

# **South Africa's Post-Apartheid Economic and Education Reforms: A Reversal Of Racial Capitalism?**

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## ABSTRACT

Apartheid was a system of racial segregation that took place in South Africa. Racial segregation was institutionalised and it covered all aspects of the country. The National Party implemented a series of laws to maintain its divide and rule policy. One of the key elements used by the Apartheid regime to guarantee separate development was the education system. The Bantu education system was used to keep the non-white population at a lower status and provide a supply of cheap labour. It was one of the tools that were used to establish and maintain white supremacy in South Africa. This thesis aims to analyse the South African case from the perspective of racial capitalism. Racial capitalism emphasizes the intimate link between race and capitalism. It underlines that capitalism evolved out of feudalism as racial capitalism. Racial capitalism highlights the racial dimension of capitalism and makes a special emphasis on how capitalism was built and maintained on the exploitation of black labour. This thesis will discuss if the post-apartheid policies have contributed to the transformation of racial capitalism. It will focus on the period 1994-2018 and it will assess where things stand regarding equality in education between white and black populations. In particular, it will seek an answer to whether the post-apartheid policies empowered the black population.

**Keywords:** racial capitalism, segregation, separate development

## ÖZ

Apartheid, Güney Afrika'da uygulanan ırksal ayrışma sistemiydi. Bu dönemde kurumsallaşan ırksal ayrışma ülkenin tüm alanlarını kapsamıştı. National Party, (Ulusal Parti) böl ve yönet politikasını sürdürülebilirlik için bir dizi yasayı uygulamaya geçirmişti. Apartheid rejiminin, ayrımcı gelişimini garanti altında tutabilmek için kullandığı en önemli unsurlardan biri eğitim sistemiydi. Bantu eğitim sistemi, beyaz ırktan olmayan nüfusu daha düşük bir statüde tutmak ve ucuz iş gücü sağlamak amacı ile kullanıldı. Bu eğitim sistemi, Güney Afrika'da beyaz ırkın egemenliğini kurmak ve sürdürmek için kullanılan araçlardan biriydi. Bu tez, Güney Afrika'nın durumunu ırksal kapitalizm açısından analiz etmeyi amaçlamaktadır. Irkçı kapitalizm, ırk ve kapitalizm arasındaki yakın ilişkiye vurgu yapar. Kapitalizmin, feodalizmden ırkçı kapitalizm olarak geliştiğinin altını çizer. Irksal kapitalizm, kapitalizmin ırksal boyutunu vurgular ve kapitalizmin nasıl siyahi emeğin sömürülmesi üzerine kurulu olduğu üzerine özel bir vurgu yapar. Bu tez, Apartheid sonrası izlenen politikaların ırksal kapitalizmin dönüşümüne katkıda bulunup bulunmadığını tartışacaktır. 1994 - 2018 dönemine odaklanacak ve siyahi ve beyaz ırk popülasyonları arasındaki eğitimde eşitlik ile ilgili konuların nerede durduğunu değerlendirecektir. Özellikle, Apartheid sonrası izlenen politikaların siyah nüfusu gerçekten güçlendirip güçlendirmediğine dair bir cevap arayacaktır.

**Anahtar kelimeler:** ırksal kapitalizm, ayrışma, ayrı kalkınma

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## **LIST OF ABBREVIATIONS**

ANC	African National Congress
ASGIBA	Accelerated Skills and Growth Initiative
AWB	Afrikaner Weerstandsbeweging
BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
CAAA	Comprehensive Anti-Apartheid Act
FHE	Free Higher Education
GEAR	Growth, Employment and Redistribution strategy
JIPSA	Joint initiative on Priority Skills Acquisition
KWV	Kooperative Wijnmakers
MK	uMkhonto we Sizwe
NCHE	National Commission on Higher Education
NFF	New Funding Framework
NP	National Party
NSFAS	National Student Financial Aid Scheme
PAC	Pan-African Congress
RDP	Reconstruction and Development Programme
SA	South Africa
SANNC	South African Native National Congress
SASA	South African Schools Act 84 of 1996
SGBs	Student Governing Bodies
US	United States of America

# Chapter 1

## INTRODUCTION

### 1.1 Introduction

Apartheid was a system of racial segregation that took place in South Africa. Racial segregation was institutionalised and it covered all aspects of the country. Apartheid started in 1948 when National Party came to power. In order to implement its policy of divide and rule, the National Party implemented a series of laws. Some of the most significant policies included the prohibition of mixed marriage, the Immorality Act of 1950, the Group Areas Act of 1950. These promoted the accommodation of blacks and whites in separate residential areas on a comprehensive and compulsory basis. The Reservation of Separate Amenities Act of 1953, enforced segregation in the use of public facilities such as transport, cinemas, restaurants and sports facilities. The Bantu Education Act of 1953 was a policy for separate schooling and curriculum on the basis of race and the abolition of missionary schools (Anti-Apartheid Movement, 1974, 45-47).

Many facilities and services were progressively restricted and divided on a racial basis. The education, health, transport and recreation sectors were also affected. Even sexual relationships between individuals of different colour were officially prohibited. However, segregation was more than a collection of restrictive legislations as it aimed to legitimize social difference and economic inequality in every aspect of life (Anti-Apartheid Movement, 1974, 45-47).

Apartheid involved creating clear legal distinctions not just between Black, Coloured, Asian and White people, but also within African society. Thus homesteads were created which would separate the locals in South Africa into tribal ethnic groups making it easier to rule over them under the popular term divide and conquer (Broun, 2001, 33).

The African National Congress and the Pan-Africanist Congress were the most active political parties that were against the apartheid regime. These two organizations were against the apartheid regime and made South Africa ungovernable. Nelson Mandela and the African National Congress played a key role in ending the apartheid regime. The ending of apartheid was influenced by acts of violence that the anti-apartheid activists carried out. Mandela won the democratic elections and became the first black president of South Africa.

One of the most significant aspects of the apartheid regime in South Africa was racial segregation in education. The Bantu education system was used to keep the non-white population at a lower status and provide a supply of low skilled workers. The quality of education that the non-white people could access was compromised. The syllabus was limited and designed in a way that the skills they acquired only enabled them get cheap manual jobs. The Bantu education system produced a significant amount of cheap labour and therefore guaranteed profits for capitalists in South Africa (Phillips, 1999, 23-24).

The Bantu education system was one of the tools that were used to establish and maintain white supremacy in South Africa. It was implemented to further subjugate

and exclude the Black Africans from the economic, social and political structures of South Africa (M S Rakometsi, 2008, 85).

In this thesis, I will analyse the Apartheid period from a racial capitalism perspective. I will discuss whether policies implemented in the post-apartheid period, in particular the policies on education managed to transform racial capitalism.

Racial capitalism theory states that capitalism evolved out of feudalism as racial capitalism. This is due to the fact that there is a relationship between race and capitalism. Racism is one of the reasons why capitalism is surviving. The theory racial capitalism can be defined as white people and white institutions using non-white people to advance their socio-economic value (Leong 2013, 2152).

This theory pays attention to the processes that shape the modern world such as slavery, colonisation and imperialism. The consequences of racial capitalism affect both individuals and society, mostly in a negative way. The reason behind this statement is that capitalism was built and maintained on the exploitation of black labour, while privileging the white population. It is impossible to separate racism and capitalism (Van Dyke, 2017).

Racial capitalism insists that racism is a component of capitalism. Hence it is impossible to separate capitalism and racism. Many scholars who write about racial capitalism use Cedric Robinson's definition of the theory found in the book *Black Marxism* (Kelly 2017).

Robinson was inspired by the context he experienced in the US. Cedric Robinson was born in 1940 and passed away in 2016. He was a lecturer in Political Science and Black Studies at the University of Michigan from 1971 to 1973. Robinson started writing for the Race and Class journal in the 1970s. In 1983 his book Black Marxism was released and he later released five more books (Ferguson, September 15, 2016).

## **1.2 Statement of the Problem**

Apartheid shaped the main socio-economic aspects of South Africa. It should be noted that there is a significant literature produced by other scholars that look at apartheid and its consequences in South Africa. However, these scholars rarely use racial capitalism to analyse South Africa. This will be the contribution of this thesis.

## **1.3 The Purpose of the Study**

The purpose of the study is to assess the post-apartheid policies and finding out if these policies have transformed racial capitalism in South Africa. I want to discuss this issue by focusing on education policies. The educational system during apartheid favoured the white population. Schools for blacks and coloured children were in poor conditions. Schools for white children, on the other hand, were given all of the advantages.

## **1.4 Specific Objectives**

1. Understanding the racial capitalism concept
2. Analyzing the apartheid period from a racial capitalist perspective
3. Assessing whether the post-apartheid policies empowered the black population.

## **1.5 Research Question**

Have the post-Apartheid policies been able to reverse the key features of racial capitalism? I will be focusing on the period between 1994- 2018 and I will investigate where things stand regarding equality in education between white and black populations.

## **1.6 Hypothesis**

Although there have been certain improvements in the black population's access to resources and opportunities in South Africa, the policies implemented in the post-apartheid period have not managed to entirely transform racial capitalism. Despite implementing policies that aimed to create a black middle class through various strategies, majority of the working class in South Africa is comprised of blacks and inequalities between white and black populations continue to exist.

## **1.7 Methodology**

Qualitative research was used to obtain data and secondary sources like journals were mainly used. The research study was guided by the interpretivism philosophy which allowed me to write about racial capitalism. Some authors see interpretivism as a way of seeing the world through the eyes of the people being studied, allowing them multiple perspectives of reality, rather than the "one reality" of positivism (Heath, Devine, 1999, cited by Chowdhury 2014, 434). I chose to use this paradigm over others mainly because it allowed him to consider and analyse the views and perceptions of multiple participants This is fundamental since racial capitalism is a recent theory. In a positivist world view, the objective and focus is on one single reality, meaning that multiple perceptions are not accepted and this was not suitable considering the nature of this research (Chowdhury, 2014, 433). The interpretivist philosophy accommodated the aim of the study by being a paradigm that seeks to

understand a particular context that is based on the core belief that reality is socially constructed (Chowdhury, 2014, 433). In addition, “different people and different groups have different perceptions of the world” (Willis, Jost, Nilakanta, 2007, 194). Interpretivism has multiple perspectives which mean the study was comprehensive, accommodating all aspects which might derive from the collected data. This notion accommodated the theoretical framework adopted for the research which focused on the different components of information access. The aim of understanding racial capitalism would be effectively obtained by adopting the interpretivism approach.

Interpretivists look for meanings and motives behind people’s actions (Whitley, 1984 cited by Chowdhury, 2014, 433). The purpose of research in interpretivism is understanding and interpreting everyday events, experiences and social structures as well as the values people attach to these phenomena (Collins and Hussey, 2009); (Rubin and Babbie, 2010). Moreover, this paradigm allows studies to focus on meaning therefore it enables the use of various methods to reflect different aspects derived from the main purpose of the study. Ethical considerations were made by the researcher during document analysis.

## **1.8 Chapterization**

This thesis will start with the theoretical framework chapter, which is chapter two and in this chapter there will be a detailed discussion about racial capitalism. The theoretical framework will focus on racial capitalism and the contributions it has made. Chapter Three aims to provide an evaluation of the apartheid regime in South Africa. It will highlight the key turning points of the apartheid regime and it will also touch upon the education policies of the apartheid regime. Chapter Four will elaborate the policies aiming to establish racial equality between 1994 and 2019. In



this chapter I will look into the policies that the governments in the post-apartheid period have been implementing since it came into power. Chapter Five will specifically focus on the post-apartheid policies on education. Chapter Six will be the analysis chapter. It will discuss the theoretical framework, answer the research question and revisit the hypothesis. Chapter Seven will be the conclusion chapter. In this chapter, I will be summarizing and concluding the thesis.

## **Chapter 2**

### **THEORETICAL FRAMEWORK**

#### **2.1 Introduction**

This chapter will provide a theoretical framework, and provide an assessment of racial capitalism. The first section will focus on the theoretical foundations of racial capitalism. The second section will elaborate the slave trade era. It will assess how black population was exploited during slave trade. In this section, there will be a detailed discussion of slavery. It will be underlined how slavery contributed significantly to capitalism. The third section will assess the role of property in racial capitalism. The following section will be a discussion of the black working class. The section will explain why the exploitation of race is important in the capitalist world. I will also look into other countries that were affected by racial capitalism. In the next section, I will discuss if it is possible to have capitalism that is not racist. In the last section I will look at another country that tried to transform racial capitalism besides South Africa.

#### **2.2 Racial Capitalism**

Racial capitalism states that capitalism evolved out of feudalism as racial capitalism because there is an intimate relationship between race and capitalism. One of the reasons why capitalism survives is due to racism (Kelly 2017, Nov 18).

Racial Capitalism can simply be defined as white people and predominantly white institutions using non-white people to acquire socio-economic value. Racial

capitalism is a theory that requires greater attention to important processes that mold the modern world, for example things like slavery, imperialism and colonization. “Racial capitalism requires that we place contemporary forms of racial inequality in a materialist, ideological and historical framework” (Pulido, 2016, 4). Racial capitalism is also associated with white supremacist, incarceration regimes and migrant exploitation (Melamed 2015, 77).

Racial Capitalism is a process of growing social and economic value from the racial identity of another person (Leong 2013, 2152). Racial capitalism has consequences that affect both individuals and society in a negative way. Furthermore, capitalism is built and maintained on the exploitation of black labour, while simultaneously privileging whiteness (Savali 2014). Savali (2014) also agrees with a statement made by Malcolm X that says: “You cannot have capitalism without racism”. Exploitation is at the heart of capitalism; hence it cannot be changed to be more humane. Racist dehumanisation is a necessary part of racial capitalism (Akhtar, 2018, 2).

An analysis of racial capitalism requires giving attention to the past and how poverty and power have been produced. Racial capitalism challenges Marxism and refutes the idea that racism can be reduced to class. The differences in race, similar to gender inequality create a landscape that culture and capital can be exploited to create enhanced profits and power. Racism and white supremacy evolve over time, and various non-white groups of people especially the poor continue to subsidize the well-being of the white population (Pulido, 2016, 7).

Karl Marx argues that the two classes of capitalist society are those who own and control the means of production; and those who have to work for the latter to survive

(Jeremy Seekings 2003, 5). However, Karl Marx's theory did not incorporate the importance of race. According to Cedric Robinson (1983), it is important to understand capitalism as racial capitalism. Hence, the uneven capitalist development of places is simultaneously a racialized process that relies upon legal racialized violence (Lloyd, Bonds, 2018, 901).

Racial capitalism insists that racism is a component of capitalism. Therefore, it is close to impossible to separate capitalism and racial capitalism. This is because capitalism emerged as a racial regime. "The logic of the capitalist system is such that when you are fighting racism, it forces you to reach anti-capitalist conclusions" (Van Dyke, September 18, 2017). Skin tone is not a central feature of racism. It is not always about racial slavery, dispossession and imperialism but about capacity of capital in the state to capture the white working class and tie its identity to race, thus the whiteness and masculinity. Kelly goes on to mention that capitalism is surviving because of racism (Kelly, 2017, Nov 18).

Cedric Robinson was his teacher and passed away in 2016. Kelly wanted to show European racism, racialism and nationalism preceded capitalism. He gives the same definition of racial capitalism as the one given by Robinson in Black Marxism. In the ancient days slave trade was common and among victims were Africans. Slavery was mostly characterized by dispossession, enclosure and colonialism. Racism is important in the production and violence is a critical tool to maintain capitalism. Capital did not start with money, it started with seizing of land, water and fuel. There was forced dispossession of people from their land (Kelly, 2017, Nov 18).

Walter Johnson wrote an article that looks at the violence of racial capitalism, guided by books like Black Marxism. The examples he gave were uncensored:

Capitalist exploitation was high during slavery to a point where even if a slave got injured it did not matter. He or she had to continue what they were doing even when blood dropped. Slaves stopped their duties when they were close to dying or dead (Johnson, 2018).

Black people in America were living under domestic colonialism and their struggles were supposed to be viewed as part of the worldwide anti-colonial movement (Kelly, 2002, 73). The blacks living in the United States were not having good health care. Their health care was below standard and needed to be improved (Kelly, 2002, 74).

Therefore, a revolution could start any time:

Racism kept well-educated and assimilated negroes from fulfilling their aspirations and there was no guarantee that younger students would take the path of revolution. However, the contradictions of racial capitalism had led to the formation of a revolutionary intelligentsia capable of leading black America students to true liberation (Kelly, 2002, 85).

Most scholars have been struggling with conceptualizing the relationship between racism and capitalism. Laura mentions the work of Cedric Robinson found in Black Marxism. Laura explains racial capitalism in a similar manner like other scholars, by focusing on Robinson. Human difference is important in the production of differential value. For example, whiteness gets its meanings and value from different shapes of non-whiteness. Negative items are important because they form grounds of possibility for value. Scholars look at the racial outcomes without even considering the production of it (Pulido, 2016, 4).

Race and racism cannot be used interchangeably. Race is transformed through competing projects. Furthermore, items that represent racism cannot be easily found (Omi, Howard, 1994, 71):

Racism is a matter of beliefs and attitudes. Doctrines and discourse can also be included in the definition. Racism involves institutional forms of inequality which then give rise to privilege ideologies (Omi, Howard, 1994, 74).

Racism is an ancient or ethnic product, it has nothing to do with the existence of objective biological races (Balibar, Wallerstein, 1991, 37). Racism takes many shapes and cannot be classified in one way. In this respect racism can be institutional, between nations and between ethnic groups (Balibar, Wallerstein, 1991, 44). White racism passed down the idea that three-quarters of humanity are incapable of governing themselves (Balibar, Wallerstein, 1991, 44). In other words, the black population should be exploited for the benefit of the white population.

Exploitation of race is crucial and important for the capitalist system. Wallerstein states that racism forms a hierarchy in a workforce (Golumbia, November 7, 2016). In other words, racism establishes a categorization of workers and simplifies wage distribution. Wallerstein also argues that slavery is constitutive of capitalism (Bush, 1981, 43). In other words, slavery forms a part of capitalism.

Racism within the capitalist world system is used to exploit the so-called “inferior” race. The inferior race is used economically, and as political scapegoats (Wallerstein, May 18, 2000). To some extent racism also creates supply and demand. In other words, racism can be used to control the supply and demand of the inferior race. (Wallerstein, May 18, 2000).

Racism can also keep people in, while keeping other people out. Therefore, racism “serves to minimise the political capacity of the understratum while keeping them in occupationally”. In other words, racism limits the political participation of the “inferior race”. On the other hand, racism enables the system to put the inferior on hold in such a way that they can be rapidly brought back when the market changes. This statement proves that racism can be used to control demand and supply of labour. To some extent the understratum is some sort of reserve army (Wallerstein, 1989, 7-8). In this respect, it can be used to control demand and supply of labour since it is always available.

Economic historians talk about an integrated world system at least since the sixteenth century. This integrated system included core and the periphery areas. European countries were defined as core and the non-European countries that these countries colonized were defined as periphery. The core areas usually experienced a flow of surplus because they were the initiators of capital accumulation, while the periphery areas produced cheap labour and raw materials (Bush, 1981, 41). To be specific, Africa was incorporated in the capitalist world system as a peripheral area in the 19<sup>th</sup> century and this enabled the core countries to control the production of crops. During that period, the hegemonic state (Great Britain) needed it as a crop producing area (Bush, 1981, 42).

Exploitation of race is crucial in the capitalist system because due to racism the “inferior” race gets paid a low wage. If they are paid a low wage it means that the “superior” race gets to benefit from the profit made by paying the inferior race a low wage. Essentially the exploitation of a race is important in the capitalist world because it creates cheap labour, and this labour can be used to gain a profit.

Colonialism contributed to the capitalist world system. At this stage it is important to talk about the invasion of Southern Africa, Congo, Central Africa and West Africa by Cecil Rhodes, Leopold, Harry Johnston and Lugard respectively (Robinson, 1983, 155). European powers were facing a shortage of raw materials and there was a need to go to look for raw materials in other places, hence the beginning of colonialism. During the colonisation era, African labour was used to extract the raw materials (Ocheni, Nwankwo, 2012, 47).

Racial categories are created by both the social structure and cultural representation. The educational process which motivates the oppressor to be a better person and make him or her think they have achieved a lot, demotivates and discourages a genius black person by making him feel like his race is not relevant and amounts to nothing (Billing, Tate 1995, 51).

Territorial stigmatization explains specific working of racial capitalism well. This concept is thought to be more relevant than the concepts of segregation and racialization of space. This view is considered even though racialization is part of the definition (racial capitalism). Basically territorial stigmatization is a concept for understanding the complexity of urban inequality (Wacquant, Slater, Pereira 2014, 1270).

At some places, stigmatization is imposed by things such as race and religion and such aspects are lineal so they cannot be dismissed. The effect of this stigmatization is that it also affects the public policies and justifies the implementation of laws and measures that may be more demanding. Such places are usually infiltrated by black



people and this gives the capitalists through the state, the opportunity to continue suppressing and exploiting the black majority.

Capital is considered capital when it is gradually growing. The social inequalities produced by race, gender and class are proof of the normal customary functioning of capitalist economies. However, there is little or no interest in solving the issue because it is too costly and will affect the industry. The fact that people of colour are the ones that are mostly affected by industrial pollution makes the government to be less motivated to get involved hence the rise in the death of black people and those of colour (Pulido, 2016, 6).

