful businesses, strive for excellence in everything they do. The end is the practical value of more people with knowledge, skills and jobs, less crime and more mutual trust. Their commitment, caring and inspirational example and contribution made a big difference. But at the same time they also experience fulfillment. "

While I read this article, I see in front of me on my desk a photo of myself, Abre, Bertus and Armand. This photo was taken at a function where an award by the Wesvaal Chamber of Commerce was bestowed to us for being the best family business of

2013. Lets is proud of it, but let this award encourage us and others to improve our contribution to the well-being of South Africa and its people.

## Chapter 19: The Transition Phase From The ANC To A New Political Regime

There were always two South Africa's that existed next to each other, namely a first world (whites), and the third world (black people) The ANC believed that they can create a rainbow nation in South Africa. To some extent they succeeded. Because the immigration from the countryside and the farms together with the poor, the unemployed and homeless people are united in squatter camps around the cities, I believe it is not what they envisaged to be a rainbow nation.

The unbridgeable social problems arising, as well as the failure of their political policy has led to the emergence of a new political grouping to the left of the ANC which comprises the PAC, the SA Communist Party (SACP), Cosatu, Samco and the EFF. The rhetoric of the ANC of redistribution of wealth after twenty years in power have not been achieved by the ANC, now has become the slogan of this grouping on the left Will this political failure leads to the total collapse of the capitalist economic system, in South Africa and be replaced by Socialism. The signs are beginning to pop up everywhere.

The socialist regime to which I refer is that where production, distribution and profits is owned and managed by the state .This all sounds wonderful. However, it is the little brother of Communism that has not worked in Russia and other countries, and has already been scrapped in the previous century Even China has moved away from this failed system and was replaced to what is today known as Liberal Socialism, which is nothing less than capitalism.

The supporters of this system (SOCIALISM) in South Africa argues that capitalism puts power and wealth in the hands of a small group, who would then have control over production, labor and welfare, and so they exploit the masses .This caused inequality in social relationships and fail to create opportunities for individuals to improve their potential and abilities.

Socialism on the other hand is a planned economy by a central body (government) who manages and controls everything. South Africa is already on the road when we look at all the institutions already under state control and centrally managed (Eskom, Telkom, Spoornet, etc.). It will be foolish if we embrace this economic system and declare that it is the solution to eradicate the social inequalities.

The core problem namely the very high population growth and the size of the economic cake is still not addressed. We will only find a shift of the portion size. Another problem is



that the group that provides the job opportunities in the country leaves the country and as a result we find more unemployment and poverty.

In the previous century, the co-operative movement raised from the fact that the farmers were of the opinion that they were exploited by the buyers of their products. The producers was responsible for the production and all that goes with it but not the marketing of their products. The latter was centralized and the products were pooled and offered to the market at better prices .The system worked perfectly and was protected by law. At the end of the previous century, however, they moved away and cooperatives were switched to public companies in order to keep pace with economic opportunities.

The co-operative system lends itself well to groups with similar interests to join their forces, knowledge and abilities together in production units. Instead of the government's BEE policy, they should rather move away and replace it with cooperatives and support it by legislation.

Could it be that in the future an organization for unemployed people will be established by the trade unions where all the member's skills are pooled and they run their own business from which every member benefits? .It may sound farfetched, because the role and function of the existing trade unions is totally different. The trade unions' current actions which often leads to job and income losses by their members may soon be their nemeses .I believe that when they join forces with the left wing, the current role they play will be discontinued by the new rulers.

In 1979 the US intelligence Services asserts in a national intelligence report that, "Iran is not threatened by a revolution or even find itself in a pre-revolutionary situation" Months later the Shah had to flee because of the Iranian revolution .The consequences are still being experienced in the Middle -East.

It's exactly the same problems that South Africa faces today due to the instability in the country. There is currently not a strong leadership who approach problems with a view to solve it.

In a poll by the president's office it was established that the public's satisfaction with service delivery dropped from 77% in 2004 to a 51% low in 2013 .The percentage of people who believed that the country is moving in the right direction dropped from 74% in 2006 to 46% in 2012. In a questionnaire about government performance, there was also a decrease in positive attitudes from 81% in 2004 to only 54% in 2012. Since then the Nkandla story became public knowledge, and there is little doubt that these figures will decline even more.

The growing dissatisfaction is confirmed by a Pondering Panda survey in 2013 which showed that only 26% of the population believes that the ANC keeps its promises. The survey also found that 60% of people believe the ANC is the most corrupt political party in the country.