### **2.3 Slave Trade Era**

It is impossible to understand capitalism without slavery. This is because slavery played a key role when capitalism was starting. Slave trade significantly contributed to capitalism. The events that took part during the slave trade era laid a foundation for capitalism to grow and prosper. Capitalism sprung out of feudalism as racial capitalism because racism and capitalism are intimately linked. This section will start by explaining a few things about slavery and then will follow by the conditions that the slaves went through.

Capitalism did not develop out of slavery but rather capitalism has been joined with slavery and formed a mutual constitutive relationship. In other words, capitalism and slavery were made compatible so that the former benefits. One cannot talk of economic development which constituted capitalism without mentioning slavery. Back in the days, market competition, ownership of property, economic advancement were mainly based on American slavery (Beckert, Rockman, August 8, 2016).

The industrial revolution was financed by slavery. Furthermore, the money generated from slavery was used to build banks and industries in Europe (Eric Williams, 1944). Thus the mutual constitutive relationship that stem out of slavery and capitalism is that of economic advancement and enrichment of the capitalist movement.

Slave trade started in the 15<sup>th</sup> century when Africa entered into a unique relationship with Europe. Slave trade led to the devastation and depopulation of Africa, while it contributed to the wealth and development of Europe. Slave trade later ended in the 19<sup>th</sup> century (Africa Creates, 30).

The origins of slave trade can be traced back to around 1640, when the Dutch merchants introduced sugar to Barbados and showed them how to plant sugar-cane (The National Archive, 1). Furthermore, the Dutch supplied the Barbadian planters with Africans and introduced them to plantation slavery. Production of sugar-cane required a large number of labourers. Convict labour was not able to keep up with the pressure and African labour seemed to be inexhaustible, hence the increase in the demand of Africans (The National Archive, 1). Barbadians started to employ large numbers of African slaves and passed laws that restricted the rights of these slaves (The National Archive, 1).

Portugal and Britain were the two most large slave traders. Britain was dominant between 1640 and 1807, the latter is the year in which slave trade was abolished in Britain (The National Archives, 1). It is estimated that Britain transported about 3.1 million African slaves of whom 2.7 million arrived. The slaves were transported to British colonies which included the Caribbean, North and South America and other

countries (The National Archives, 1-2). Slave trade was carried out from many British ports of which the main ports were London, Bristol and Liverpool.

In the early 1640s slave labour in the sugar plantations was supplied by Europeans, mostly it was political outcasts or poor orphaned females. The Irish were the first option when it came to this cheap labour. However as the demand for labour increased the English mercantile and bourgeoisie had to look for other areas that had more cheap labour available. The solution was going to West Africa. The slaves obtained in Africa were shipped to Hispanic Colonies (Robinson, 1983, 152). It is also important to mention that the capitalist world system was dependent on labour it could not produce. Hence, Africans were not the only ones that were used as slaves (Robinson, 1983, 153).

Great Britain managed to free its slaves in 1833 with the Slavery Abolition Act but was not able to free itself from slavery. Majority of cotton produced in America was exported to Great Britain. Nineteenth century political economy was established on simple basic facts. Great Britain cotton merchants gave cotton planters money on credit and with this money they would buy seeds, tools, slaves and food to feed the slaves. The slaves would do the job from beginning to the end without any help. The shipped cotton would cover the money that was given to them on credit. If the cotton is not sufficient to cover the amount that has been advanced, slaves were used as collateral meaning that the slaves were capital (Johnson, 2018).

In Spain, two-thirds of the more than 2 million African slaves disembarked before 1810. This was prior to the era of sugar cultivation in Cuba and Puerto Rico (Borucki, Eltis, Wheat, 2015, 434). Spanish America played an important role during

slave trade, this is because it drew on all European branches of the slave trade traffic. Captives from the African region landed in at least one of the Spanish colonies (Borucki, Eltis, Wheat, 2015, 434). It is important to note that in the New World a quarter of the slaves in Spanish America came from colonies of other European powers rather than Africa (Borucki, Eltis, Wheat, 2015, 437).

It is difficult to trace when slave trade started in Spain as compared to tracing it in Spanish America. Slave trade in Spain started a while before Columbus landed in 1492 (Borucki, Eltis, Wheat, 2015, 448). Only Spanish vessels were allowed in the ports of Spanish Americas until 1580. Spain started to dominate in slave trade after Britain and America withdrew from the traffic in 1808 (Borucki, Eltis, Wheat, 2015, 449). Later in the 18<sup>th</sup> century:

Slaves arriving in Spain were mainly of Sub-Saharan ancestry, Caribbean slaves occupying their Indiano owners. They arrived to Spain through the New World Slave Trade<sup>1</sup>, since most of them came from the Caribbean area, and the majority had Sub-Saharan ancestors. Given that slavery was abolished in Puerto Rico in 1873 and in Cuba in 1886, Spaniards continued to own slaves in Hispanic territories during the 19<sup>th</sup> century (Casares 2014, 415).

Slaves were taken from different parts of Africa mainly Guinea, Mozambique, Angola and the Congo coast. During their transition from Africa to America or Europe, slaves were treated like objects. They were loaded with stones that were heavy and this was done to prevent them from escaping. Once they were in the boat they were bound to each other and sometimes made to face the sun (James, 1989, 7).

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<sup>1</sup> The 16<sup>th</sup> century saw the arrival of new groups of slaves such as Philippines, Hindus and Native Americans. These slaves were brought to the peninsula from territories conquered by Spain and Portugal (Casares 2014, 424)

The vessels that transported the slaves were cleaned once in a while and when the weather was bad (raining) they would go for weeks without being cleaned. Slaves were transported while they were naked, which meant that their skins would rub on to each other and this would cause wounds because they were chained together in close proximity. Furthermore, slaves were made to eat human body parts as punishment (James, 1989, 8-9).

When the vessels arrived the slaves were inspected and checked if they are strong. Tests were done on them to try and find out the strength they have. At this point the slave was officially property. Once he was bought, the slave was branded and his duties explained to him by the interpreter. After that the priest instructed the slave on the principles of Christianity (James, 1989, 9).

The San Domingo (that was a French colony) planters were important (James, 1989, 27). The planters and their children made the living environment of slaves very difficult. The children would grow up feeling entitled to do whatever they want or even request the impossible (James, 1989, 29). During the slave era the one thing that was constant was the humiliation of the slave.

The white population used the Negro in every aspect of life (James, 1989, 33). This was to an extent that almost every duty was the responsibility of the Negro, even fixing the roads. However, they were excluded from military departments, practising law, medicine, places of trust and public offices (James, 1989, 38).

Apart from physical terror, slaves were made to feel inferior and hate their own skin (James, 1989, 38-39). Despite these restrictions the Mullatoes<sup>2</sup> of San Domingo were making progress and this started to alarm the whites. Their wealth was growing because they bought cheap stuff which was locally made as compared to the whites who bought from France. However, the Mullatoes tried to erase their origins by changing their life styles and making them similar to the whites (James, 1989, 39). Furthermore, the children of the Mullatoes were sent to France to get education.

The power and influence that the Mullatoes had in San Domingo was growing significantly. The whites became worried because at the rate that their influence was growing, it meant that the whites would be overthrown or driven out of the colony as time goes by (James, 1989, 64). The fears of the whites were right because as time went by, the Mullatoes were now advocating for more rights.

In 1791 the blacks in San Domingo were ready to exterminate the whites because there were more slaves in farms compared to masters. The plan was to take the colony and make it theirs. However, the plan did not go well and they were defeated (James, 1989, 86). During the revolt a lot of property was damaged and some masters were killed. Most of the plantations were destroyed because they knew that they were the cause of their suffering (James, 1989, 88).

In the 1800s, the population of slaves was growing at a rapid rate. The population grew from importations and from their own reproduction. Du Bois looks at all workers that were present during the 1800s. William Edward Burghardt Du Bois was

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<sup>2</sup> The term Mullato defines individuals that have mixed race ancestry (Reuter, 1918, 11).

an American sociologist, civil rights activist, Pan-Africanist and historian. Du Bois held a doctorate, and was a professor of sociology and economics. He was a teacher at Atlanta University. In the African American community he was seen as black elite (Holt, 1999).

The importations included all races some of which were slaves and some were free workers. Slaves represented everything African (Du Bois, 1935, 3). Slaves also brought everything from the African continent. They brought with them their religion, art and their tribal customs (Du Bois, 1935, 4).

Ultimately a slave had no rights in the world, they were not entitled to basic human rights. Killing a slave was illegal but such crime was hard to prove meaning that the owner of the slave could get away with the crime (Du Bois, 1935, 10).

Du Bois (1935) also talks about the role that the white worker played during slave trade. He focused on the natural leaders of the poor whites, the merchants, the mechanic and the slave overseer. White workers were also the police patrol and were allowed to do anything to slaves (Du Bois, 1935, 27).

There was an assumption that the Negro could not be civilized even if modern civilisation was brought to him or her. Therefore, other coloured individuals and the Negro were inferior to the whites. This gave the whites the right to rule mankind to their own selfish interest (Du Bois, 1935, 39).

There was also commodification of slaves and this led to breeding of them so that the planters could make profit. Slaves were treated like horses and mules. A slave

woman that could not have children was likely to be sold because her worth was low. Furthermore, there was deliberate child bearing in the aim of producing strong slaves (Du Bois, 1935, 44).

The end of slavery was brought about by war in the United States of America. This war was fought on two sides which is the North and the South. The South wanted slavery to go beyond the United States Constitution, while the North fought to keep it in the Union. Both North and South actions were insults to the Negro (Du Bois, 1935, 61).

After the emancipation of the black people and the end of slavery, there was a series of acts of violence in most parts of America and the world. There was also humiliation of blacks by whites, this was done because the whites felt superior and could do anything. Some of these acts were reactions being brought about by the emancipation of the blacks as most of the whites did not believe in the freedom of the blacks (Du Bois, 1935, 671-672).

The end of slave trade has not done away with the reality of forced labour. Slaves were forced into labour that was not of their choice. Some of the slaves were tricked or forced into signing a new contract after their previous one ended. Former slaves would sometimes find themselves getting jobs at a farm where the owner had been used to slaves so the working conditions will be bad, and they would stay until the contract ended. However free wage labour has become prevalent because there is now the freedom to end a contract without the fear of repression (Gersternberger, November 2017).



## 2.4 Black Working Class

When considering the relationship of racial capitalism and the black working class, it is important to mention that labour in this section is free labour. It is not un-free labour like slavery. After slavery, during the Reconstruction era<sup>3</sup> the salary of the black worker had to be reduced to a point where it felt like exploitation. This had to be done through taxation and every method of discrimination (Du Bois, 1935, 670).

Du Bois looks into the working conditions during slave trade and compares them to the period after slave trade. Du Bois goes on to state:

When think of oppression we think of cruelty which was done during slavery. However, we do not consider the environments that individuals work in nowadays for example slaving ten, twelve, or fourteen hours a day, with not enough to eat. Free worker is forced to work in slave conditions so that they are able to survive. (Du Bois, 1935, 8-9).

Towards the end of the Reconstruction era the roles of workers started to change. This is due to the fact that financial institutions started to offer credit to workers. This act enabled the workers to consume more although their wages were not increased significantly. At this point the motivation to go to work became debt, meaning that people would go to work so that they pay their debt (Kelley, 2017, Nov 18).

After the 19<sup>th</sup> century, workers became consumers. Credit was given to them to buy goods and it created debt, making them to work more to pay back the interest and debt. Capital in general is interested in the shareholders not the community (Kelley, 2017, Nov 18).

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<sup>3</sup> The Reconstruction era is the period after the American Civil war. It was a period of hope and great expectations however the transition from bondage to free labour was not that successful due to the conditions that the Black slaves went through. This era was a period when American citizenship was being allocated to those who were qualified to apply (Higham, 1962, 2)

In the early 1960s, in the United States of America it seemed like racism was declining significantly and there was no need for a radical restructuring of the society to reduce racism (Reich, 1971, 1). This was due to the fact that black people were moving into the locations that were once affected by a lot of discrimination. The moving in of the black population into those areas meant that racism was reducing. Change of locations was not the only thing happening at that time, even civil rights movements grew meaning that the chance of equal treatment was growing. However, this proved not to be the case in the 1970s since the level of economic exploitation and racism did not reduce (Reich, 1971, 1).

Besides subjugating blacks:

Racism is important when it comes to distribution of income amongst white capitalists and workers. Racism benefits the owners of houses that black people rent because they get to charge high rents. Racism also stabilises capitalism (Reich, 1971, 1).

Racial capitalism affects black workers through the level of wages they get paid as compared to their white counterparts. Black workers with similar years of schooling and achievements as a white worker get paid less as compared to the white workers. In the 1960s, being a highly educated black man in the United States of America did not guarantee a fair wage. In 1966, white high school drop-outs earned more than a black university graduate (Reich, 1971, 2).

The wage gap issue based on race also affected South Africa during the period of apartheid. To be more specific the wage gap based on race in South Africa became clear during the apartheid period. Low skilled jobs would pay low wages and high skilled jobs would pay high income. Black Africans could not acquire skilled labour

jobs because they were not skilled (Bergsman, 1982, 634). This is due to the fact that the quality and quantity of education that the black Africans experienced was low.

South African economic growth depended on the exploitation of non-white people especially black Africans by the apartheid regime. Therefore, elements of racial capitalism can be found in the apartheid system. A study carried out recently in South Africa showed that whites in South Africa are still earning more than blacks on average. This is more than 20 years after the end of apartheid, which means that South Africa has not been able to bridge the gap between racial and gender groups since the end of apartheid (eNCA, November 2019). It is a clear indication that racial capitalism is still present in South Africa. The study revealed that the wage gap in South Africa increased between 2011 and 2015. The average monthly earnings for the black population were around 6,899 rand's while it was around 24,646 rand's for whites (eNCA, November 2019). Basically the white population is earning three times more than the black population (eNCA, November 2019).

## **2.5 Property**

The term property by definition on itself has different meanings and synonyms. Property is a thing or things belonging to someone. It can also be seen as collective possessions. Property can be an attribute, characteristic or quality of something (Render, 2017, 439). This section will look at the role property plays in racial capitalism.

In the ancient days especially during slave trade era, slaves were considered to be the property of the whites. This meant that it could be produced through biological processes of human reproduction. Since slaves were seen as property it meant that

they could be exploited by their owners to any extent. Slaves were also sold for a profit by their white owners. By doing this, slave owners were able to generate economic advantages.

Racial capitalism in the slave trade era is hard to ignore because it is found in many sectors. The white population also managed to make a profit by breeding slaves and selling them. It meant that there was a clash between property rights and human rights. The blacks in the country remained disadvantaged and experienced a damaging lack of basic material, cultural benefits because of their race (Billing, Tate, 1995, 59).

Considering all the information above it shows that the levels of exploitation of the black population by the white population has been changing to suit the latter. During the slave trade era, exploitation was clear and outright. The slave trade era contributed significantly to capitalism.

Whiteness<sup>4</sup> was dependent on the labour of people of colour (non-white), and if the former was abolished it would put an end to concrete racial domination. When it comes to capitalism whiteness is part of capital (Preston, 2010). In other words, whiteness had power and added value to many things.

Whiteness is perceived valuable, whiteness is a characteristic that distinguishes the white population from the black population. It serves as compensation to the white population even to those who lack material wealth. It is a political advantage

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<sup>4</sup> Whiteness is a set of privileges granted to the white population. It is normalized in its production to a point that those benefiting from it do not realize the privileges. However, the oppressed or disadvantaged are able to see it (Bush, 2004, 6).

extended to the white population (Crenshaw, Gotanda, Peller, Thomas, 1995, 286). White workers often identify themselves primarily as white rather than as workers, because they get benefits through their whiteness (Crenshaw, Gotanda, Peller, Thomas, 1995, 286). In this respect, it is clear that whiteness has power and is valuable. “Courts universally accepted the notion that whiteness was something of value and proof had to be provided for a person to be awarded the status” (Harris, 1993, 1741). Only those with legitimate claims could be legally recognised (Harris, 1993, 1741).

During slavery, whiteness was a legal form of property within capitalism (Preston, 2010). Even though this changed after the end of slavery, it still had the power to influence government of the United States of America. In this respect, whiteness guaranteed privileges to its benefiter, one of them being racially-restrictive deeds. These deeds stated that the one having the deeds will not sell, lease or rent property to minority groups. These groups included non-white people, especially the black population (Welsh, 2018, 132).

Essentially, the racially-restrictive deeds were also used to enforce segregation in the United States of America. Racially-restrictive deeds were tools of discrimination. These deeds first appeared in California and Massachusetts at the end of the 19<sup>th</sup> century. The deeds were later ruled unenforceable by the Supreme Court in 1948 (Welsh, 2018, 134). The terms of the deeds indirectly enforced segregation because they restricted the black population to settle in certain areas.

Property includes tangible and non-tangible things, material and trademarks respectively. It is something that can be possessed making it material and figurative.

Property is the main generation of wealth in capitalism and the lack of it defined a class of workers as distinct from capitalists who manage the means of production. This meant that the racially-restrictive deeds were supposed to protect the wealth of the white population at the expense of the minority. Hence the white population made a profit by keeping property to themselves. However, there are also other constraints of gaining or having property. According to Loyd and Bonds going to jail and prison are the main constraints in acquiring property (Loyd, Bonds, 2018, 905-906).

Segregation protects the white population from public fund cuts. In other words, the cutbacks usually occurred primarily in segregated black communities (Beaulieu, Continelli, 2011, 492). “Whites benefitted from segregation politically (decreased taxes) by insulating those who did not stay in disadvantaged neighbourhoods. This also limited competition for jobs” (Beaulieu, Continelli, 2011, 493). Since much of the economic and political powers reside outside of black neighbourhoods, there is little incentive to meet the needs of the black community. In this respect the white population gained economically by saving public funds and obtaining jobs.

## **2.6 Racial Capitalism in Different Countries**

Racial capitalism manifested itself in different countries in different ways. In this section, I will assess how it was evinced in the US, Egypt, Sudan, Angola and Italy.

America has always been a “colour conscious” society since the ancient times until now (Omi, Howard 1994, 1). Race has been a profound determinant of one’s political rights and one’s sense of identity and it is still an important factor in understanding inequality in the United States of America. In America it is easy to view the consequences of racial oppression. Racism in the United States of America

is deeply ingrained culturally and psychologically in the lives of people living within its borders (Billing, Tate 1995, 53). Even though racism is something that people experience every day in society, there have been a few scholars writing about it. The significance of racial events has not been top priority of scholars in social science. The study of race faces a lot of struggles for legitimacy in the academic field and a lot of publications have no interest in it (Billing, Tate, 1995, 49).

In the United States of America racial legacies of the past continue to shape the present. The country reveals both the deep involvement of the government in the organization and interpretation of race. Americans both as individuals are shaped and indeed haunted by race (Omi, Howard, 1994, 53-54). In the 1890s racial segregation became law in the United States of America. African-Americans who worked for the Republican Party in the days of Reconstruction<sup>5</sup> were suddenly disfranchised.

It is still important to explain events in America using race because things like class and gender do not fully explain the difference in school experience and student performances. Assuming all things are equal (class and gender) African-American students will not accomplish things at the same level as the white students. Examining gender and class alone is not enough to explain high rates of school drop-out, failure and expulsion of people of colour.

Robin D. G. Kelley arrived in Seattle in 1970 and he was exposed to some effects of racial capitalism. Mr. Kelley explained his experience starting from his early age

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<sup>5</sup> The Reconstruction era is the period after the American Civil war. It was a period of hope and great expectations however the transition from bondage to free labour was not that successful due to the conditions that the Black slaves went through. This era was a period when American citizenship was being allocated to those who deserve it (Higham 1962, 2)

where students got to be bussed to white schools and at that time there were about twenty-three blacks being transported. This was done because the quality of schools was low in Seattle around that time. So for better education people had to study at better schools, hence the bussing to white populated schools (Kelley, 2017, Nov 18).

In Egypt, slave trade and slavery took place in the 19<sup>th</sup> century. Slaves in Egypt came from raids in Dar Fur, Central Africa and Sinnar (Mowafi, 1981, 30-31). Some of the slaves brought to the country were sold by their relatives or parents. The parents did such an act to generate money to survive. Some of the slaves were kidnapped by their own people and disposed of to the traders; these traders would bring them to Egypt (Mowafi, 1981, 31).

Slaves in Egypt were mostly used in the extraction of raw materials. A majority of the slaves in Egypt were used as sex slaves (Mowafi, 1981, 11-12). Majority of female slaves were concubines. Slaves in Egypt were also used in the production of agricultural goods. However slaves were not in large numbers in that industry (Mowafi, 1981, 23).

Egypt also had military slaves, the slaves were used to fight wars and protect the country. The level of exploitation in the country was not only peculiar to the domestic services but also the military department (Mowafi, 1981, 18). In this respect, military slaves were used to generate economic value by being used in the army. Since slaves were not paid to go to war, the country saved money. Furthermore during war there were also benefits, a country can gain an economic advantage by fighting a war (Nest, 2001, 469).



Owning a slave in Egypt was cheap because even peasants had slaves or could afford slaves. In Egypt landowners and peasants kept slaves to perform agricultural work throughout the century. By making black slaves work throughout the century the landowners and peasants were able to generate economic advantage (Mowafi, 1981, 24).

In Sudan, the white populated government used the black population in their army during the period of 1883 to 1843. In other words, the army was mainly populated by black people. This is expected since the country is in Africa, however the government was white populated. The black population army was comprised of slaves and volunteers. The chiefs in the country were made to produce slaves as a way of paying tax. The chiefs of the tribes were demanded to provide adult slaves as part of their annual taxes (Mowafi, 1981, 22). The army in Sudan was used by the government to stay in power. Any resistance was dealt with using the army.

During the 19<sup>th</sup> century Sudan had the cheapest slaves (Mowafi, 1981, 35). The price motivated many buyers to consider buying or visiting Sudan. Capitalists in Sudan used pricing to build a market which produced a lot of economic advantage. The price of a black slave was way less than the price of a white slave (Mowafi, 1981, 36). Slaves that were from the white population were mostly treated as concubines.

Slave trade was crucial for economic development in Angola (Bruce, Fish, 2002, 20). In Angola the Mbundu people experienced the most exploitation from the Portuguese. The Mbundu were sold into slavery and when slavery ended they were made to work in similar oppressive circumstances. Furthermore when the Mbundu people lost their land to the Portuguese; the former was made to work for the latter.

The seized Mbundu lands were turned into coffee plantations and the labour in those plantations were provided by the Mbundu people (Bruce, Fish, 2002, 78). The Portuguese gained economic advantage in this case by taking the land and also using cheap labour.

An American sociologist Edward Ross travelled to Angola and carried out interviews in relation to slave trade. Ross was travelling on behalf of the Temporary Slavery Commission of the League of Nations to create this report. People in Angola were made to work for free and for a long period of time. When the men were taken from the villages by the settlers, the women were made to replace them. Even in places like road maintenance, women were made to replace men that were taken. In sugar plantations, the black population would be sent to go work for six months but due to some reason they were made to work for nine months. The planter would tell the workers that he bought them from the government and he owns them (Ball, 2006, 2-3). Therefore he could use them to generate economic wealth.

Withholding wages was one of the tactics used to control the black population. Workers would receive food, a receipt for their tax but they would not get paid. The government would recruit workers and sell them to companies (Ball, 2006, 3). In practise forced labour in Angola went as follows. A labourer worked at the coffee plantations and towards the end of their term, the planter informed the labourer that their wage was deposited to the government. The planter instructed the labourer where to collect the wage. The application for the wage will take months and if the labourer persists with the issue they are threatened. Some of the threats included jail time (Ball, 2006, 3).

Colonial officials in Angola barely paid workers. “Colonial officials...became labour recruiters who sent workers to employers who paid bribes and stole salaries from workers whose interest they were supposed to protect” (Ball, 2006, 4). By stealing salaries the white population ensured that they gained economically. Furthermore obligatory labour for public works and hut tax, created a heavy burden for the colonised people (Ball, 2006, 4). Public works and hut tax also helped the white population to generate more economic advantage at the expense of the black population.

The abductions in Angola were random and the victims had no choice but to accept. When people were abducted, they would not know their destination or how long they would stay. Once a worker is abducted they would not flee because of the consequences. If they ran away, a replacement worker would be taken from his family. Another reason why they did not flee is the fact that workers were also forced to put their cattle as collateral to ensure that he fulfilled his period of service (Ball, 2006, 7).

Racial capitalism also became manifest in Italy. Colonialism brought about an increase in the number of black people in Italy. Africans were transported from Africa to Italy. The Southerners of Italy were subjected to exploitation and wage discrimination because they had Negro blood in them. The Italian Southerners provided cheap labour and this contributed to the economic development of the country (Curcio, 2014, 5).

“Marginalised and subjected to processes of subordination, workers from the South were driven to unskilled jobs, often with irregular administrative positions, and

forced to accept shorter labour contracts and very low wages” (Curcio, 2014, 9). This scenario is similar with what happened in South Africa during apartheid. In Italy after World War Two, a large number of the black population created a pool of cheap labour and the Southern workers were racialized; hence they could be exploited (Curcio, 2014, 9). Race management has contributed to the development of capitalism. The Southern of Europe and the south of Italy as a whole is populated by cheap labour. Companies are moving most of their production plants to the south. Call centres are relocating to the southern part of Italy (Curcio, 2014, 11). Since there was cheap labour in the Southern part of Italy, it was logical to locate in that area.

Essentially racial capitalism affected almost every part of Africa. Colonisation increased the rate of racial capitalism in Africa. Sudan experienced a great amount of slave trade because slaves were cheap within its borders. Angola is another country that experienced a harsh slave regime. Even after the end of slavery, the country continued to experience similar conditions. The free labour was not getting paid and there were abductions. To some extent the workers in Angola were not fully free labour. Egypt had a variety of slaves and all of them came from different races.

## **2.7 Is It Possible To Have Capitalism That Is Not Racist?**

The life of racism cannot be separated from the life of capitalism. Slave owners protected their wealth by shaping the socio-economic and legal systems to benefit themselves and the industry of slavery. Economic and racial movements have exposed exploitative practices within capitalism. Capitalism evolved while maintaining its exploitative and racist roots (Jones, September 3, 2019).

Capitalists need racial inferiority to make the cost of labour cheap. Profits are accumulated by paying blacks less than whites. Capitalists use racism as a strategy to restrain economic demands from an unmanageable labour force (Willhelm, 1980, 98).

While capitalism has a deeply racialized history, David Harvey (2014, 7-9) excludes racialization from his investigation of how the economic engine of capital works. Harvey states that; “although racialization is omnipresent in capitalism, it is not specific to the form of circulation and accumulation that constitutes the economic engine of capitalism” (2014, 7-9). In other words, race is viewed as extra or unnecessary since it does not reveal how the economic engine of capital works. Harvey’s analysis acknowledges the influence of race on capitalism (Issar, 2020, 5).

Racism still survives even after the end of apartheid or decolonisation in general. These mentioned aspects may have permanently discredited racist regimes but this good news should not be inflated into a belief that racism itself is dead (Fredrickson, Camarillo, 2002, 141). Fredrickson and Camarillo argue that racism is evolving and most countries like United States of America and Great Britain are using culture to do the work of race (2002, 141-142). Culture has been used as a way of distinguishing unwelcome new comers (Fredrickson, Camarillo, 2002, 141).

Incidences of individual racism have reduced however; structural racism is on the rise. In other words, the dominant institutions, policies and culture produce inequalities that increase differences in life opportunities based on race. These issues need to be addressed first in-order to eliminate the causes that perpetuate racial

inequalities (Meehan, 2010, 42). Indicators of structural racism are inequalities in power, opportunities, treatment and power (Lawrence, Keleher, 2004, 1).

Essentially, it is impossible to completely remove the element of racism in capitalism. Capitalism has been evolving, however it maintained its exploitative roots and racism element. Racism is needed by capitalists to help generate cheap labour. Even though Harvey excludes racialization from his investigation of how the economic engine of capital works, he fully acknowledges that capitalism and racism are hard to separate. There is still a racial wage gap in the United States of America between black and white people. The blacks are still being paid less than their white counterparts (Miller, June 26, 2020). In this respect, it is clear that separating racism and capitalism is difficult, if not impossible.

## **2.8 Zimbabwe: A Country That Tried To Reform Racial Capitalism**

Zimbabwe is one of the countries that tried to reform racial capitalism. The Land reform programme played a huge role in trying to reform racial capitalism in Zimbabwe. Great Britain had agreed to participate by subsidizing the land reform program. However it breached this contract and stopped subsidizing the land reform programme. This led to the establishment of a new programme called the Fast Track Land Reform Programme. The programme involved land reposision without compensation. Zimbabwe managed de-racialization of its land by redistributing it to the black Africans (Streater, 2018, 120-124).

The land reform programme went through three phases. The first phase was from 1980 to 1989. During that phase, the Lancaster House Agreement was still in full force. The Agreement stated the land reposision will be done through the willing

seller and buyer process. Land was to be bought at market value from willing farm owners. Great Britain's initial contribution to help with the distribution of land was 20 million pounds. The Lancaster House Agreement did not give the Zimbabwean state power to redistribute land after colonialism ended (Chilunjika, Uwizeyimana, 2015, 134). The number of white settlers willing to sell was few leading to the rise of the value of land and this reduced and slowed down the resettlement process. Towards the next elections, the incumbent president Robert Mugabe proposed abandoning of the willing seller and buyer approach. Robert Mugabe did this to boost his number of votes against Joshua Nkomo by proposing compulsory land reform (Streater, 2018, 135). Towards the end of the 1980s, the Zimbabwe war veterans established an association called the Zimbabwe National Liberation War Veterans Association (ZNLWVA). The main goal of this association was to return the state to the liberation agenda. In other words, the association wanted to remind the government that the Land Reform was still important (McGregor, 2002, 10).

Despite the failure of the willing seller and willing buyer approach, the land reform policy imposed by the Great Britain was not changed because of external pressures from organizations like the IMF. However, from 1990 to 1996 the land reform programme went through another phase. In 1992, the Lancaster House Agreement expired and the Acquisition Act was passed by the Zimbabwe government. This Act empowered the President to acquire land through compulsory means (Magaisa, 2010, 10). In the end, the relationship between Zimbabwe and Great Britain deteriorated.

In 1997, the land reform programme reached another phase, which is phase three. The war veterans led a peasant land occupation. These events forced the government to the negotiating table and new terms were agreed. The parties involved in the

negotiations agreed that the state would confiscate commercial farms owned by the white population and distribute it to black Zimbabweans. War veterans requested to get 20 percent of the redistributed land (Streater, 2018, 139). The war veterans led peasants to occupy land that was previously designated for acquisition, however with no funding this forced the government to establish the Fast Track Land Reform Programme and make it legal (McGregor, 2002, 23-24). In the year 1998, white populated farms were now occupied by the black Zimbabweans. Both the government and the war veterans played a role in the disposition process. During the land distribution process, President Mugabe kept on asking the Great Britain to compensate the white population that was moved out of the farms. However, Great Britain was not cooperating. This led to more land redistribution under the Fast Track Land Reform Programme. The programme focused on redistributing land to the poor, potential entrepreneurial farmers and rural landless farmers (Dlamini, 2014, 37). The war veterans had played a key role in helping Zimbabwe gain independence. That is why they also played a role in influencing the government to change the land reform programme (Magaisa, 2010, 11). “By 2009, 13 million of the 15 million hectares of land owned by the 6000 white farmers in 1980 had been formally transferred to more than 240000 black Zimbabwean families under the willing seller and willing buyer regime” (Streater, 2018, 144). After these events some of the white population fled and a few remained in Zimbabwe (Streater, 2018, 152).

After achieving collective sovereignty and self-determination, the country Zimbabwe went through a series of international acts designed to punish Zimbabwe and prevent it from continuing the Fast Track Land Reform Programme. The European Union



imposed an arms embargo and froze funds to Zimbabwe. In addition, the United States of America and Canada also imposed cohesive economic measures (Chingono, 2010, 72).

## **2.9 Conclusion**

Capitalism sprung out of feudalism as racial capitalism. This is due to the fact that it is hard to separate racism and capitalism. Racial capitalism theory is defined as white population exploiting the black population. The exploitation of race is crucial to the capitalist system. Slave trade of black Africans significantly contributed to capitalism. Racism and white supremacy evolved over time and the black poor continued to subsidize the well-being of the white population. Furthermore, racism controls the supply and demand of labour. Wallerstein states that racism creates a hierarchy in a workforce. When slavery ended the white population held majority of the means of production and used this to their advantage. This gave the white population power to exploit the black population by paying the latter low wages. Race is important in the capitalist system because it can be used to generate profit and economic value.

Slave trade contributed to capitalism to some extent. The things that took place during the slave trade era laid a foundation for capitalism to grow. Slavery and capitalism are compatible. The origins of slave trade can be traced back to around 1640, when the Dutch merchants introduced sugar to Barbados. The ending of slave trade can be traced back to 1833 when Great Britain managed to free its slaves. Slaves were sometimes used as collateral. Majority of the slaves were taken from Africa and were exposed to difficult circumstances on their way to their slave masters. Once the slave got to their destination, they would be made to do everything

for the owner. There was also commodification of slaves meaning there was breeding of them to make profit.

After the end of slavery workers were made to work in exploitative conditions. Racial capitalism affected black workers through wages. Blacks got paid less as compared to their white counterparts. Black workers with similar education and accomplishments as a white worker got paid less as compared to the white worker.. Whiteness is a characteristic that distinguishes the white population from the black population and had political value. Whiteness guaranteed privileges to its benefiteres. During the slave trade era, majority of the non-white population was considered as the property of the white population.

Racial capitalism affected every country in a different way. In the United States of America racism is deeply ingrained culturally and psychologically in the lives of people living within its borders. In Egypt and Sudan racial capitalism was experienced in the form of slavery. In Angola the white population withheld the wages of the black population. Sometimes the black population was not paid wages. In Italy black people experienced exploitation and wage discrimination. So racial capitalism was experienced in different countries in similar ways.

Essentially, separating racism and capitalism is hard because the former always plays a role in influencing the latter. Racism helps the capitalist system by providing cheap labour. Zimbabwe is one of the countries that tried to transform racial capitalism by using the land reform programme. However, these actions on the part of the government caused a negative reaction from the international community.

## **Chapter 3**

### **APARTHEID ERA (1948-1994)**

#### **3.1 Introduction**

In this chapter, I will look at the Apartheid period in detail. I will start with an analysis of the Apartheid period. I will then elaborate the struggle led by the African National Congress (hereafter ANC) against the Apartheid. This section will also include the external protests and sanctions that led to the end of the Apartheid period. The following section will assess education during the Apartheid era. In particular, it will focus on the Bantu education. It will shed light on the curriculum and funding in different schools during the Apartheid era.

#### **3.2 Apartheid Period**

Apartheid was a systematic racial discrimination regime in South Africa. It was implemented by the National Party in 1948(Oliver, 2017, 1). Afrikaner nationalism influenced racial discrimination. Certain goals were meant to be achieved and for them to be met the National Party had to create a scheme that promoted white supremacy. This would be done by using methods that introduced political and economic deprivation for the blacks in South Africa.

Even before 1948, there was a basis for racial segregation. In 1926 the 1911 Mines and Workers Act was changed and the aim was to protect and secure the jobs of Afrikaans speaking whites. The system created racial hierarchies in employment. The Industrial Conciliation Act of 1924 established more restriction to the labour

market. This Act excluded Africans from using industrial activities. These two Acts managed to deal with the huge number of Afrikaans migrating to urban areas. Afrikaans education however was still behind and this led to the adjustment of the Industrial Conciliation Act in 1956. The alteration needed unions to be completely racially segregated living Africans without formal trade union representation. The whites started to gain educational skills and this meant that they could choose the jobs they preferred to work in. At the time of the Second World War there was a decrease of Afrikaans speakers working in unskilled labour occupations (Mariotti 2012, 1104). There are no formal education requirements for semi-skilled and unskilled jobs. The difference is that semi-skilled workers received on-the-job training (Mariotti 2012, 1106). South Africa witnessed a decline of white employees from 1965 to 1980. Their proportion in top and intermediate management jobs, semi-qualified and skilled jobs did not change around that time (Mariotti 2012, 1112).

The Prime Minister was considered the head of state in South Africa from 1910 to 1984. Apartheid was established in the year 1948 by the National Party. The NP believed in the racial superiority of Afrikaners and this may have influenced the majority of Afrikaners to vote for the party. Members of the party were in favour of whites, blacks and Coloureds (coloureds are distant descendants of interracial relations between the Black and White people) (Nilsson 2016, 3) living separate lives, while developing in their own way. These ideas also influenced the establishment of the apartheid system (Capuzzo 2014, 5).

In 1948 the main groups in South Africa were the Africans and its population provided low-priced labour. Their labour contributed a lot on the economy. Then came the coloureds who mainly occupied low-grade management jobs. There were

also the Indians who were employed for sugar plantations and trading. Afrikaners were farmers and they controlled a significant sector of the economy. Last but not least, we can talk about the English speaking South Africans. They were mostly urbanized and were wealthier than the Afrikaners. The English speaking South Africans were separated from Afrikaners by location, language and religion (Anti-Apartheid Movement, 1974, 45).

Apartheid imposed a separation of black population from whites in almost all fields. The Apartheid policy involved the extension of regulations governing the parting of blacks, coloureds and whites. It also indirectly ruled using the chiefs of the community and emphasized on Afrikaner economic control. Racial separation was done through language, education and culture. The goals of Apartheid included the constitution of white supremacy and controlling the pace of African nationalism. Another goal of Apartheid was to improve competitiveness of South African businesses by using cheap labour (Anti-Apartheid Movement, 1974, 46).

Laws established by the National Party divided the population of SA. This would make it easy to rule them. One of these regulations passed was the prevention of mixed matrimonies. The Immorality Act of 1950 outlawed marriage between the whites and blacks. Then followed the Population Registration Act in the same year. This Act divided the population in the country into racial categories. This Act brought about compulsory identity cards for all inhabitants over the age of 16 years (Anti-Apartheid Movement, 1974, 46). To make matters worse during the 1950s a series of laws that were introduced implemented racial segregation in public places. Buses, trains, taxis, parks, zoos, museums and beaches were included in the list. This segregation even applied to hospitals. Here each population was attended by their

race. When it came to sports, mixed teams and competitions were forbidden (Anti-Apartheid Movement, 1974, 47).

There's also the Reservation of Separate Amenities Act of 1953 which encouraged segregation of public services in the country. Cinemas, sport facilities, restaurants and transport were regulated (Phillips, 1999, 23-24). Last but not least there's the Bantu Education Act of 1953. Bantu Education was implemented so that the apartheid regime would be able to manipulate the mind-set of black Africans. The Bantu Education Act put all SA education institutes under the administration of the Department of Native Affairs. The Department later removed missionary schools that were independent (Phillips, 1999, 23-24). More about Bantu Education is explained later in the chapter.

Bantu Education Act aimed to render the blacks inferior politically, economically and socially by using education. This Act faced a lot of challenges however the blacks that were against Bantu Education had no platform to air their discontentment (M S Rakometsi, 2008, 85). However, a black resistance spearheaded by the employees in the mining industry started to grow (Mhlandi, Salani, Mokotedi, 2015, 205). The Black Sash party represented the whites that were against Bantu education system. Churches viewed Bantu Education Unchristian and advocated for it to be repealed (Rakometsi 2008, 88). The Reservation of Separate Amenities Act and the Bantu Education Act are the two policies used by the apartheid regime to solidify power. Pass laws were also used to maintain power.

It needs to be underlined that the International Criminal Law system views negative judgement between various groups and races of people as a crime. In their view the

apartheid was the worst discrimination which was practised in South Africa. The 1973 Convention recognized apartheid as a crime against humanity (Dugard, Reynolds, 2013, 877). This is due to aspects that are mentioned above and below this paragraph.

The apartheid policy was traditionally composed of two distinct but related principles. There was a political belief of separation that allowed blacks to own land in African reserves only and that blacks could only stay temporary in white areas for as long as their services were required. The second principle is that white labour should be protected from black competition hence the location of industries far from the reserves. This made migration for the blacks to be costly. To achieve both principles there was the introduction of influx control or passes. It constrained the movement of blacks since acquiring a Pass required them to have a job (Kaemper, Lehmen, Lowenberg, 1987, 529)<sup>6</sup>.

Apartheid regime led to a significant resistance. The most important organization that organized resistance within South Africa was the African National Congress (ANC). The African National Congress was established in 1912 with the goal of fighting for the rights of the disadvantaged black South Africans located in the country. It became powerful after the 1940s. This was around the time it established its Youth League. The African National Congress unsettled the apartheid regime and the latter banned it in 1960. The ban did not stop the African National Congress from operating. The ban was later lifted around the 1990s (Suttner, 2007, 2).

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<sup>6</sup> However, these passes have recently been replaced with urbanization measures designed to control and prevent the building of squatter slums in the outer parts of the cities (Kaemper, Lehmen, Lowenberg 1987, 529).

The 1980s witnessed a series of increased attacks by the uMkhonto we Sizwe (MK) under African National Congress (ANC) command. However the ruling government also retaliated. They also returned the favor by attacking safe houses of ANC that were located in neighbouring countries. In the mid of the 1980s the ANC launched Operation Vula (open) and its aim was to smoothen the smuggling of arms in SA. Such operations would intensify the armed struggle in the country. The article produced by South African history in October looks at Apartheid events from the ANC angle (South African history, 2011).

The African National Congress was making South Africa ungovernable (South African history, 2011). On the month of February 1965 PW Botha announced that he will not release Nelson Mandela and this did not sit well with the black population. On the anniversary of the Sharpeville massacre violence erupted leading to the death of 37 lives in Eastern Cape (South African history, 2011).

In 1986 Winnie Mandela was unbound of all restrictions (South African history, 2011). Then followed the release of Nelson Mandela in 1990, it was now clear that political change was near and inevitable. This change would mean that SA universities would reflect a presence of black majority (Boughey, 2007, 7).

Apartheid regime also prompted protests elsewhere. Anti-Apartheid activists in London would stage protests outside the South African High Commission Embassy. The location was at a busy and public place. Other activities included sport boycotts, educational rallies and putting direct pressure on politicians (Klotz, 2002, 61).



Some anti-apartheid movements included multinational corporations (MNCs) in the debates and protests. Activists believed that government sanctions would force MNCs to change their stance on apartheid. “In the United states, anti-apartheid activists challenged business involvement in South Africa directly by using divestment and shareholder activism” (Broyles, Aflatooni, 1999, 13). In the 1980s, over 350 American companies had direct investment in South Africa. Activists wanted to persuade institutional shareholders to remove their holdings in American corporations operating in South Africa. Most anti-apartheid activists wanted complete disengagement of America from SA. They saw any involvement of the United States in South Africa as some kind of endorsement of apartheid. In the 1980s activism reached a record breaking high rate. This influenced Congress to pass an anti-apartheid legislation in 1986. The United States of America had two responses to the anti-apartheid movement and these varied along party lines. The Democrats in Congress favoured anti-apartheid legislation while the Republican administration endorsed a policy of ‘constructive engagement’. However, both administrations ended up agreeing on weakening the Apartheid regime by using enlightened American business practices. This was after two decades of protests (Broyles, Aflatooni, 1999, 18).

In 1986 the Anti-Apartheid Act became law (CAAA) in the United States. Coincidentally in 1987 unrest and oppression worsened in South Africa. Shareholders activists responded by pressuring for corporate disinvestment. This led to companies being under pressure from both activists and politicians. The drop in profits and fear of congressional sanctions also influenced the decision of most companies to withdraw from South Africa (Broyles, Aflatooni, 1999, 24). Success

happened when two-party support occurred in Congress and the implementation of the Comprehensive Anti-Apartheid Act of 1996<sup>7</sup>.

Eventually, a series of protests within and outside South Africa eventually forced the regime to come to an end. Democracy could only be achieved through elections. In 1992, the National Party (NP) and ANC decided to negotiate again. This process led to the 1994 elections that brought Nelson Mandela to power. The NP wanted compulsory power sharing. This would give the party blocking powers at every level of government. The ANC wanted straightforward majority rule. Most of the negotiations took part in the bush (remote game lodge). Joe Slovo<sup>8</sup> proposed a power sharing plan which would see the NP losing power eventually. This plan was not supported by the Afrikaner Weerstandsbeweging (AWB)<sup>9</sup>. Hence, the AWB invaded the building that the negotiations were taking place and caused chaos. Everyone in the building was afraid of their lives and when the AWB left the building the negotiators agreed that an election should be held soon (The Death of Apartheid, 2012).

The NP was losing power and it kept on backing down on its demands but it had to keep one demand. The NP wanted the parliament to be ruling or taking decisions via consensus. The transition to democracy faced few challenges. These challenges included the AWB, Bophuthatswana and the IFP which was in KwaZulu. Inkatha

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<sup>7</sup> The law imposed sanctions against apartheid

<sup>8</sup> Joe Slovo was born on 23 May 1926. His family moved to South Africa when he was still a child. Slovo was a activist. He was one of the founding members of the Umkhonto we Sizwe (MK). MK was the armed wing of the African National Congress (Cobbet, 1995, 95).

<sup>9</sup> Afrikaner Resistance Movement was a South African neo-Nazi separatist political organization. It is often referred to as a White Supremacist group. .

Freedom Party (IFP) was formed by Prince Mangosuthu Buthelezi in 1975. The party was based in Kwazulu-Natal province (Piper, 2005, 1). Bophuthatswana and KwaZulu were Bantustans that were within South African borders. All three mentioned ultimately wanted to boycott the elections. However, they all ended up participating in the 1994 elections (The Death of Apartheid 2012). The election of Nelson Mandela in 1994 officially ended Apartheid (Broun, 2001, 36)

### **3.3 South African Education before Apartheid**

An article written by Cheryl S le Roux which was published in 2016 looks at South African education before apartheid. Since the early days of colonialism, South Africa was occupied by people from all over the world. These inhabitants wanted to enforce their social and political way of living on the whole nation. The tool used the most to enforce these characteristics was mostly education (Roux 2016, 2) Education for blacks before apartheid was controlled by provincial education departments and churches (Dean, Hartmann, Katzen, 1983, 28).

Cape schools were integrated and accommodated all races. In 1663 schools were open to all children and race was not an issue (Leonie, 1965, 47). Dutch language was more dominant at schools around that time. The Dutch encouraged everyone to attend school however only a few slave children attended, this was the time when there were slaves in South Africa. By 1737 in Cape, there were four public schools and attendance had increased significantly (Leonie, 1965, 49). The purpose of segregating the white and non-white children was to smooth the path of learning (Leonie, 1965, 50). Hendrik Adrian van Rhee established the first separate school for whites and non-whites in the 17<sup>th</sup> cc. (Leonie, 1965, 48). Yet the separation of races was not by law at that time.

Separation of whites and non-whites started in 1822 although this was not an official policy at that time. The separation was caused by the amount of fees they had to pay for schools. It was too high for the blacks and even the poor whites were affected. That's when the missionary schools started to compensate poor students. However, these religious groups did not all get along well because even villages they lived in were divided. There were subdivided groups like Dutch Reformists, Methodists and Presbyterians. People who did not practice Christianity were called heathens (Phillips, 1999, 22).

Bantu education was used to support racial segregation by teaching the superiority of the white population to the black population, it was used to dehumanise black people and hence prevented the black population from mixing with the white population. Abantu or 'Bantu' is a Zulu word for people. The original meaning of the word kept on changing in South Africa but in 1977 it officially meant Black (SAHistory, March, 2011). The historical evolutionary development of Bantu Education can be summarised in four points. First stage of Bantu education was implemented under the responsibility and control of the church until 1854. The second stage involved recognition and subsidizing by colonial governments. Later on it became beneath the supervision of provincial governments and the Department of Native Affairs. Then finally became an Act in 1953 (Leonie, 1965, 61).

Education in the early days of colonialism was taught in English. The Legislative Council reported that the Bantu had to receive an English education (Leonie, 1965, 74). In 1884, the Natal region decided to revise its Bantu school curriculum so that it would not be the same with the whites. Reading and writing had to be taught in their native language which is Zulu. This decision did not last long because within five

years it was taken, the decision had to be changed again. The Natal reversed back to the white curriculum, and the same curricula was taught in the whole country to motivate the Bantu to adopt to the white culture (Leonie, 1965, 80). This same reason is the one that had motivated the Bantu to change to native language. They were avoiding to be influenced and controlled by education.

The governor of South Africa realised that education is the most important factor in the peaceful subjugation of Africans (Rand, 1990, 29). The control and organisation of African or 'native' education as they used to call it, was under the governor in 1884. However, it was later changed and placed under Natal Council of Education. The Council had power to establish and maintain government schools. It also had the power to frame regulations, give an order on which curriculum to be followed and appoint teachers. With that being said a separate curriculum was drawn up for African schools and a system to inspect them was introduced (Rand, 1990, 33).

In 1888, the government introduced manual labour courses into its schools. "Government-aided schools were divided into three classes based on the industrial or manual training done at each school" (Rand 1990, 35). The first class schools had industrial departments with facilities for training apprentices in trades or handicrafts. Second class schools had unskilled manual or field labourer. The third class schools had no regular instruction in all the aspects that covered the previous stated classes (Rand, 1990, 35). Educational policy for Africans during these times showed a strong link between schooling and work. Black Africans were mainly trained in the second and third class schools. So, racial segregation in education had started earlier than the beginning of Apartheid in 1948. Before 1925, each province would cover the costs of Bantu Education in public schools within its area (Leonie, 1965, 83). The changes of

responsibility and control of Bantu Education system was influenced by the financing needs of the system. The churches got overwhelmed with finances and asked for help from the provincial governments. After realising the financial difficulties that came with Bantu Education, the provincial governments placed the burden on the Department of Native Affairs of the central government (Leonie, 1965, 89). This chain continued and the following was transferred to the Department of Education of the central government. At this point the money that would be distributed to the provinces was determined by the parliament by voting.

A lot of articles grouped Africans, Coloureds, and Asians as Black population, because these racial groups experienced similar challenges during the Apartheid era. Whites were the minority and there were clear separations between English and Afrikaans speaking whites. During the nineteenth century, the Afrikaans speakers had restricted access to education meaning that their education was poor. This forced them to move to urban areas to go find employment. The English speaking whites had better education and occupied semi-skilled and skilled jobs. As Afrikaans migrated to the urban areas, their growth in numbers led to them dominating South African politics by 1910 (Mariotti, 2012, 1102). As their dominance increased they started to take over some institutions of the country, this included the government offices. To solidify their influence they had to opt for separate development.

### **3.4 Education System under the Apartheid**

In South Africa, segregationist and unequal educational structures started before 1948. Segregationist schooling patterns were established in the 1930s and functioned to reproduce racial inequality (Christie, Collins, 1982, 62). From 1935 to 1954, the Bantu education system faced challenges such as inadequate funds and buildings,

over-crowding and lack of equipment (Leonie, 1965, 98). The education system of South Africa under the apartheid regime has been distinguished by two major features, which are segregation and centralization (Unterhalter, 1990, 66). In the 1950s, the National Party government created a rigidly segregated education system. Schools were segregated before the 1950s but it was not yet by law. The whites had free compulsory education in the apartheid era while the blacks (African, Coloured and Indian) were subjected to different laws and regulations according to their racial classification. Education was not free for the black population for many decades (Unterhalter, 1990, 67). Education for the white population was from public funds. Since separate education was being contemplated it was also best to think of separate locations for the schools, hence the idea of Bantu Areas.

The apartheid regime had a poor education system, hence there was qualitative deterioration in the number of African university graduates in 1949. The Eiselen Commission was not happy with the percentage. Only 45 percent of the 974 teachers in African high and secondary schools were graduates (McConkey, 1972, 8). Compulsory education had to be introduced in the black community because if a student dropped out before completing Standard 2, the costs will be too much. The student will have benefited so little that the money spent on his or her education is virtually lost (McConkey, 1972, 3).

In 1951 Professor F R Tomlinson recommended the Bantu Areas to be developed. Socio-economic development was needed in those areas to avoid social problems in industrial areas. This later led to an influx of black Africans to the white urban areas in search of greener pastures (Rakometsi, 2008, 113). During the early days of South Africa, land in the country was regarded as being for the use and benefit of the

community. Individual and property rights were not formed yet at that time (Jones, 1964, 67). The Chief held all the land because he was the representative of the tribe, and he was responsible for allocating it (Jones, 1964, 67). Motivation to remove Africans from urban areas to reserves (homelands, Bantustans) came before the Sharpeville massacre (Evans, Laura, 2012, 2). The massacre happened because the police misunderstood the situation and overreacted by shooting into a crowd, leading to the deaths of Africans (Evans, Laura, 2012, 22). Africans were not happy with Pass laws and went to the Transvaal police station to protest against them. The Bantustan policy of separate development was a response caused by internal and external political pressures. Its aim was to divert opposition and to move conflict out of the white urban areas to the African homelands (Wolpe, 1972, 426).

The Bantu Education Act was passed in 1953 by the National Party. The aim behind this Act was to constrain the knowledge and skills of the black Africans. Therefore, African children were generally deprived and constrained using two things, grade and standards. Even the teacher training program had the lower and higher native certificates (Sihlali, 1956, 43). There are church representatives who were in favour of Bantu Education but did not like the Bantu Education Act. The representatives were more afraid of losing control of their schools, since schools were one of their recruiting mechanisms (Sihlali, 1956, 46). Another reason is that they would lose indirect influence over the people of South Africa. The Minister of Native designed the Native education system in a way that blacks grew up knowing that equality with Europeans is not for them. Teachers who believed in equality were not allowed to teach South African natives (Sihlali, 1956, 47). The Bantu Education Act has been used in many different ways but in all those ways, it always worked against the



African population (Sihlali, 1956, 48). Hence that is why when they had to decide on programmes to do they opted to do law because it had a good curriculum and had more influence in the society. The Bantu Education legislation was established to produce poorly educated teachers for the Bantu Education program (Broun, 2001, 34). Therefore, this legislation had to be challenged from many angles including law.

In August 1954 the churches (missionaries) received a notice from the Secretary for Native Affairs. Churches that were in charge of teacher-training institutions were given options on the way forward. The options were to rent or sell their schools to the Department or to close the teacher-training school or conduct a primary and secondary school in the buildings instead. If not, they would have to train the teachers at their own expense and the government will not employ such teachers (McConkey, 1972, 10). Most churches closed down instead of giving control over to the apartheid regime (Rakometsi, 2008, 88). The decision made by the churches led to a drop in the number of graduates in the country.

The apartheid system managed to temper with the school curriculum from primary to tertiary level. In South Africa, education can be used as a tool for serving the interests of rulers. One of the main purposes of introducing Bantu Education was to dehumanize black people. If they educate the blacks, this would mean that the black population would have options on which job to do and this will affect the supply of manual labour. The statement goes against the educational principle of having an individual achieving their full potential (Rakometsi, 2008, 61).

The rural schools attended by black students had little funding and poor educational facilities. Hence their students had little knowledge of English. To make matters

worse the teachers at these schools also had limited knowledge of English. Township schools also faced the same fate with rural schools. Ex-model C schools were offered 75 percent funding on their expenses but had to raise the remaining 25 percent. These schools accepted only white learners during the apartheid era in South Africa (Mncube, 2008, 81).

Model C institutes were established towards the end of Apartheid. They were established to protect white institutes since the end of Apartheid was inevitable. When Piet Clase was Minister of Education three models of schools were established. The first one Model A schools were fully private and Model B schools were state schools. Model C institutions became state-supported or semi-private. Model C schools received state appointed staff. The school buildings and grounds were transferred to the management council free of charge. Model C schools had a reversionary clause, if the school ceased to operate. The percentage of whites in Model C schools had to be 50 percent and above (Christe, McKinney, 2016, 9).

Lower ex-model C schools levied their fees around 3000 rand per annum for primary schools to 4000 rand for secondary schools. Most of the parents with children in these schools did not pay fees meaning that the state had to pay. The students in these schools were increasingly becoming black and other races were now being transferred to other schools by their parents. Upper model C schools levied fees at 8000 rand per annum for primary schools to 12000 rand for secondary schools and they were multi-racial (Webb, Lafon, Pare, 2010, 276). It is important to remind that the Model system that was exclusive during the Apartheid era was later transformed by the ANC to make it inclusive and enable the blacks to acquire quality education.

Bantu Education allocated a lot of power to Dr. H F Verwoerd. The curriculum was adapted to the black way of life. In other words, it was designed for the black population. Furthermore, black schools that were controlled by the missionary had to be transferred and placed under the Native Affairs Department (Christie, Collins, 1982, 59).

Bantu Education was not favoured by the white population that spoke English. They wanted equality for everyone and equal treatment in the country. In South Africa before 1953, 5000 schools were controlled by missionaries and in 1959, almost all black schools except 700 Catholic schools were now controlled by the Department Native Affairs (Christie, Collins, 1982, 60).

In the 1940s the segregation system was facing a crisis as the percentage of blacks in urban areas trebled. This increase was due to underdevelopment of black reserves and the growth of industries like never before (Christie, Collins, 1982, 65).

All black schools were registered under the government during apartheid. The Minister was supposed to know everything about the school. Basically all types of schools could operate but mission schools needed government permission to operate. In 1955 there were measures taken by the government to remove night school. This meant that a great number of blacks stopped going to school (Christie, Collins, 1982, 67). Those that continued and made it to tertiary were to be trained in institutions in which the state could control. The state controlled its administration structures and curricula. In my view this meant that the education of the blacks was still being limited so that they will not be able to compete with the whites. However, Verwoerd

did not see educated blacks as a threat because the system directed them to serve in homelands (Giliomee, 2012, 77).

Before Bantu education National party politicians stated that:

Natives should not be given an academic education to make sure there is a supply of cheap labour. The native who attended school had to know that to a great extent he or she must be the labourer in South Africa (Christie, Collins, 1982, 70)

Certain mechanism had to be put in place to support and implement the things mentioned in the statement.

The introducing of Bantu Education in schools increased the number of black pupils attending school. The other thing the government did was to remove white teachers in black schools to intensify segregation. This meant that there was now a demand for African teachers. It later removed male teachers in lower primary schools and replaced them with female teachers, this was done to reduce costs. At some point during apartheid the demand for Bantu teachers, nurses and doctors was more than the supply (Christie, Collins, 1982, 71).

Bantu Education was meant to continue the legacy of imperialism and maintain white supremacy. Various authors realize that Bantu Education became an instrument of oppression, instead of being a tool of emancipation. It was designed in a way that when black pupils reach higher levels of schooling they would struggle in class because their English abilities are not well developed. Therefore, Bantu Education system allowed students to learn at school using their mother tongue. It was put in place to deny black students quality education and make things difficult

for them to climb the educational ladder. This led to students dropping out of school before tertiary which meant more cheap labour (Mhlandi, Salani, Mokotedi, 2015, 213).

Black South Africans experienced inadequate, poor facilities and not enough classrooms. Most of the costs that these schools experienced affected black parents because they were required to contribute (Unterhalter, 1990, 70).

When it came to studying, segregated schooling increased the gap between the students. Black girls studied more of commercial subjects, while white and Indian girls studied Mathematics. Since the black child could not use mathematics in his or her career the number of blacks studying mathematics dropped and this led to the removal of the subject in other black schools (Giliomee, 2012, 80).

Most of the native schools were state aided and in 1957 the number of schools in native reserve areas increased from 5769 to 6320. It was not necessary for Bantu teachers to get same salaries like European teachers because the standards of living in Bantu community were low. South Africa complained of a few inequalities like school fees and having to buy books, while Europeans had free education. There was also too much student load put on teachers and double sessions. African students who failed Standard 2 were expelled from school, while whites who failed were given special treatment and training (Wheeler, 247).

In 1973, industrial regions experienced an increase in strikes by African workers. As this was not enough students (African) protested against the African education system in 1976. These strikes were motivated by awareness of the blacks of their

importance in South African economy. The main reasons of the 1976 Soweto uprising was that the government stated that some subjects will be learnt in Afrikaans (Rakometsi, 2008, 179). The Soweto Students Representative Council (SSRC) launched the 1976 Soweto uprising (Rakometsi, 2008, 180).

In 1976, Afrikaans was imposed in black schools as a language of learning and this triggered uprisings in certain parts of the country (Rakometsi, 2008, 173). The whites did this to better the chance of blacks in the capitalist world and at the same time limit their skills. In some areas of SA there were not enough tutors who could explain the content subjects<sup>10</sup>. This is because English and Afrikaans were used to explain content subjects. The aim of the government was to make Afrikaans the main language of instruction in the country (Rakometsi, 2008, 177). A decision had to be made.

In 1986, after a wave of mass protests, the regime declared a 10 year plan to bring about equality in spending on black and white education. They had to increase black education budget by 4.1 percent per annum. The economy was growing at 1 percent per annum so the plan had to be abandoned as it was impossible. South Africa's economic growth was being constrained by military and security forces budget (Unterhalter, 1990, 68).

### **3.5 Apartheid Funding and Education Curriculum**

Firstly, education curriculum of Apartheid was segregated by location due to Bantu Areas Act. Secondly, there was a huge gap in government funding, "per capita government spending on Black education was one-tenth of spending on White

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<sup>10</sup> A subject like history, geography, science studied in order to gain knowledge

children” (Naidu, 2011, 14). White education enjoyed more funding during Apartheid as compared to the black education.

For over 20 years investment by the government in white education was 10 times more than the education of black students (Johnson, 1982, 220). In 1960, students from the white population received 115 rands per year from the government. While the students from black population received 14 rands per year. Between the year 1976-1977 the figures increased, the white population students received 654 rands and the black population students received 49 rands. The increase per capita was nearly 600 percent for white students, and for black students the increase was only 350 percent per capita. These figures show the disparities in government spending in education for black and white population (Johnson, 1982, 220). Furthermore, African students were made to pay for attending school while the white population students attended school for free (Johnson, 1982, 221). These figures show that there was deliberate racial segregation in education during the apartheid era.

White students were taught subjects that led to superior skills and higher education and leadership roles in society. Yet black students were taught subjects like indigenous languages and bible studies. Furthermore, black students were not taught mathematics and science due to reasons like lack of teachers (Karlsson, 2004, 328). Those that got lucky and were taught mathematics would be taught by teachers that are not fully qualified or they were taught in over-crowded classes.

Comparing hours spent on a subject on both syllabuses (Bantu Education Department and Transvaal Education Department) also provides significant insights into the education system during the Apartheid. The Transvaal Education Department states

that 1 hour per week should be spent on learning geography whereas the Bantu Education Department states that only 30 minutes should be spent on geography (Nkondo, 1979, 18). The hours mentioned in this paragraph reflect the fact that black students would learn less, due to the amount of hours spent on the subject.

History and Nature study are covered in Standard 1 under the Transvaal Education Department, while those same subjects are covered on Standard 2 under the Bantu Education Department. This scenario means that the Bantu Education students are three years behind the students that are under the Transvaal Education Department (Nkondo, 1979, 18). Since Bantu Education put the black education students behind by three years, it meant that there was deliberate racial segregation.

“The Transvaal Education Department students learnt different types of farming for example they learned stock, fruit, grain, vegetables and tobacco. Furthermore mining, industries and fishing were taught in detail” (Nkondo, 1979, 18). Some of these subjects were useless in some areas; however they were covered either way (Nkondo, 1979, 18). White students during the apartheid era were taught everything, black students received limited education.

Meanwhile, the syllabus content was almost the same for white and black students. The Junior Secondary school courses were virtually identical in all provinces. However the teaching of South African history to black students ended in 1948. The Department of Education and Training decided to omit information and events that took place during apartheid. The same thing happened in Senior Secondary schools (Chernis, 2010, 292-296).



Due to the fact that during apartheid, teaching mathematics to black students was not seen as important, there was a gap in the labour market in higher skilled jobs. A survey projected from 1989 shows a large number of vacancies in jobs that needed mathematics. The number of vacancies available for accountants was 700. The vacancy figure for technicians was 8500 and engineers were 1500. These figures show a shortfall that was created by the apartheid education system (Macrae, 1994, 273).

In 1989, mathematics related occupations by race showed a small number of blacks being in those occupations. The occupation of architecture had 2494 whites and 32 blacks, making a total of 2526. The occupation of Civil Engineering had 4735 whites and 63 blacks, making a total of 4798. Computer Programming had 5727 whites and 853 blacks. The occupation of Electronic Engineering had 1649 whites and 27 blacks, making it a total of 1676. Manpower Planning had 280 whites and 30 blacks, making it a total of 310 (Macrae, 1994, 273).

Apartheid education was divided in three departments. There was the Afrikaner, English and Native department. Language of instruction during Apartheid was focused on mother-tongue in primary school level. So this meant that each of the mentioned departments taught their children in their mother-tongue in primary school. For white students mother-tongue was almost universal. They could receive their education in English or Afrikaans until tertiary level education. These subjects were taught as second languages to black students from the beginning. To be more specific, black students learnt their native languages on the first half of primary school. Then in the second half of primary school they started learning their subjects

in English or Afrikaans and this is when the transition started (Reagan, 1987, 304-305).

When it came to the teacher's guide, the Bantu Education Department allocated six paragraphs to it, while the Transvaal Education Department allocates twelve pages for the guidance of teachers (Nkondo, 1979, 18). These figures show that the black students were exposed to less guidance. A paragraph is less than a page and if we try to calculate it in any way the guidance offered by the Bantu Education Department cannot reach more than six pages. Therefore the knowledge offered to black students was limited. As a reminder the Bantu Education Department was established by the National Party and since the latter had planned to limit the skills acquired by the black population it meant that the National Party was on the right track.

### **3.6 Conclusion**

Apartheid was a system of racial discrimination that took place in South Africa. The racial discrimination was institutional and was focused on the concept of separate development for different races. The Apartheid regime focused on making the white population a superior race at the expense of other races in South Africa. The regime later faced resistance and protests.

Anti-Apartheid activists played an important part in bringing an end to the Apartheid regime. Nelson Mandela played an important role in the ANC by keeping it together for many years and increasing the organization's influence. The strategic attacks done by the ANC on the Apartheid regime made sure that the latter is not comfortable. International activism against Apartheid led to a sufficient number of

disinvestment which weakened Apartheid and later led to its demise. Sanctions played a big role in ending the Apartheid period.

Education before the Apartheid era was controlled by the provincial education departments and churches. Cape schools accommodated all races and integrated everyone within the borders of South Africa. Unofficial separation of whites and non-whites in South Africa can be traced back to 1822. The separation was caused by tuition fees. The tuition fees were very high and the blacks could not afford it. Before Bantu education became an Act, it was used to support racial segregation by teaching the superiority of the white population to the blacks. In 1888, government-aided schools introduced classes and the first class did industrial and manual training. This class facilitated the training of trades and handicrafts through apprentices. The second class had taught unskilled manual and field labour. Black people in South Africa were mainly taught in the second class.

The education system under Apartheid was divided. The whites had free compulsory education while the blacks were subjected to different laws and regulations. The black population had to pay for education. The Bantu Education Act was passed in 1953 by the National Party and the aim behind it was to constrain the knowledge and skills of blacks. The Apartheid education system was used as a tool for serving the interests of the white population. Bantu Education Act's aim was to continue the legacy of imperialism and maintain white supremacy in South Africa. There was unfair treatment of black students during Apartheid. Black students that failed Standard 2 were disqualified from school, while white students that failed were given special treatment and training. The terms of the Bantu education did not go unchallenged and there was a series of protests against these terms.

Apartheid education curriculum was separated by location because of the Bantu Areas Act. Furthermore, there was also a gap in government funding when it came to the education sector. Black education got less funding as compared to the white education. During the Apartheid period, investment on white education was 10 times more than the black education. There was deliberate racial segregation in South Africa because whites did not pay school fees while the blacks paid school fees. The hours spent on a subject were also different. The whites would learn a subject like geography for an hour but the blacks would spend 30 minutes on that same subject. This means that there was a qualitative difference between the education received by whites and blacks in South Africa. Teaching mathematics to blacks during Apartheid was not prioritized. This left the labour market with a gap and led to a lot of vacancies being available in jobs that required mathematics.

## **Chapter 4**

# **POLICIES AIMING TO ESTABLISH RACIAL EQUALITY (1994-2019)**

### **4.1 Introduction**

Apartheid ended in 1994 and South Africa transitioned to democracy. At the same time the African National Congress (hereafter ANC) took over the South African government from the National Party. The ANC committed itself to implementing policies that would bring equality amongst all races in South Africa. This chapter will assess some of these policies and evaluate whether ANC managed to fulfil these promises.

This chapter will focus on the post-apartheid policies that aim to promote racial equality in South Africa. It will start by looking into the Reconstruction and Development Programme (RDP) that aims to close the gap between the white minority and black majority. After assessing RDP, I will then focus on the Growth, Employment and Redistribution strategy (GEAR) which was established to support RDP. The section that follows will discuss the Black Economic Empowerment programme (BEE). All these programmes will be discussed in detail including their shortcomings.

### **4.2 Reconstruction and Development Programme (RDP)**

RDP was established in 1994 by African National Congress, its aim was to eradicate apartheid effects. It also aimed to build a non-racial and democratic future for South

African people. The RDP was drawn up by the ANC led alliance in consultation with other key mass organisations. The programme focused on the immediate needs of the people of South Africa. It also aims at nation-building as apartheid created a lot of divisions and inequalities. In this respect, nation-building requires a linkage between reconstruction and development, which brings us to GEAR. However, GEAR will be discussed later in another section. Implementing the RDP was hard because it involved processes and forms of participation by organisations outside the government (A P Framework, 3).

Implementing the RDP required changing the government structures on so many levels (national, provincial and local level). There was also a need for reforming the tax systems and improving them. An improved tax system would be able to raise more tax revenue, which means that new funds will be raised in many areas (A P Framework, 16).

Pursuing RDP was not important to the ANC in the early stages of democracy, it focused on BEE. Black Economic Empowerment which is mainly focused on the transfer of shares. These shares are mostly acquired by politically connected black individuals (Tangri, Southall, 2008, 701). However, some recent deals are becoming broad based. More about BEE will be talked about later in the chapter.

RDP seeks to eradicate effects caused by apartheid by mobilizing all of South Africa's resources. It also wanted to improve health care by ensuring that pregnant women are guaranteed hospital treatment. Another healthcare benefit that it brought is that children under 6 years of age also had to be attended in hospitals for free (Corder, 1997, 185). The RDP mainly focused on meeting basic needs for the people

of South Africa. Things like jobs, land, water, transport and housing to name a few were important to the programme. It also consulted and involved the general public in decision making. The needs for people had to be addressed fast because some needs are vulnerable to change, and will be affected if they are dealt with late (Corder, 1997, 185). The RDP also focuses on the rights of women in almost all aspects that they are affected. It looks at the wage rate of women compared to men and lobbies for equality, assuming they are doing the same work. Women should also be promoted at work and also have the power to attain land easily (Corder, 1997, 188). The programme also faced challenges, and the most important ones are education and training. It is easier to allocate resources of the state to a minority group as compared to allocating those same resources for all the people in the country. The government faced major dilemma of whether to allocate funds to school children or adults. It is also important to mention that South Africa faces a dramatic difference in living standards of the people within its borders. There is a huge gap amongst the poor and rich (Corder, 1997, 189).

The important aspect of RDP during its early days was that it was a people driven program which aimed at empowering poor people. It also gave them a chance to participate in the process. The programme encouraged involvement of the poor which would ensure good quality service. The funding of the RDP came from the parliament, international aid, taxation and the selling of state assets. However there is a lot of hesitation of selling state assets because only the wealthy can buy them, and the wealthy population in South Africa are the white minority. Most of the wealthy people in South Africa are the white minority. Selling the state assets to them will be

basically perpetuating the dominance of the ownership of the economy into the hands of the white population and international stakeholders (Corder, 1997, 187).

Reconstruction and Development Programme shifted government spending from the military sector and spent it on education and health. The RDP also had special funds which covered the president (Asaf, Cato, Jawoko, Rosevear, 2010, 21). These projects included free medical care for children and pregnant women, public works for the unemployed and feeding programmes. As these programmes were being established the SA government had to convince the international community that everything is safe.

The RDP is also responsible for housing and services. In this respect, the RDP also aims to fix the housing issues created by apartheid. The RDP endorses the fact that every South African has the right to a secure place in which to live in peace and dignity. Basically the RDP covers almost every aspect of life since it also considers the nutrition and health care of people in South Africa. Another aspect is that the RDP aims to improve the quality of rural life. Ultimately according to this article the RDP covers a lot of aspects, because it is a people-driven programme (A P Framework, 85).

Clearly economic improvements achieved by SA were shown by its inclusion into the BRIC group in 2010. Besides being economically strong it shows that the country is now being recognized internationally, which means even the racial inequality aspect is reducing. One of the most important steps taken by SA government was adopting the Constitution in 1996. During this period it was able to improve the level of human rights within its borders. It should be reminded that the number of people



dying from AIDS has reduced significantly. There is now better healthcare and in most places it is offered for free to women or children wearing uniform (Capuzzo, 2014, 107).

Since RDP was established shortly after the election of the African National Congress into power the programme required that principles in the Freedom Charter be met. RDP was revised a lot to accommodate the interests of the business sector. The programme was successful in the social security area. In this respect, the government was able to establish an extensive welfare system. Under the RDP 500 new clinics were built improving the medical department. A free health care was also implemented for pregnant women and children. However, the implementation of RDP was not always smooth sailing because it was once abandoned due to inadequate economic growth of funds and lack of policy coordinating. The RDP fund of 2.5 billion rand's or 2 percent of the national budget was not enough to sustain the programme. Another shortcoming of the programme is that the ANC government did not prioritize it enough to integrate it as a guide to its socio-economic policies (Mosala, Venter, Bain, 2017, 331-332).

### **4.3 Growth, Employment and Redistribution Strategy**

To convince the capitalists and whites not to worry, the Growth, Employment and Redistribution (GEAR) strategy had to be established. The goals of the programme were privatization and liberalization of trade. The policy also focused on re-prioritizing public expenditure (Asaf, Cato, Jawoko, Rosevear, 2010, 21).

The GEAR was adopted in 1996 as a macro-economic strategy which was meant to tighten the fiscal policy and liberalize the foreign exchange controls. The South

African government believed that it was a kind of intervention that was necessary to face the economic constraints that remained unresolved after the adoption of the RDP. In other words, GEAR was adopted to help or support the RDP. Basically GEAR dealt with, things like reduction of fiscal deficits and achieving a stable exchange rate. Other aspects that GEAR dealt with are a decrease in trade barriers and liberalization of capital flows. Therefore GEAR focuses on the fiscal and monetary policy of the country. Some of the things that it focuses on are small enterprise, social and sectoral policies (Capuzzo, 2014, 95-96). When it came to social and sectoral policies, education was an important topic. In the long-run economic performance and income redistribution needed education. In this respect, it meant that education needed to be improved and to achieve that, many reforms were necessary (Capuzzo, 2014, 97).

The GEAR programme focused on economic growth. “The GEAR documents emphasized on accelerated economic growth associated with stronger employment creation” (Mosala, Venter, Bain, 2017, 333). This needed to be done to improve the standards of living of the people in SA. Implementation of GEAR included setting a stricter fiscal deficit target of 3 percent by 1999. This meant that the fiscal deficit target set in 1994 of 4.5 percent will be dropped by the government. Implementing the programme meant that the government had to address inflation and financial stability (monetary policy). The trade and industry policy, focused on employment and boosting international competitiveness. The government emphasized on focusing on tourism and manufacturing sector. These sectors were offered tax holidays, tax exemptions and support programmes (Mosala, Venter, Bain, 2017, 333).

The idea of GEAR originally came from seven experts who were elite. The experts came from white universities, international financial institutions, the Development Bank of Southern Africa and the South African Reserve Bank (Lehloesa, 2000, 58). However the African National Congress ended up adopting it even though the policy limited the role of the state in the economy. The policy gave prominence to markets so the adopting of the policy by ANC seemed strange (Lehloesa, 2000, 61). The party did this even though it was aware of the critics of the policy. This was achieved because the macro-economic policy was not challenged enough at the ANC's national conference.

GEAR had a huge economic impact on South Africa. It ensured that the financial situation of the country is under control. It did this by lowering interest rates and controlling inflation. Furthermore the budget deficit and import tariffs were at a normal rate, while investment by State-Owned Companies was growing by 13 percent per annum. However GEAR had its shortcomings too. The fiscal gains came at a traumatic social cost. In this respect levels of poverty and inequality increased after adoption of the programme. Unemployment increased and formal non-agricultural employment declined (Mosala, Venter, Bain, 2017, 333).

GEAR seemed to have a weakness because it failed to generate jobs but instead during its reign there was loss of jobs. Jobs in the formal sector fell by more than 100 000. This meant that people were not happy by the overall employment performance (Michie, Padayachee, 1998, 632).

The GEAR policy has failed and Aldezadeh states that its growth has stopped and it is starting to decline. The GDP of the country also fell and investments have not increased. The debt of the government is increasing (Lehloesa, 2000, 80).

In general when GEAR was being established its first goal was stressing the need for a competitive economy so that everyone looking for a job is able to get one. GEAR and RDP have a few similarities but at the end of the day they are different (Weeks, 1991, 798). These policies were aimed at increasing the country's Gross Domestic Product.

#### **4.4 Black Economic Empowerment (BEE) and Broad-Based Black Economic Empowerment (BBBEE)**

Black Economic Empowerment (BEE) was adopted in order to redress the socio-economic ills perpetrated by the former apartheid government, and this was in the year 2003. It also aimed to empower blacks that were previously suppressed by the apartheid government.

Broad-based Black Economic Empowerment Act (BBBEE) was established in 2003. The BBBEE legislation requires organisations to reach a certain score to be able to get contracts. If firms are not BBBEE compliant they will fail in their contract bid. The Act aims at creating economic opportunities for black people and provide with some managerial control in the South African economy (Horwitz, Jain, 2011, 10).

BEE is the brainchild of BBBEE. BBBEE is a policy that wanted to advance economic transformation and enhance the participation of Africans in the South African economy. (BBBEE has since been amended to BEE in 2014. The amendment was for the enforcement of a more integrated purpose as a government strategy of redressing the imbalances of the past (Shava, 2016, 162).

The influence of BEE was limited, that is why the democratic government established BBBEE. Mbeki himself once mentioned that some forms of BEE were designed by the white minority elite. The white minority did this to ensure that the white elite would still be able to influence the economic policy of South Africa even after the end of apartheid. “Broad-based black economic empowerment can be understood from a social policy perspective” (Patel, Graham, 2012, 195).

The implementation of BEE in South Africa involves redressing apartheid’s legacy. Racially-based inequality and the education system are the main issues that need to be addressed. Education is showing signs of change because the government is putting a lot of effort towards overcoming problems in this sector. Government spending in black schools has increased in the attempt to reach the standard level of historically white schools. (Ponte, Roberts, Sittert, 2007, 945).

At the top of the list of the BEE is the Preferential Procurement Policy Framework Act of 2000, which can be found in one of the four Transformation Bills authorized by the 1996 Constitution. The Promotion of Equality and Prevention of Unfair Discrimination Act of 2001 aimed at targeting the transformation and de-racialization of business, like property, insurance, banking, transport and entertainment, to name a few. In my view it targeted the special sectors which blacks were not allowed to enter during Apartheid. Others are Restitution (restoring) of Land Rights Act, Employment Equity Act and Telecommunications Act (Iheduru, 2004, 9). The controversial Minerals and Petroleum Development Act and the Tourist Guide Act all helped the government to achieve equity and look into the historic imbalance when implementing new laws. Then last but not least, the National Empowerment Fund Act which helps the previously disadvantaged people

to purchase equity stakes in businesses that were once state assets but are now private owned (PDI) (Iheduru, 2004, 10).

There is the Competition Act which was established in 1999, this Act is viewed as some empowerment legislation. The Act aimed at promoting a greater spread of ownership. Another aspect it tackled was white-owned and controlled business groups, it wanted to address the abusive dominance and business practices done by the individuals in question (Ponte, Roberts, Sittert, 2007, 947).

Minerals and land are the most important things in South Africa because they generate a lot of capital. The availability of minerals in South Africa managed to grow its economy at a significant rate and most of the mines were owned by the white minority before BEE. So for BEE to have a true meaning and purpose, the ANC had to make sure that the majority owned a fair share of the mines in South Africa.

The government played a major role in the transfer of ownership of the shares that mines allocated. It was also supported by the World Bank and IMF. The African Development Bank, local commercial institutions and the mining companies themselves also took part in the process. As time went on black people with ambitions in the mining industry were now in demand (Southall, 2004, 324).

The biggest move was done by Harmony Gold when Patrice Motsepe increased his shares to a significant stake in the industry. He achieved this by acquiring mining aspects in many small firms. This led to the new company to become one of the biggest in Africa (Southall, 2004, 324).

These empowerment strategies continued with Gold Fields South Africa. However this move put Mvelaphanda in debt of 2.8 billion rand. Mining magnate Roger Kebbies Randgold and Exploration later merged with Phikoloso mining (Southall, 2004, 324).

The financial sector also followed suit. The financial sector drew up its pre-emptive draft charter which was similar to the mining charter. South Africa's fifth largest bank worth 810 million rand allocated 25 percent to empowerment partners. Other industries also responded to the empowerment bill. SABMiller announced a 1.9 billion rand deal with Tsogo Investments (Southall, 2004, 325). "Both companies transferred their interests within the hotel and gaming sectors into a new company, Tsogo Sun Holdings became under the control of Tsogo Investments" (Southall, 2004, 325).

In November 2003 the South African wine industry decided to take part in the new South Africa (SA). The industry had long been an outstanding example of white power and black exploitation (Toit, Kruger, Ponte, 2008, 7). It is also important to note that the wine industry contributes to the Western Cape economy.

A company of black professionals, entrepreneurs and businesses also started. The aim was to transform ownership and management in the wine industry. Workers from Kooperative Wijnmakers Vereniging (KWV) also decided to start an organisation, Nosey Pieterse and Vukile Mafilika played key roles in the establishment of the Black Association for the Wine and Spirits Industry (Bawsi). The main purpose of the organisation was to protect black businesses in the wine industry (Toit, Kruger, Ponte, 2008, 15).

The Broad-based Black Economic Empowerment policy addresses the systematic prohibiting of the majority of South Africans from full involvement in the economy. Race was used to restrict and control access to the economy, the blacks were affected the most. The BBBEE Act has the basic structure of black economic empowerment (Esser, Dekker, 2008, 162).

The African National Congress (ANC) established Accelerated Skills and Growth Initiative) and Joint initiative on Priority Skills Acquisition, established in 2004 and 2006 respectively. Transformation and Employment Equity also took part in empowering people. There has been an increase in the supply in the engineering and health care departments. However, the number of black students who are in engineering is not good enough (Horwitz, Jain, 2011, 22).

Broad-based Black Empowerment is measured using the Codes of Good Practice. These Codes have scorecards and they are used to measure BBBEE. A firm gets a certain number of points if it has a certain number of blacks in its departments. The highest points are given to a firm if ownership, management and control is held by a black individual. The Act and Codes are used to check whether a firm can function in public sector and private sector. If a firm has a high rating it will benefit more in the public sector. Firms that make a turnover less than 5 million rand's is exempted from complying with the Codes. While a firm having a turnover between 5 and 35 million rand are judged using the scorecard. Firms that have a turnover of above 35 million rand have no choice but to comply with the Codes (Esser, Dekker, 2008, 165).

Since the beginning of democracy the South African economy and social landscape has changed. This change could not be achieved by the state alone, the private sector



also had to take part. Some of this private action is caused by legislation. It is also beneficiary for a firm to comply with the BBBEE Act. This is because getting a high rating increases the chances of the firm to get business. This Act also directly and indirectly make firms consider the South African community (Esser, Dekker, 2008, 166). In other words the BBBEE Act addresses racial imbalances and to some extent it considers socio-economic upliftment.

In South Africa the national legislation is linked to the Codes of Good practise. They work as a formal verification procedure to ensure that organisations comply with the Broad-based Black Empowerment Act (Arya, Bassi, 2011, 678). The first 8 Codes focus on large enterprises and the remaining 7 Codes focus on small enterprises. Basically in total there are 15 individual codes. These codes specify the things that these firms have to comply with. The Codes of Good Practice regulate government entities but do not influence the private sector in any way (Arya, Bassi, 2011, 681-682).

The first code provides a clear rule on fronting practices and specifies the consequences. The second code aims to promote participation of black individuals. It also looks to promote black investors and help firms get ownership points. This code also puts out conditions under which a sale of assets is recognized. The third code seeks to encourage representation of black individuals on a firm's board. The fourth code influences initiatives intended to achieve employment equity in a firm. The fifth code is designed to improve the skills and development of a worker. It looks at the quality of internal training corporate initiatives. The sixth code checks to what extent does the firm support black owned businesses. The seventh code aims to look at the extent to which corporation's carry-out initiatives that contribute to the development

of the firm. The eighth code seeks to promote ideas that contribute to socio-economic development (Arya, Bassi, 2011, 686).

The third code states that companies should spend 3 percent of its payroll on skills development (Arya, Bassi, 2011, 686). These codes also influence Multinational Corporations in South Africa. Some of them have chosen to acquire stakes in companies that comply with BBBEE to make things easier for them. Barclay's PLC, a company based in the United Kingdom bought 56 percent shares in ABSA Group Limited and this became the largest FDI into the country in 2005. This share acquisition was approved by the minister of finance. However with conditions that empowerment will be increased (Arya, Bassi, 2011, 691). The rise in unemployment has influenced this.

The rise in unemployment in South Africa has influenced the government and the private sector to focus their energies towards small businesses. These small firms may play a role of creating jobs. Reducing poverty has been one of the main priorities of the ANC. In 1996 the White paper for Small Business Development Act was established to give a new meaning to small businesses after the end of apartheid (Agupusi, 2007, 2). Characteristics of a small business depend on the size of the economy. In America a firm with 500 employees is considered small, while in developing countries surely a lesser number will be considered as small.

There is also the issue of structurally unemployed individuals in the townships of South Africa. Some of the individuals have never had a job or were laid off due to lack of high-tech skills (Agupusi, 2007, 9). To mitigate this situation some companies that are big are offering partnerships with some small township

companies. Big firms like the Southern Sun outsources some of its services such as cleaning and housekeeping to these small companies (Agupusi, 2007, 13). This indicates that the effects of apartheid are still there and go deep. One of the aims of the apartheid regime was to create a system that will always produce cheap labour.

South Africa experienced unfair discrimination during the apartheid era. To redress this past cruelty there was the introduction of the Employment Equity Act. The main aim of this Act was to establish good working conditions (Booyesen, 2007, 50). The Act also considers unfair employment practices, leading black workers causing a high turnover in most companies. The legacy of apartheid is still in the minds of most South African individuals hence discrimination still exists in the country.

To understand Black Economic Empowerment (BEE) one has to look at it from a few angles. Firstly the African National Congress (ANC) used state power to assert greater black ownership and control of some parts of the economy. A brief look into the extent to which the white minority had control over the economy proves that the ANC had no choice but to rectify this. The white hegemony had been in control for over 300 years and the system was designed to deprive Africans and Coloureds of the possibility of independent economic existence. The black majority was basically transformed into a supply of cheap labour. However some of them were middle class professionals and would focus on their families in the homelands (Southall, 2007, 68).

During the apartheid era African capitalism was limited to homelands and once it ended these stakeholders required rapid access to capital to conquer the whole of South Africa. This is where BEE came into play (Southall, 2007, 76). However, BEE

had to go through a few phases, even in the private sector. The first phase of black ownership was stopped by the Asian crisis. Probably the ANC feared that such a crisis would also happen in South Africa, since it was spreading. The second phase saw the government making policies that gave more power to BEE using charters. The third and current is aiming to deal with criticisms that BEE is only benefiting the elite, hence the establishment of Broad-based black empowerment (Southall, 2007, 76).

#### **4.5 Shortcomings of BEE**

BEE procurement systems in South African municipalities have been ruined by persistent corruption and fraud. These acts are affecting the progress of the programme. In general the corruption happening in South Africa is nothing new to Africans because almost all African states are affected by it.

Most BEE deals favor Patrice Motsepe, Cyril Ramaphosa, Saki Macozoma and Tokyo Sexwale. These individuals are the most familiar names that appear in different deals repeatedly. Looking at all of them they have equity stakes worth billions of rand. They are involved in the communications banking industry. They also have some shares in the natural resources sector. These individuals symbolize the South Africa corporate empowerment elite and of course they are politically connected. I propose to argue that these are not really empowerment deals because the individuals benefiting have wealth already (Tangri, Southall, 2008, 709).

The government states that BEE deals are now covering all aspects of South Africa but these deals became elite based deals (Tangri, Southall, 2008, 710). Black empowerment in South Africa had worked for the enrichment of tiny black elite

(Southall, 2004, 320). This statement has some truth in it because Patrice Motsepe and Cyril Ramaphosa to name a few are some of the black elites that benefited from it.

Cosatu (Congress of South African Trade Unions) played a role of keeping BEE and BBBEE in check, to make sure that the benefits are spread around, this increased the number of BEE deals (Patel, Graham, 2012, 200). However after that being said in 2007 the number of deals started to decline.

#### **4.6 Effects Of The International Environment On The Post-Apartheid Policies**

Since South Africa transitioned to democracy, it has developed good relations with the United States of America. Both of these countries are strategic partners. They have been collaborating in many areas for example education, health and environment. In 1995, the United States of America and South African Binational Commission was established with the aim of supporting the rebuilding of South Africa and United States of America. The United States of America has been helping South Africa to improve its healthcare and increasing education standards. Since 2004, the United States of America has invested 6.2 billion dollars in assistance to ensure that the fight against HIV is manageable. South Africa is the largest trade partner of the United States of America. In 2018, both had a two-way goods trade worth 14 billion dollars.

Clearly this data shows that South Africa and the United States of America have been in good relations since the end of the Apartheid period United States of America supports the policies because already it assisted in areas were the policies

needed help for example increasing education standards and teacher training (Bilateral Relations Fact Sheet, January 14, 2020). In the case of Zimbabwe, the policies imposed by the government after the colonialism era led to a negative reaction, and the international community punished Zimbabwe. However, it needs to be underlined that in the case of South Africa, the end of Apartheid had been possible due to the compromise agreed by the ANC at the time. For example, the ANC had abandoned its aim of nationalizing the mines, banks and the monopoly industry after the end of the Apartheid. ANC had not only reconciled with the white establishment but also with global capitalism. As expressed by Ronnie Kasrils who was a member of the National Executive Committee (NEC) of the African National Congress (ANC) from 1987 to 2007, ‘That was the time from 1991–1996 that the battle for the soul of the ANC got underway and was lost to corporate power and influence. I will call it our Faustian moment when we became entrapped’ (Ashley, December 5, 2013).

Therefore, it was not surprising that the IMF influenced some of the post-Apartheid policies like the RDP through the Letter of Intent. The Letter of Intent recommended things that the post-Apartheid government should do. One of the recommendations included maintaining a tight monetary policy of the past 4 to 5 years. Such a recommendation definitely limits the abilities of RDP. The IMF’s policy advice for South Africa, which is found in the Letter of Intent may trap the post-Apartheid government into ideological biases, which affect the RDP’s more direct interventionist policy. These interventionist policies targeted the disadvantaged and the poor. The IMF officials made recommendations to the ANC before granting it

the 850 million United States dollars that limited the implementation of the RDP (Padayachee, 1994, 590).

The European Union (EU) agreed to support the post-Apartheid government and its Reconstruction and Development Programme (RDP) (Gibb, 2003, 887). However, since the beginning of democracy in South Africa up until the year 1999, the EU was denying South Africa the chance to join the Lomé Convention (Gibb, 2003, 887-891). One of the reasons is that the EU saw South Africa as a developed country and South Africa had applied as a developing country. South Africa only wanted to have access to the General Trade Provisions and not the special trade protocols. South Africa and the EU later agreed to trade with each other in the year 2000 (Lee, 2002, 86-87). South Africa and the EU ended up agreeing on terms that benefited both parties. In the year 2019, the EU held majority of the FDI going into South Africa. Essentially, the EU supports the post-Apartheid policies that are being implemented especially the Black Economic Empowerment. It is important to mention that the EU has concerns on how these policies are being implemented and is worried that they will affect FDI (eNCA, October 30, 2019).

The United States of America has been supportive of the post-Apartheid government. It has also offered help in departments like the health sector and the education sector. Therefore, it means that the United States of America is in favour of the post-Apartheid policies especially the education policies. The IMF was not in full favour of the RDP in the beginning of democracy of South Africa. I say this because the IMF made recommendations that could affect the programme and could slow it down. The EU also had its recommendations but was in favour of the post-Apartheid policies.

## **4.7 Conclusion**

In this chapter, I looked at certain programs that aimed to overcome racial inequality in South Africa. Three important programs were implemented to overcome racial inequality. These include RDP, GEAR and Black Economic Empowerment.

RDP aimed to mobilise the people and resources of South Africa towards combating the effects of Apartheid. Another aim of RDP was improving nation-building and meeting the basic needs of the people. Implementation of this programme was mainly done by the government and its departments. Most importantly, the government would allocate funds towards the programme. These funds would be used to solve housing, education and health issues caused by Apartheid. In order for this to happen poor people were consulted and their ideas were taken into consideration. RDP is more like a people driven programme. However RDP also had its shortcomings as the funds allocated to the programme were not enough to sustain it and there are always incidences of poor policy coordination. This is because the ANC did not fully integrate it into the system and commit to the programme in the beginning, Hence this led to poor planning.

To convince the capitalists and whites not to worry, GEAR strategy had to be established. The goals of the programme were privatization and liberalization of trade. The policy also focused on re-prioritizing public expenditure. Implementation of GEAR included setting a stricter fiscal deficit target of 3 percent by 1999. This meant that the fiscal deficit target set in 1994 of 4.5 percent will be dropped by the government. Implementing the programme meant that the government had to address inflation and financial stability (monetary policy). The government emphasized



focusing on tourism and manufacturing sector. These sectors were offered tax holidays, tax exemptions and support programmes. The fiscal improvements came at a traumatic social cost. Levels of poverty and inequality increased after adoption of the programme. Unemployment increased and formal non-agricultural employment declined.

BEE aimed to mitigate the socio-economic injustices perpetrated by the former Apartheid regime. It also aimed to empower the black majority of South Africa. BEE was implemented in so many ways in the country. When BEE became broad-based, it started to accommodate everyone in the country or company. In this respect anyone in the company could become a board member through the policies implemented by the programme. However just like every other programme, BEE had its shortcomings, these included corruption and fraud. In the beginning the programme benefited the elite (black) and those who had political connections. In the event of trying to establish empowerment by allocating certain shares to be bought by the majority, these shares ended up leading to being acquired in a privatization manner of some companies.

During Apartheid, races in South Africa were paid in a discriminative way. The black population usually got lower wages as compared to all the races in the country. The average wage rates by race in 1994 reflected racial inequalities. The percentage of black people living below the poverty line in the country is high. However social grants have been put in place to mitigate this situation. Social grants cover many departments in South Africa. They were put in place to help the people in need and people who are disadvantaged. The financial budget of social grants increase if there is inflation in the country. Therefore it means beneficiaries are not affected if there is

an increase in inflation. Finally, majority of the international community supported the post-Apartheid policies.

## **Chapter 5**

### **EDUCATION POLICIES IN THE POST-APARTHEID**

#### **ERA**

##### **5.1 Introduction**

This chapter will analyse the education policies in the post-Apartheid era. I will begin the chapter by discussing the National Student Financial Aid Scheme. The next section will discuss the New Funding Framework. In the section that follows, I will assess the policy of Free Higher Education. The chapter will continue with a discussion of language of instruction in schools and the South African Schools Act 84 of 1996. It will further discuss the purpose of investing in education and the rise of the black middle class via education. In the final section, I will talk about school drop-outs in South Africa.

##### **5.2 National Student Financial Aid Scheme (NSFAS)**

The National Student Financial Aid Scheme (NSFAS) is the main contributor of education funding in SA. Its aim is to fix past discrimination. It covers many aspects of SA education. According to the National Student Financial Aid Scheme Act (Act 56 of 1999), some funds were designated through programme grants and teaching development grants. Bursaries and loans are aimed for social inclusion (Schoole, Adeyemo, 2016, 6).

The main aim of NSFAS was to provide financial support for poor students so that they get an opportunity to access higher education (Schoole, Adeyemo, 2016, 7).

This programme was meant to improve the number of Africans in universities but there was a high drop-out rate in the first year. This high drop-out rate was caused by the fact that most students are not fully prepared for tertiary education because of the resources they are provided before they get tertiary level. Therefore, financial aid that was designed to help with the drop-outs was established, and will be discussed in the following paragraphs.

NSFAS is a legal entity that was established in 1999 by the democratic government. Its main aim was to redress past discrimination and ensure equal access to all races. The aim of this programme was to help the government correct the past inequalities, hence why the government contributes about 78 percent of NSFAS funding. International donors also contribute about 18 percent of the funds, while 3 percent is from the tertiary institutions themselves. NSFAS uses a compulsory standardized means test to assess eligibility for a study loan (Letseka, Breier, Visser, 2009, 37).

The NSFAS receives money from the state and donors (local and international), then provides assistance to disadvantaged students by means of bursaries or loans. In terms of the NSFAS Act of 1999 any student may apply for funding, however there are terms and conditions. Some of them include: (1) being a citizen of South Africa, (2) being accepted as a registered student at a university in South Africa, (3) studying for a first tertiary qualification or a second educational qualification, (4) student having the potential to succeed, (5) being regarded financially needy (Villiers, Wyk, Berg, 2013, 6-7).

The allocation of funds shows that there was an increase from 21 million rand in 1991 to 1.2 billion rand in 2005. However a significant number of students are being

excluded from the funding because their families' income falls just outside the cut-off point. This makes many students to qualify for very small loans. Such situations discourage students to apply for the funding (Letseka, Breier, Visser, 2009, 38).

NSFAS has tried to extend its available funds as widely as possible (Letseka, Breier, Visser, 2009, 38-39). The broader it goes the more black African students attend school in South Africa. This means that the aim to improve racial inequality is improving. Furthermore NSFAS is now covering all student expenses and it is also now giving stipends (Mlamla, 9 Oct, 2019). NSFAS aims to increase the number of black students at Higher Education giving the students a chance to join the black middle or upper class.

In general, NSFAS has been successful in terms of student graduation. It helps students from poor backgrounds who are usually first-generation university students. The first statement in this paragraph was motivated by the fact that NSFAS students outperform non-NSFAS students. Most probably, this is related to the fact that the NSFAS students have less things to worry about because their expenses are taken care of, which means that they can focus on their studies. Furthermore, the statement is based on Higher Education Management Information System datasets that were analysed for about 10 years. NSFAS also supports the students even if their grades are not up to standard. Students funded by NSFAS have to be consistent over time, their pass rate has to be the same from the beginning to the end (Villiers, Wyk, Berg, 2013, 2).

The contribution made by the government towards NSFAS is clear and positive. In 1995 it was around 40 million rand and this figure increased in the following years.

In the year 2010 the total contribution made by the government was no less than 12.9 billion rand. In that same year (2010), the government budgeted 5.4 billion rand for NSFAS. NSFAS works as a bursary scheme and income contingent loan, which means that beneficiaries only start repayments when they get employed and their income is above the threshold level of income. This threshold income level was set at 30 000 rand's per annum (Villiers, Wyk, Berg, 2013, 9). Therefore a student is liable to pay 3 percent of their income as a premium on the loan. This percentage later increases up to 8 percent as time goes on. It is important to note that NSFAS also funds students with disabilities (NSFAS Analysis Fact-Sheet, 2018, 26).

Teaching development grants were introduced to support NSFAS and other policies related to education. These grants were meant to assist institutions in providing better care and support for students beyond the first year. This also led to the introduction of the Foundation Programme grant, and its aim was to provide support for first year students based on their schooling history (Schoole, Adeyemo, 2016, 7). These grants were established to empower black African students, in order to prevent them from dropping out. If less students drop out of school it means that there will be an increase in the black middle class.

The number of NSFAS beneficiaries has increased significantly. The budget allocation of the programme was at 733 million rand in 2002, it then increased to 6.97 billion rand in 2014 (SA Labour, 2017, 1). This is a good sign and reflection of more students being enrolled at school. The more black students go to higher education it means there is a rise in the black middle class in South Africa.

NSFAS is one of the programmes that is making good progress in trying to mitigate racial inequality. The programme has definitely increased the number of black African students in universities. The figures and the budget allocation by the government show a significant increase of African students attending university. Higher Education improves the wage rate of an individual. This is due to the fact that after graduating, students have the chance to be supported by the Youth Employment Accord.

In the beginning, the programme did not fully cover the expenses of the students that were under the programme. However, currently the programme covers all student expenses. The programme now even offers stipends to every student under the programme. The availability of stipends not only helps the students, it also boosts businesses that are located near universities.

Black population NSFAS students are producing good results, which means they have a high chance of getting a well-paying job and move from the lower class to the middle or upper class. The shortcoming of NSFAS may be the fact that it requires its beneficiaries to pay back the loan. However it is a small price to pay considering the skill that the student will have acquired.

The primary aim of the NSFAS programme is to increase the number of disadvantaged students in higher education. If the number of disadvantaged students increases in higher education it means that the students are given a chance to benefit from the Youth Employment Accord and the Youth Employment Service.

### **5.3 New Funding Framework**

The graduation rate for white minority students was twice the rate of black pupils. When the ANC realized this, they saw the need to bring about equity. Hence the establishment of financial aids that focused on black Africans in the country. There was the need to increase both participation and graduation rates of the black majority graduates. The focus was on African students with the aim of increasing their presence in administrative positions (Letseka, Maile, 2008, 1).

The NFF also rewards universities that have students who graduate in time. This method also motivates the students to keep pushing further up the ladder (Wangenge-Ouma, 2010, 485). The programme improves the flow of black students into higher education institutions. These students will later be exposed to the benefits of the Youth Employment Accord.

The New Funding Framework focuses on improving the number of black African students in higher education. Basically this framework has a radical stance since it mainly focuses on the black majority in South Africa. Furthermore this programme accommodates every black student, even students with low marks. In this respect a low mark student can improve their marks as they acquire more knowledge and study more. Therefore this programme makes sure that the black population acquires some skill and get a better life.

The actions of the framework can be understood from an angle that during the Apartheid era the quality of education that black Africans got exposed to was low. Therefore the Framework accommodates black population in the hope that they



improve down the line. As they get exposed to quality education the students are expected to absorb this education and practise what they learnt in real life.

The shortcoming of this programme is that state funding in recent years has been reduced. The increase in inflation has led to the reduction in government spending towards higher education. The reduction in state funding can be seen by reduction of building new institutions. Since there is no building of new institutions the increase in the number of students will strain the universities. This resulted in the introduction of enrolment caps, in particular in the number of students that are being subsidized (Wangenge-Ouma, 2010, 487).

The University of Cape Town began to accept African and coloured students even if they have low marks. Their justification is based on that these students have overcome a lot of obstacles and if they were learning at good schools they would have gotten high marks (Mdepa, Tshiwula, 2012, 23).

#### **5.4 Free Higher Education (FHE)**

Many African countries have a history of free higher education (FHE) and these include Kenya, Zambia and Mozambique to name a few. This policy was motivated by a lot of aspects in those countries but in South Africa it was motivated by the level of inequality. One of the main reasons is that in the post-colonial period the university was seen as a tool for development. Levying fees was seen as an unnecessary obstruction in the development of an individual or economy (Wangenge-Ouma, 2012, 836).

Free Higher Education is the main goal that the post-apartheid South African government wants to achieve in general. Higher Education is expensive in the

country and this means that it can only be attended by people who have a lot of money. The majority of the population in South Africa cannot afford the fees of Higher Education. Therefore the government is aiming to make all higher education institutions free. If higher education becomes free, this means there will be an increase in the number of black students at the institutions.

Tuition fees of higher education in South Africa works as a constraint for the black majority that is aiming for higher education. So by introducing free higher education the government will have taken a great step towards bringing about equality amongst all races in South Africa. Free Higher Education will definitely address the effects of racial capitalism in the country and reform racial capitalism.

Free Higher Education can be achieved in South Africa if the right policies and structures are put in place to support the initiative. One of the first steps that the South African government needs to take towards achieving free higher education is increasing the tax revenue through the mining industry. Mining companies should be made to pay more tax and this money will be used to cover tuition fees for students.

The mining industry in South Africa is not being charged a significant amount of tax. South African mining companies enjoy generous tax treatment (Curtis 2009, 2). These mining companies are;

“gold mining companies pay a corporation tax rate according to a formula that keeps remittances to government low. Moreover, the government is introducing a new mineral royalty system after caving in to many of the mining industry’s demands: this will impose very low royalty rates that this report estimates will cost the country \$359m to \$499m a year compared to previous proposals made by the government. Mining companies paid taxes of \$2.01 billion in 2006 – equivalent to 9.9 percent of exports: a low figure” (Curtis 2009, 2).

This is a clear sign that the post-apartheid government is lenient towards the mining industry. It is also important to mention that a majority of the mines in South Africa (SA) are privately owned. Therefore these mines will play a key part in creating employment through the Youth Employment Service. The Black Economic Empowerment policy influenced a change in the number of black Africans found in a company. Furthermore there are a number of people who benefited from the BEE program who are now operating big companies.

The main purpose of Free Higher Education in South Africa is to try and reverse the key features of racial capitalism. Education was used as a tool by the Apartheid regime to produce low skill workers so that they exploit them. Offering free higher education provides the black population with an opportunity to be trained to become high skilled workers. Furthermore having a higher education certificate means one step towards reforming racial capitalism.

### **5.5 Language of Instruction**

In 1996, South Africa adopted a new Constitution. The new Constitution included the uniform system for the organisation, governance and funding of schools. It also amended and repealed laws relating to schools (Mda, 1997, 367). This was necessary because the Constitution needed to reflect democratic ideas and the views of the majority.

In South Africa everyone has the right to basic education, and the Constitution does not discriminate; it covers everyone. Furthermore it states that the government should take reasonable measures to make education accessible and available. It also

underlines that all public education institutions should accommodate all official languages (Carrim, 1998, 306).

Introducing the African languages needed to be as soon as democracy started. This being the case, if all races know each other's languages it will be easy to communicate and furthermore all races will also understand one another's culture. I mention culture because when a person learns the language of a group, it is not only the language that they learn, things like culture are included indirectly. Such a transaction will be good in building the nation (Ndimande-Hlongwa, Mazibuko, Gordon, 2010, 156).

As nation building grows the key effects of racial capitalism are dealt with smoothly and some issues like wage discrimination will be solved without even the need of government intervention. Essentially having a common language or learning one another's language is important in building trust and bring people together. Therefore the introduction of African languages is another way of reforming racial capitalism in South Africa. Having an African language as part of a language learnt by a student helps them get a job, especially for students in the nursing department (Ndimande-Hlongwa, Mazibuko, Gordon, 2010, 151-152).

### **5.6 South African Schools Act 84 of 1996 (SASA)**

The South African Schools Act 84 of 1996 allows the Executive Council and the Head of the Department to exercise any power granted to them. One of the first goals of the Act is achieving compulsory attendance for every child below the age of 15 years (SASA Act, 5). The Act ensures children's education in South Africa and gives them a chance to have a better life.

According to the Act, a public school must admit learners without discriminating in any way, even if the parents are facing difficulties in paying the fees. In this case the school must make arrangements to accommodate the student. More will be discussed about this kind of situation later in the chapter. Importantly there should be no form of racial discrimination when implementing this policy. Furthermore, a recognized sign language has the status of an official language when it comes to learning purposes at a public school (SASA Act, 6).

### **5.7 Education Aspects That Create Employment**

In April 2013, the government established the Youth Employment Accord.. The Youth Employment Accord committed social partners in South Africa to employ about 20000 interns over a period of time. Furthermore TVET (public colleges) and university students should be given opportunities to work at state-owned enterprises. This was done to improve the students' work experience (Abbott, 2018, 2). The Youth Employment Accord required business organisations to create programmes that would improve employment of young individuals. The young were to be employed in growing sectors, for example solar heating installation and business process outsourcing companies such as call centres (Abbott, 2018, 2). The Youth Employment Accord created social mobility for blacks via education.

The Youth Employment Service (YES) was launched by Cyril Ramaphosa on March 2018. It was established to give one million youth one million opportunities in the space of three years. In other words, it was established to create one million jobs for the youth in three years. YES is controlled by the private sector, this was meant to encourage employers from the private sector to create new job opportunities. In South Africa, the private sector should play a key role in creating jobs for the youth.

Since there are over one million private companies in South Africa, if each one of them hire one youth such an act would reduce unemployment (eNCA March 2018). Candidates for this programme should be between 18-38 years, have been unemployed for more than 6 months, be black (African, Coloured or Indian). Salaries paid to the youth interns should be set at the national minimum wage level of 3500 rands per month (Abbott, 2018, 4).

The government introduced the Youth Employment BEE recognition, giving a business that meets the YES targets to move up a level on their current BEE scorecard. Such an incentive will motivate many companies to take up in this programme. Furthermore to establish demand side job creation, companies employing black youths between the ages of 18-29 years can qualify for Employment Tax Incentive (Abbott, 2018, 5). A subsidy for 24 months is offered to the private sector company that hires South African individuals that are between the ages of 18-29 years, this offer also dates back to 2013. The employee must earn the national minimum wage, however not more than 6000 rands per month (Abbott, 2018, 5).

The Youth Employment Service programme will increase the chance of a youth to get full employment. The YES programme also provides information of both parties that took part in the programme in an application. In other words it works as a data base and this is useful to any stakeholder interested in both parties (Abbott, 2018, 6). Resources acquired through the Youth Employment Service programme can provide a firm with access to people that they would not be able to find on their own (Abbott, 2018, 6).

The Youth Employment Service aims to help the overlooked youth and give them a chance to gain paid work experience. This gives them a chance to get permanent jobs after a year in the programme (Abbott, 2018, 12). Essentially the Youth Employment Service was created to support the Youth Employment Accord.

The Youth Employment Accord also seeks to improve the education and skills of the youth in South Africa. The Accord also aims to help the youth to find jobs or start their own businesses. The government is also motivated to increase the number of employed in the public sector. Other industries have established youth development targets in support of the Accord (SAnews, June 17, 2014) (Mtwesi, 2014, 39) (Mhlongo, 2016, 44) (Graham, Mlatsheni, 2016, 54).

In August 2017, the Rhodes University Communication Department released a statement saying that it would be hosting a Career Fair Day in partnership with Student Village. Student Village has been connecting South African youth market with companies since 2001. Essentially the Career Fair aims to help the private and public companies attract fresh talent from University. During the Career Fair over 10 companies coming from across the country hosted workshops at the university. The workshop sessions will involve one on one appointments, career guidance and teach the students on how best they can access employment opportunities that match their student qualifications (Rhodes University, August 2017).

The Youth Employment Accord, Youth Employment Service and the Student Village are tools that are meant to provide or smooth the process of education to employment. In other words, these three mentioned items are meant to work as a bridge for graduates so that they are able to get permanent jobs. Therefore the Youth

Employment Accord provided social mobility for blacks via education and the Youth Employment Service was created to support the Youth Employment Accord.

## **5.8 School Drop-Outs**

The number of drop-out rates was reduced relatively by introducing financial aids that supported NSFAS. The funding of NSFAS is non-discriminatory, which means any race can apply as long they fit the criteria mentioned. It is important to note that as time goes by, NSFAS is improving the quality of its services.

For diploma programmes the drop-out rate reduced from 58 percent in the year 2000 to 45.5 percent in the year 2006. For three year degree programmes the drop-out rate moved from 39.9 percent to 35.5 percent in the year 2000 and 2006 respectively (NSFAS Analysis Fact-Sheet, 2018, 20).

Many NSFAS students drop-out of higher education. The percentage of the drop-outs was starting to affect the budget of the programme and there was a need to introduce other programmes to support it. In 2010 a report showed that 48 percent of NSFAS beneficiaries dropped out of higher education. This is a huge figure and the government did the right thing in introducing more programmes to support NSFAS. The figure was 316320 students which is a huge number. That number also represents the number of people that could be helped by the students. In other words, the figure represents 316320 families that could have been supported by those students. The figure represents a big share of racial capitalism that could have been reformed, hence there was need for support.

In 2014 the percentage drop-out rate for undergraduates reduced to 18.4 percent (NSFAS Analysis Fact-Sheet, 2018, 20). The reduction in the percentage shows that



there are more students graduating. As more students graduate, it means there will be an increase in the middle class. “In respect to drop-outs, the report suggests that the drop-out rate is not as high as usually reported. Many of the drop outs reported are transfers between universities or moving from degrees to diplomas” (NSFAS Analysis Fact-Sheet, 2018, 20).

The high drop-out rate in South Africa has been caused by the effects of Bantu education and poverty to name a few. I mean poverty in the sense that the majority of people in South Africa live on or just above the poverty line. Therefore they put away savings for their child to go to higher education. As time goes by the expenses at the university erodes the savings and the student ends up dropping out higher education. In this case it is safe to say that programmes like NSFAS play a crucial role in making sure that students finish higher education and get a degree.

When it comes to the drop-out rate of black Africans in higher education, it is crucial to note that Foundation Programmes were introduced to try and respond to this rate. Due to the Bantu Education effects, the government saw the need to introduce Foundation programmes to help the black African student to adapt to higher education. Basically in these programmes first year students are given subjects that will prepare them for higher education. These programmes are usually given to black African students that have low marks and having difficulties in transitioning into higher education (Mabila, Malatje, Addo-Bediako, Kazeni, Mathabatha, 2006, 296-297).

The most positive findings are that there are definitely some students from educationally disadvantaged backgrounds who graduated using these programmes.

These students would not have been admitted in university if it was not for the programmes (Leibowitz, 2014, 102). In other words these programmes led to the increase of the black middle class.

## **5.9 Conclusion**

The post-apartheid government implemented various policies with the aim of empowering the black population. Each of the policies mentioned in this chapter played a role in empowering the black population. Some of the policies also led to the reduction in the percentage of school drop-outs in South Africa. Furthermore, the policies also led to an increase in the black middle class.

NSFAS plays a major role in helping with funding of students in South Africa. The main goal of NSFAS is to provide financial support for poor students in South Africa. The programme gives poor students a chance to learn in higher education institutes, hence increasing the number of black middle class. NSFAS was established in 1999 with the aim of redressing the effects of Apartheid. NSFAS receives money from the state and donors. Being a beneficiary of NSFAS has conditions, one of them being a citizen of South Africa. NSFAS extends its funds as wide as possible making sure that it covers many students. In this respect, the programme makes sure that the poor join the South African middle class. Students that are beneficiaries of NSFAS need to have consistent grades to keep benefiting from the programme.

Government contribution to NSFAS has been increasing since the beginning of democracy. This is due to the fact that the programme is having a positive effect in the country. To ensure the positive reaction grows other programmes were

established to support NSFAS, for example the Foundation grants. An increase in the number of beneficiaries of NSFAS to a greater extent means an increase in the black middle class. Essentially NSFAS has been able to increase the number of black students in higher education institutions. The programme gives its beneficiaries a chance to be in the black middle class and also in the upper class.

The NFF was established with the purpose of bringing equality in South Africa. Another goal of the programme was to increase participation and graduation rates of the black majority in South Africa. Looking at the school drop-out rates in South Africa it is clear that the programme is playing a huge role in mitigating the school drop-out issue. In other words the NFF programme increases the rate at which students join the Youth Employment Accord. The NFF programme aims to increase the number of black Africans in higher education. This leads to the increase of the black middle class. The NFF programme accommodates low grade students in its programme. The programme covers parts that the NSFAS does not reach. Since the NFF programme accommodates low mark students it means that students are given a chance to improve their grades and acquire more skills. Essentially, the NFF helps to achieve black empowerment and a reduction in school drop-outs.

Free Higher Education is one of the main goals of the democratic government of South Africa. The South African government is aiming to make higher education free for everyone in the country. Such an initiative means that there will be a significant increase in the number of the black middle class in South Africa. To achieve such a goal the mining industry should play a huge role since it makes a lot of profit. The main purpose of Free Higher Education is to reverse the key features of racial capitalism in South Africa. Providing free education produces high skill workers,

which means there will be an increase in the black middle class. The data collected reflected an increase in the black middle class percentage. Surveys done in the post-Apartheid era show an increase in the black middle class in South Africa. The introduction of African languages in higher education institutions played a role in reducing school drop-outs. Learning some subjects in African languages made a significant number of black students feel comfortable in class. In other words, learning in African languages made black students understand the subject more. This ensured a smooth flow of students from higher education to the labour market.

The 1996 Constitution of South Africa states that all public institutions should accommodate all official languages. The introduction of African languages in higher education institutions helps in nation building and improving the chances of getting jobs in other professions.

The SASA Act ensures compulsory attendance of children below the age of 15 years. In other words the Act ensures that the right of education is offered to the child. The SASA Act states that public schools are required to admit learners without any discrimination. In other words, the SASA Act also plays a role in increasing the black middle class. The Act incorporates sign language as an official language in public schools.

Investing in education is one of the main goals of the post-apartheid government. Education is the key to reducing poverty and inequality. The democratic government of South Africa decided to invest in education so that it gets more revenue from the graduate since they will be now working in high skill jobs. Investing in education has

led to a major reduction of the percentage of school drop-outs in South Africa. Consequently, it led to an increase in the black middle class.

The Youth Employment Accord ensures that graduates become middle class. This is due to the fact that the minimum wage for an intern puts the intern in the middle class. In other words, the Accord has led to the increase of the black middle class. The Accord motivates the public sector to create programmes that would improve employment of young individuals. The Accord establishes social mobility for blacks via education. The other goal of the Youth Employment Accord is to improve the education and skills of the youth in South Africa. To support the Youth Employment Accord there was the establishment of the Youth Employment Service. The latter was created in 2018 to reduce unemployment. The aim of the Youth Employment Service is to create one million jobs for the youth in South Africa in the space of 3 years. The Youth Employment Service motivates the private sector to create these jobs mentioned above. The YES programme also has a minimum wage rate, which puts every employee in the middle class. This means that the programme aims to increase the black middle class. To motivate the creation of jobs the government of South Africa subsidises companies that employ the black youth.

## **Chapter 6**

# **EVALUATION OF THE EFFECTS OF THE POST- APARTHEID REFORMS**

### **6.1 Introduction**

This chapter aims to provide an overall analysis by bringing together the theoretical and empirical parts of the thesis. I will start by summarizing my theoretical framework in relation to South Africa. The next section will discuss the economic policies in the post-Apartheid era. In this section, I will discuss the post-Apartheid economic policies and elaborate black middle class and blacks living under poverty in the country. I will also discuss wage discrimination that took place in South Africa and why the post-Apartheid policies were partially successful. Then the following section will discuss the education policies implemented in the post-Apartheid era. Lastly, I will conclude the chapter by providing an answer to my research question through my theoretical framework, i.e racial capitalism. I will also revisit my hypothesis and discuss whether my findings affirm or undermine my hypothesis in the conclusion section.

### **6.2 Racial Capitalism In South Africa**

My theoretical framework was racial capitalism. Racial capitalism can simply be defined as white individuals and predominantly white institutions using non-white individuals to acquire socio-economic value. Racial capitalism is a theory that requires greater attention to important processes that shape the modern international

system, things like slavery, imperialism and colonization. Cedric Robinson states that capitalism was a revolutionary contradiction (negation) of feudalism, and capitalism emerged within the feudal order already thoroughly infused with racialism. Whiteness came with denying rights and privileges for non-white people (Leong 2013, 2152).

Racial capitalism also manifested itself in South Africa during the Apartheid era. Bantu education system managed to prevent the black population from acquiring high skill jobs. The education system made it difficult for a black person to get proper education. During this period, black people in South Africa experienced wage discrimination. The white population was getting paid more than any other race in the country for doing the same job. In most cases, the black population would get paid less wages as compared to the other races.

The capitalist world system uses racism to exploit the inferior race. Such a scenario happened in South Africa, the black population was paid very low wages so that the white population gains a profit. In this respect, the “inferior race” in South Africa was used economically. During the Apartheid period racism was used to influence the supply and demand of the “inferior race”. This was done through the education system. The white population in South Africa used education as a main tool to build and enforce racism. The white population in South Africa used education to maintain and control racial capitalism in the country. The black population in South Africa was not fully exposed to learning Mathematics as a subject. In most black schools Mathematics was not taught because there were no teachers to teach the subject. By constraining the black population from learning Mathematics, the white population managed to control the supply and demand of cheap black labour.

Colonialism contributed to the capitalist world system and South Africa was one of the countries that were colonialized. The cheap labour in South Africa provided by the black population was used to extract raw materials. The 1911 Mines and Workers Act, created racial hierarchy up until the Apartheid period. The policy was implemented to secure the jobs of the Afrikaans whites at the expense of the black population. Furthermore, the mines in South Africa during the apartheid era were owned by the white population. In this respect, it is clear that racial capitalism was present in South Africa. The whites used mines to gain economic value. Majority of the workers at mines were the black population. During the apartheid era the white population used the black population to gain economic value. This statement is found in one of the definitions of racial capitalism.

Racism during the Apartheid era was used to create a hierarchy for wages. The white population got paid higher wages than the black population. Blacks in South Africa could not get skilled jobs during the Apartheid era. Racism during the Apartheid era was used to control the supply and demand of cheap labour. Racial capitalism was also visible during the Apartheid era, when it came to funding schools. The South African government funded white populated schools more than black populated schools. Funding for white populated schools was more than 5 times more than the funding of the black populated schools. This is why the black populated schools experienced poor infrastructure and poor school environment. It is important to note that whites did not pay fees while the blacks were made to pay school fees. Such a scenario already put the black population at a disadvantage. Essentially, racial capitalism in South Africa can be seen when the white owned mines used the blacks to generate economic value. It is also seen when it came to wages being paid to



workers. The white population got paid more wages as compared to blacks. Racism was used to control the supply and demand of blacks.

My research question was: Have the post-Apartheid policies been able to reverse the key features of racial capitalism? In order to answer my research question, I analysed the post-Apartheid policies on economy and education from 1994 to 2018. My hypothesis was: Although there have been certain improvements in the black population's access to resources and opportunities in South Africa, the policies implemented in the post-Apartheid period have not managed to entirely transform racial capitalism. Despite implementing policies that aimed to create a black middle class through various strategies, majority of the working class in South Africa is comprised of blacks and inequalities between white and black populations continue to exist.

### **6.3 Economic Policies In The Post-Apartheid Era**

The RDP was established with the aim of mitigating the effects of Apartheid. Furthermore, the programme plays a role in trying to reform racial capitalism by spending more money on education. The number of blacks attending higher education has increased in South Africa since the beginning of democracy. Improving the education department in South Africa is important because it plays a huge role in trying to reform racial capitalism.

GEAR was established to re-prioritize public expenditure and liberalization of trade. It was created to support the RDP. The GEAR programme focuses on the education sector of South Africa as well as aiming to improve the standards of living for the

people living in South Africa. The programme is also focused on boosting employment and improving international competitiveness.

BEE was established to empower the black population in South Africa. The policy was established to create economic opportunities for blacks in the country. The BEE programme also focused on reducing inequality and making the education system more inclusive. The programme tries to empower the black population by helping them purchase equity stakes and improving the education system of South Africa. The contribution of the BEE programme is more visible because more and more black people are empowered in South Africa. The increase in the number of black people in management positions is becoming visible in South Africa.

### **6.3.1 The Rise Of The Black Middle Class**

When considering the definition or size of the middle class in South Africa there are many aspects that need to be considered. Therefore four approaches were used to estimate the middle class in South Africa. The four approaches are: the occupational approach and self-assessment, the vulnerability approach and the income or expenditure measures (Burger, Steenekamp, Berg, Zoch, 2014, 29).

Occupational approach looks at class analysis to determine the middle class. It looks at what occupations are considered to be middle class. The vulnerability approach states that class is associated with the risk and uncertainty faced by people. This is moderated through the relationship between the labour market, skill scarcity and secure employment contracts. The income approach considers an individual's contribution to a country's economy. A person's economic power is used to determine their household buying power. Household buying power also shows their negotiating power in the labour market. The self-identification approach is comprised

of objective and subjective social class. The approach is influenced by an individual perception. It acknowledges that social hierarchy of an individual is influenced by their close acquaintances (Burger, Steenekamp, Berg, Zoch, 2014, 29-33). The vulnerability approach uses the probability of falling into poverty to classify households. The middle class is viewed as non-poor households that have an affluence threshold and have a low probability of falling into poverty (Burger, Steenekamp, Berg, Zoch, 2014, 31).

Using the survey done by the Bureau of Market Research in 1962, the percentage of black households in Soweto with people earning less than 167 rands a month was 41.9 percent. Black individuals earning between 167-300 per month was 40.8 percent. Black people earning 300-375 per month in Soweto held a percentage of 9.9 percent. Black individuals in Soweto who had a real income of over 375 per month held a percentage of 7.4 percent (Ferrario, 1988, 26). Using the definitions above it is clear that the information found in this paragraph was collected using the income approach.

The percentage of white middle class fell from 81 percent to 67 percent in the period between 1993 and 2008. While the percentage of the white upper class increased from 7.8 percent to 20 percent (Visagie, 2013, 12). The contributing factor was the change in population size of the whites in South Africa. Emigration and low fertility levels were affecting the population of whites in the country (Visagie, 2013, 12). In 2008 less than 10 percent of the black population placed themselves in the two classes (middle and upper class). The white population held 33 percent of the middle and upper class (Roberts, 2009, 12).

In 1993 using both the income and capabilities measures, black middle class was 4 percent. In 2008 this figure moved to 12 percent. However using the capabilities approach only the percentage of the black middle class was at 12 percent in 1993 and increased to 27 percent in 2008 (Mattes, 2015, 671). In 1993, black middle class was at 12 percent and moved to 40 percent in 2012 (Burger, McAravey, 2014, 5). Another article stated that there was an increase in the countries general middle class between 1993 and 2008 (Visagie, 2015, 8-10). These figures affirm my hypothesis.

In the year 2000 using the 25000 rands per annum threshold the black middle class increased from 21.1 percent to 44 percent. Furthermore, in the year 2000 using the 40000 rands per annum threshold the black middle class increased from 12.3 percent to 36.4 percent (Visagie, Posel, 2013, 152). Considering the information in this paragraph, I can say that my hypothesis is supported.

In 2008, 71% of the black population were considered as lower class, 25% considered middle class and only 4% were considered as upper class. Figures were strikingly different for the white population: 5% was considered lower class, 32% considered as middle class and 64% was considered as upper class (Burger, Steenekamp, Berg, Zoch, 2014, 33).

Lower class share of the black population was 71 percent (using the income approach). The black middle class had a percentage of 25 percent. The black upper class was 4 percent. On the other hand, the white lower class share was 5 percent. The white middle class had a percentage of 32 percent (Burger, Steenekamp, Berg, Zoch, 2014, 33). The white upper class was 64 percent.

In 2008, the general population mean income of the lower class, middle class and upper class was 376 rands, 1763 rands and 9574 rands respectively. The mean educational attainment of the lower, middle, upper class was 8 years, 10 years and 13 years respectively (Burger, Steenekamp, Berg, Zoch, 2014, 33). The mean attainment figures show that in South Africa the more an individual acquires knowledge, the more they improve their class.

Using the 2008 vulnerability approach, it is possible to say that the total population of South Africa's middle class is 26.8 percent. In 2008 the black middle class was at 23.8 percent. The mean income was 1925 rands and the mean educational attainment is 9.9 years. The vulnerable class in South Africa had a total of 38 percent in 2008 (Burger, Steenekamp, Berg, Zoch, 2014, 31) Black lower middle class and upper middle class in 2008 was 17 percent and 7.4 percent respectively. In that 38 percent: 45.5 percent was comprised of the black population and 0.2 percent was comprised of the white population. The mean income for the vulnerable class was 639 rands and their mean educational attainment is 7.5 years (Burger, Steenekamp, Berg, Zoch, 2014, 31). Therefore using the vulnerability approach the black middle class in South Africa was 23.8 percent in 2008 (Korhonen, 5 March 2018).

When we use the occupational approach, we can see that in 2008 unemployment for blacks was 16.1 percent whereas unemployment for whites was 5.1 percent. The lower skilled percentage population was as follows; blacks comprised the 26.1 percent, whereas whites comprised the 11.8 percent. The middle skilled occupational classes were as follows; 30.9 percent were comprised of the black population and 21.5 percent were comprised of the white population. Only 10.1% of the highly skilled occupational classes were black whereas 40.2 percent were white population.

In 2008 based on the occupational approach the mean educational attainment of the unemployed was higher than the lower skilled occupations. The unemployed had 8.9 years and the lower skilled had 7.5 years (Burger, Steenekamp, Berg, Zoch, 2014, 29). This increase in unemployment could have been caused by graduates that are unemployed. In the 2014, the black working class was at 73% (StatsSA, 2014, 15). In the year 2017, the black working class was at 74.9% (Employment Relations Exchange, 2018, 6).

In 2018, the ANC stated that the black middle class grew from 1.7 to 6 million in the previous five years. The New York Times claimed that the South African middle class doubled between 1998 and 2008, and more than doubled between 2014-2013. The Africa Check factsheet percentage share of the black middle class in South Africa stands as follows; black middle class according to occupation represented 52.3 percent of the population (Korhonen, 5 March 2018). In the year 2018, based on self-identification, the black middle class holds about 61.7 percent of the middle class (Korhonen, 5 March 2018). The information in this paragraph affirms my hypothesis.

### **6.3.2 Poverty Line**

After looking at the black middle class in detail I looked at the number of people living under poverty in South Africa. In 1989, 51 percent of the black population households lived below the poverty line. Coloured populated households that lived below the poverty line held a percentage of 24 percent. Indians households living under the poverty line were 6 percent. Only 3 percent of the white populated households lived under the poverty line.

In 1993, the percentage of black households living under the poverty line dropped by 1 percent to 50 percent. Coloured households living under the poverty line increased to 26 percent. The percentage for Indian households under the poverty line also increased to 8 percent. The percentage of the white households living under the poverty line did not change in 1993, it remained at 3 percent (Swartz, 2004, 50).

In 1997, 55 percent of the black population households lived below the poverty line. Coloured populated households that lived below the poverty line held a percentage of 21 percent. Indian households living under the poverty line were 6 percent. The white populated households occupied 4 percent of people living under the poverty line (Swartz, 2004, 50). The percentage of blacks living under poverty is significantly high, affirming my hypothesis.

However, the percentage of blacks living under poverty in South Africa has been reducing since the early 2000s up until the mid-2000s. “The poverty headcount rate decreased by 19 percent between 1997 and 2012 for the population as a whole but among the employed it reduced by 26 percent” (Rogan, Reynolds, 2019, 706). This could be due to the introduction of a sectoral minimum wage for domestic workers. The minimum wage came into effect towards the year 2002 (International Labour Organisation, 2016). This data shows that there are blacks who are working in South Africa but are getting an income that puts them below the poverty line. Hence, the South African government saw the need to introduce a minimum wage.

Between the year 2006 and 2015 more than 2.3 million South Africans escaped poverty. During that period, the national lower-bound poverty line reduced from 51% to 40%. This shows an improvement in the living standards of the population in

South Africa (World Bank, March, 2018, 20). “Using the five waves of the National Income Dynamics Study (NIDS) data collected between 2008 and 2017... showed that 36.1% of South Africans remained consistently below the poverty line. The persistence of poverty disproportionately affects black Africans” (StatsSA, 2019, 133). For example, 40% of blacks in South Africa experienced poverty during all five waves of the study (StatsSA, 2019, 133). Below there is Table 1 that supports the reduction of black people living below the poverty line. In this table percentage of blacks living below the poverty line reduce from 34% to 29.9% between the year 2006 and 2015 (StatsSA, 2018, 72) (World Bank, March, 2018, 21).

	Headcount ( $P_0$ )				Poverty gap ( $P_1$ )				Severity ( $P_2$ )			
	2006	2009	2011	2015	2006	2009	2011	2015	2006	2009	2011	2015
Total	28,4	33,5	21,4	25,2	9,3	12,3	6,8	9,0	4,2	6,0	3,0	4,5
Black African	34,0	40,4	26,0	29,9	11,2	15,0	8,3	10,9	5,1	7,4	3,7	5,4
Coloured	15,1	16,1	8,0	12,4	4,5	4,7	2,2	3,6	1,9	2,0	0,9	1,5
Indian/Asian	2,0	1,2	0,8	0,3	1,0	0,0	0,2	0,1	0,6	0,0	0,1	0,0
White	0,0	0,8	0,2	0,2	0,0	0,2	0,1	0,0	0,0	0,1	0,0	0,0

Figure 1: National Poverty Rates

### 6.3.3 Wage Discrimination

In 1973, during the apartheid era, a large chain of retail shops paid salaries to salesmen according to their race. The whites got paid an average of 260 rands a month while the coloureds got paid 220 rands a month and the blacks got paid 103 rands per month. An insurance company paid an average wage of 245 rands for whites, 198 rands for coloureds and Asians, and 135 rands for blacks (Knight, McGrath, 2009, 255-256).

The average wage rates by race and group in 1994 reflected these racial inequalities further. The average wage rate per hour for all managers was 21.86 rands per hour.



The white managers were paid above average at a figure of 26.60 per hour. The black managers got paid below average and their wage was 13.64 rands per hour. The Coloured and Asian managers got paid 13.55 and 15.48 rands per hour respectively (Allanson, Atkins, Hinks, 2000, 103).

In 1994, the agriculture and fishery sector, the average wage rates for white and black populations were 13.60 and 3.41 rands per hour respectively. In the same sector the coloured population was getting paid 6.55 rands per hour, while the Asian population wages were 4.73 rands per hour. (Allanson, Atkins, Hinks, 2000, 103). These figures prove that the white population was always paid more than the other races in South Africa.

In 1999, blacks and coloureds that were unemployed were 45.5 percent and whites that were unemployed were 8.5 percent. Employee percentage in the formal sector was 36.9 percent for the black population and coloured population, while the white population was 69.4 percent. Employee percentage in the informal sector was 9.6 percent for the blacks and coloured population, while the whites were 2.4 percent. It is important to note that these figures include domestic workers. Self-employed formal sector had black and coloured populations at 1 percent whereas the white population in that sector was 14.3 percent (Swartz, 2004, 69).

#### **6.4 Education Policies In The Post-Apartheid Era**

The main goal of NSFAS was supporting the disadvantaged people. The program is making progress in trying to mitigate the effects of racial capitalism in South Africa. The financial budget of the programme has been increasing since it was established. This means that there are more students that are new beneficiaries of the programme.

In other words, NSFAS extends its funds as wide as possible and makes sure that it reaches every black person in the country (Letseka, Breier, Visser, 2009, 38-39). The programme also motivates its beneficiaries to keep good grades by requiring consistent grades. In this respect, graduates are able to easily get high skill jobs. Furthermore, NSFAS covers everyone even people who are disabled. Such an act ensures that everyone in the country receives funding. In the fewest possible words, NSFAS does all its best to widen its funding and cover everyone in the country. The programme also does not discriminate against anyone.

NSFAS is the major contributor to empowering the black population in South Africa because it has managed to increase the number of black students at higher education institutes. The programme also gives its beneficiaries allowances. These allowances are used to cover the expenses of the student. The allowance allocated by NSFAS does not only benefit the student, other people benefit indirectly. People in the transport business benefit because NSFAS beneficiaries located within the 40 kilometre radius of schools are given transport allowances. These beneficiaries use their allowances to commute from home to school and vice versa (Nkonyane, January, 2020). NSFAS allowances also include accommodation. So tenants with houses that are within 40 kilometres also benefit from getting rent from the beneficiaries (Nkonyane, January, 2020).

The post-Apartheid education policies have been able to increase the number of black students in higher education. By increasing the number of black students in higher education, post-Apartheid education policies have managed to improve the living standards of the black population in South Africa. To some extent, some of the post-Apartheid education policies have improved the revenue of businesses that are

located around higher education institutions. NSFAS now offers stipends and students can now buy goods they need for school purposes near their school. Since NSFAS now covers every expense that a student goes through, it has contributed to the reduction of school drop-outs.

The NFF policy was established to boost the number of black people at higher education institutions. The aim of this policy was to increase participation and graduation rates of the black population in South Africa. In the last two decades, South Africa has witnessed equity in access to higher education (StatsSa, 2017, 53). Since there is equity in higher education institutions, it means that the policy is achieving its goal of improving the participation of blacks at universities. The programme also accommodates students that have low grades meaning that students from disadvantaged or poor quality schools get funding. Black population students fall under this criteria. Accommodating low mark students helps reduce levels of dropping out at schools.

The Free Higher Education policy in South Africa aimed to cover the tuition fees and expenses of a first year student. In 2007, President Jacob Zuma announced that by 2008 the policy of free higher education will be active. Supporting first year students for free is attainable because the budget is around 12.5 billion rands. If the funding accommodates second and third year students the budget will move to 40 billion rands, which will be a bit hard to achieve (Muller, January, 2018). As a black student taking this route is beneficial because it improves the chances of getting NSFAS funding, when the student is now going to the second year. The student will have already cut costs and credibility will be high since they were under government funding. This route also reduces payback costs of the loan from NSFAS. The free

higher education policy is compatible with NSFAS (Xala, November, 2018). In other words, on one hand the government of South Africa plays a role in reducing the costs of higher education, while on the other hand offering free education. A combination of both the Free Higher Education policy and NSFAS helps reduce school drop-outs.

There is now integration amongst all races and the post-Apartheid policies promote integration by allowing every higher institution to accommodate everyone. There is no-more racial discrimination allowed to be done by any school in the post-apartheid era. It is the right step to nation building since there will be interaction amongst all races. The higher education institution programmes are now producing black middle class. This is due to the fact that once a student graduates their salary places them in the middle class. The Youth Employment Accord also acts as motivator. It helps motivate students to complete their studies so they get a better wage.

The black elite now own a few shares in the mining companies. Essentially the education policies in South Africa have managed to increase the number of the black population in higher paying jobs and improve the living standards of the black population.

The policies implemented by the post-Apartheid government include fixing the wage discrimination issue. During the Apartheid era people in South Africa were paid wages according to race. However, in the post-Apartheid period every graduate is getting paid the same salary and a person's race has no influence in the wage that a graduate gets. The Youth Employment Accord makes sure that every graduate gets paid a similar wage (Abbott, 2018, 2).

The Youth Employment Accord also improves the skills and living standards of the black population in South Africa. The commitments of the programme helped to empower the black population. The programme also helps train the youth into becoming entrepreneurs. This programme opens doors for the black population and also opens up the public sector by getting the government involved. The Youth Employment Accord guarantees a good salary for every graduate in the country. The policy makes sure that an intern gets paid a salary that puts the intern in the middle class. Every graduate is protected by the Youth Employment Accord. This means that the employer cannot pay the intern a salary below the stated amount. The Accord completes the channel of social mobility via education. In other words, the policy provides the final stage for the student. After the Youth Employment Accord process, the student becomes a full time worker. The Youth Employment Service was established to support the Youth Employment Accord. The former and the latter are mentioned in chapter 5.

The Youth Employment Service focuses on the private sector and motivates private businesses to hire more black people. The Youth Employment Service also creates jobs and has a specific target which it needs to reach therefore job creation is going to be rapid and fast. The Youth Employment Service also covers the sections that the Youth Employment Accord does not reach, which is the private sector (eNCA March 2018). The goal of the Youth Employment Service is to motivate the private sector to employ more youth. The programme aims to reduce unemployment in South Africa. The Youth Employment Service is a new programme and has already created many jobs for the youth (Koza, October, 2019) (Sehloho, October, 2019). The programme is already making significant progress in increasing the percentage of the black

middle class. The Youth Employment Service also helps the youth through practical and theoretical training. The programme gives the youth an opportunity to become high skill workers (Sehloho, October, 2019).

Policies like the Language of Instruction in higher education institutions also helps improve chances of student to get a job especially in the nursing department. Having an African language in the nursing department is an advantage because employers consider the availability of an African language when accepting graduates and employees. The salary of a nurse also ranges between the middle and upper class. Majority of nurses get paid an average of 100000 rands per annum, while nursing associates get paid 50000 rands per annum (Wildschut, Mqolozana, 2008, 37-38). Both these salaries are within the middle class range in South Africa. This means that the nursing sector also plays its role in increasing the percentage of the black middle class. The demand for nurses in South Africa is high this means that the nursing department is still going to widen its role in creating employment (Wildschut, Mqolozana, 2008, 42). The introduction of African languages in higher education institutions also plays a role in reduction the school drop-out rate.

The SASA Act aims to transform racial capitalism effects by ensuring that children below the age of 15 years attend school. The Act makes school attendance compulsory. Compulsory attendance guarantees education for the blacks in South Africa. The SASA Act focuses on the foundation of the education system. If the black population does not attend school at the age below 15 years, the number of black students at higher education will reduce (SASA Act, 5). In other words, there is nowhere a student will reach university level without going through primary and

secondary level education. To some extent, the SASA Act contributes to the reduction of school drop-outs.

Education needs to play a huge part in transforming the effects of racial capitalism in South Africa. The South African government spends 5 percent of its Gross Domestic Product towards the education sector. In 2018, 5 percentage of the GDP was about 17.45 billion rands because the GDP of South Africa was at 349 billion in that year (NetAdmin, July, 2018).

Post-Apartheid policies have managed to establish social mobility through education. Each and every post-Apartheid policy plays a part in providing social mobility. For example, complete free higher education would mean that once a student graduates they will not have any debt and this reduces the expenses of the graduate. Such an initiative will provide a smooth flow of the black student from middle class to upper class. As the graduate gains experience their salary also increases.

The percentage of school drop-outs has reduced and most of the drop-outs are not really drop-outs, they are transfers. Students will be changing higher education institutes and going to learn where they feel their interests are met. Some students will be shifting from degree to diploma level. Furthermore, the number of black students at higher education institutions has increased significantly. The budget of NSFAS reflects the increase in the number of black students in higher education.

## **6.5 Why The Post-Apartheid Policies Partially Succeeded**

Before answering my research question and revisiting my hypothesis, I would like to discuss whether post-Apartheid reforms were successful or unsuccessful. South Africa's constitution of 1996 shows political commitment and this led to the success

of the post-Apartheid policies. The Constitution was a good sign to show political support of the post-Apartheid policies that were to follow. Effective leadership within the ANC also played a role in the success of the post-Apartheid reforms. Furthermore, inclusive dialogue also contributed to the success of the post-Apartheid policies. The ANC got the public involved in reform making, improving the quality of most of the post-Apartheid policies (Bruni, August 18, 2016).

The most important element that led to the success of the post-Apartheid policies was the funding contributed towards the policies. The government introduced legislations that supported the BEE programme and also allocated proper finance towards the programme. The ANC allocated funds to almost every programme that it established. NSFAS received majority of the funding from the government. This is because NSFAS experienced a rise in the number of black students registered on its programme. Establishing the Codes of Good Practice motivated companies to comply with the BEE programme leading to its partial success.

However, the BEE programme was undermined due to corruption. Some of the money set aside for the programme was misused and some of the money was stolen or taken (Sharife, Anderson, October, 2019). Another reason why BEE was partially effective is that the government did not have a coherent strategy. The post-Apartheid government also did not fully pay attention to the BEE programme (Ponte, Roberts, Sittert, 2007, 941-942). The programme was not being monitored well, and then a Commission was established to monitor the progress of BEE.



The international environment also played a role in the partial success of the post-Apartheid policies in trying to transform racial capitalism. When South Africa transitioned to democracy, the international environment showed support to the new government. The support of the international environment had good and bad effects on the post-Apartheid policies. The United States of America supported South Africa in any way it could. Since 1995, the United States of America has been helping South Africa to improve the health and education sector. This means that the United States of America has been in support of the RDP. The RDP also covers the health department so by investing 6.2 billion dollars in assistance in the year 2004, the United States of America showed support for the RDP. Furthermore, in the year 2018, two-way good trade between the United States of America and South Africa was worth 14 billion. This shows that the two countries were in good relations, therefore meaning that the United States of America supports the post-Apartheid policies. The relationship between the European Union (EU) and South Africa became strong and beneficial a few years after the end of Apartheid. In the year 2019, the EU endorsed the BEE programme. The BEE programme was supported by the EU, and the latter wanted to see the former prosper.

However, when the ANC reconciled with global capitalism and white establishment, its post-Apartheid aims were compromised and this affected some post-Apartheid policies for example the RDP. The ANC abandoned its plan to nationalize banks, the monopoly industry and mines after the end of the Apartheid. This played a role in limiting the success of the post-Apartheid policies. The IMF aimed to influence the RDP to maintain a tight monetary policy which was being used during the Apartheid era. This advice was found in the Letter of Intent, and this recommendation was

going to affect the performance of RDP. Furthermore, South Africa and the EU once had a bad phase. Both the EU and South Africa could not come to proper terms of trade in the year 1995. In the year 1995, South Africa rejected the EU's deal of free trade. South Africa stated that it could not go into free trade with the EU because it is facing too many economic problems (Lee, 2002, 88). Agreeing to Free Trade was going to deepen the effects of inequality in South Africa.

## **6.6 Conclusion**

In the light of this information, I want to answer my research question and revisit my hypothesis. My research question was: Have the post-Apartheid policies been able to reverse the key features of racial capitalism? My hypothesis was: Although there have been certain improvements in the black population's access to resources and opportunities in South Africa, the policies implemented in the post-Apartheid period have not managed to entirely transform racial capitalism. Despite implementing policies that aimed to create a black middle class through various strategies, majority of the working class in South Africa is comprised of blacks and inequalities between white and black populations continue to exist.

The economic policies and educational policies implemented after the end of the Apartheid era reveal that they have significantly empowered the black population. The RDP contributes to the education sector of South Africa. Education is the key to transforming racial capitalism in South Africa. Education increases the rise of the black middle class and improves the skills of blacks in South Africa.

The GEAR programme tries to reform racial capitalism by boosting employment in South Africa. A rise in employment leads to a rise in the black middle class. On

the other hand, the BEE programme focused on empowering the blacks in South Africa.

NSFAS aims to increase the number of blacks in higher education. Increasing the number of black students in higher education and boosting employment is important when it comes to transforming racial capitalism in South Africa. Education was used by the Apartheid regime to maintain and control racial capitalism. The NFF programme increases the number of blacks attending school therefore increases the number of blacks at higher education institutes.

The Youth Employment Accord and the Youth Employment Service aim to improving the skills and wages of blacks in South Africa. Both these programmes train the youth into becoming entrepreneurs. The wages enforced by the Youth Employment Accord and the Youth Employment Service puts the black graduate in the middle class. The post-Apartheid policies have led to the rise of the black middle class and an increase in number of blacks attending higher education in South Africa. The post-Apartheid education system is inclusive and the reforms have brought about black empowerment in South Africa. However, these post-Apartheid reforms have been partially effective in trying to reform racial capitalism because there are still a significant number of black people living under poverty.

The post-Apartheid reforms were partially effective because even though they got support from the international environment, not all of them were fully supported by the international environment. The IMF's insistence on tight monetary policy, had compromised the performance of the RDP. Furthermore, the end of the Apartheid in mid-1990s came as a result of ANC reconciling with the white establishment and

global capitalism. Neoliberal policies created inequality all around the world since the 1980s and South Africa was no exception. The inequality in South Africa had significant racial dimensions.

I can say that my findings actually affirm, rather than undermine my hypothesis. Indeed the post-Apartheid policies aimed to create a black middle class and empower the black people.

My assessment in this chapter revealed that all the four methods used to calculate middle class (the occupational approach and self-assessment, the vulnerability approach and the income or expenditure measure) has shown a rise in the black middle class (Burger, Steenekamp, Berg, Zoch, 2014, 29) (Visagie, 2015, 8-10). The post-Apartheid policies in education were important for ending discrimination and enabling the black population to access education and supporting them through various government funded projects.

Nevertheless, even though these policies have contributed to the rise of the black middle class, they have only been partially effective. The percentage of black population living below the poverty line is significantly high. In 1989, it was 51%, and in 1997, it was 55%. However, the percentage of people living under poverty declined in the early 2000s to the mid-2000s (Rogan, Reynolds, 2019, 706) (StatsSA, 2017, 71). Furthermore, the black population living below the poverty line reduced from 34% to 29.9% between the year 2006 and 2015. Another article states that 36.1% of people living in South Africa are below the poverty line. Harvey reports that the majority of the South African working class is populated by the black population (August, 2019). According to Mariotti,

During the 19<sup>th</sup> and 20<sup>th</sup> century and up until the end of Apartheid black working class was the majority in South