It's not just survey data that show that the current ANC government's days may have been numbered. Data on protests can also be used to support the broad negative trend. In 2004 in a study by the Municipal IQ it was pointed out that there were only 10 large scale protest actions. In 2012 that number jumped to over 200.

The ideal political solution to South Africa today would be if the right wing of the ANC would break away from the ANC and form a coalition with the Democratic Party. This leaves us with a left-wing grouping that comprises the remainder of the ANC, Cosato.SACP and all the other left-wing groups including the EFF under the auspices of the future labor party.

I believe that South Africa will first move through a revolutionary phase controlled by a left-wing government with a socialist policy, as was discussed earlier, This socialistic government could also rule for a period of 20 to 30 years .The disastrous economic consequences under their leadership will take the country back to where we were in 1988 and where important strategic decisions will have to be taken again

This time I'm not part of a group of dissident businessmen, but I am alone. The readers will in 6 to 10 years decide on whether I have lost touch with the real world, or whether I hit the nail on the head.

## Chapter 20: Though The Fig Tree .....Yet .....

If a lie is repeated long enough and often enough over a period of time it will eventually be accepted as the truth .This is exactly what is happening in Zimbabwe...The Zimbabwean government and its propaganda machine proclaimed far and wide that the Europeans owns most of all agricultural land in Zimbabwe, but it was not true, since they barely owned 20% of the land. It was further claimed that it is the white people who were responsible for the poverty of the black population. Both these claims were completely false, but it was preached as the truth and eventually gave rise to the killing of the white farmers in Zimbabwe. The white farmers were driven from the farms and replaced by so-called affirmative action black people.

Rabelani Dagada, a seasoned journalist has recently reported as follows... "There are lots of disturbing similarities between Zimbabwe and South Africa. The South African public policy on agriculture and land affairs was meant to empower black people and to eradicate poverty. However since the ANC government introduced the minimum wage regime in the farming sector, more than one million jobs have been lost- and the biggest losers are black farm workers. Where Zimbabwe once had a thriving agriculture sector, it has been all but destroyed. This is also happening in South Africa thanks to ill conceived public policy. "

"The ANC and its government have created a narrative which portrays white farmers as thieves of land that rightfully belongs to the indigenous people of this country. Although these farmers benefited from the apartheid system, it is disingenuous to attribute the 1913 Land act to them-they were not yet born. On the other hand, the government's bad public policy and corruption are responsible for escalating poverty in South Africa. "

The ANC and its government also use the big lie to camouflage their policy failures. The big lie is that the whites in this country should be blamed for the poverty and misery of the black people. Initially it was very popular among the blacks. But it is not accepted as the truth anymore by a large section of the population.

After twenty years of democracy in South Africa the whites are still blamed for everything that goes wrong and the ANC government keeps this lie in position and probably gain support from the black masses .The white people develop a resentment for these lies and are losing faith and courage in the future All the murders, theft, fraud, protests and strikes contribute. In the meantime they impoverish due to governments policy and rising inflation and increased taxes.

However, more alarming is that there is depletion in the spiritual life of both whites and non-whites. These situation drives one to look for answers in the Bible and to seek for courage for the road ahead.

In the book Habakkuk, however, I found the answer, and I would like to quote:

Habakkuk 1 verse 2 .How long, O lord, must I call for help, but you do not listen? Or cry out to you, "Violence!" but you do not save?

Verse 3 why do you make me look at injustice? Why do you tolerate wrong? Destruction and violence are before me; there is strife, and conflict abounds.

Verse 4 Therefore the law is paralysed, and justice never prevails. The wicked hem in the righteous, so that justice is perverted.

The Lord's Answer.

Verse 5 Look at the nations and watch-and be utterly amazed, for I am going to do something in your days that you would not believe, even if you were told.

Habakkuk 2: 3 for the revelation wait an appointed time; it speaks of the end and will not prove false. Though it linger, wait for it; it will certainly come and will not delay...

Verse 4 See, he is puffed up; his desires are not upright- but the righteous will live by his faith-

Habakkuk 3 verse 17 Though the fig tree does not bud and there are no grapes on the vines, though the olive crop fails and the fields produce no food, though there are no sheep in the pen and no cattle in the stalls,

Verse 18 yet I will rejoice in the Lord. I will be joyful in God my Savior.

Verse 19 The Sovereign Lord is my strength; He makes my feet like the feet of a deer, he enables me to go on the heights.

The title of this book deals with the despair and agony of many of the residents (especially whites) of this beautiful country, South Africa. The good news is that not all is in vain. We get our answers in the Bible in Habakkuk 3 verses 18 and 19.

Uhuru has not only led to political freedom, but also freed the children of South Africa from unrighteousness Are we again heading for disaster?

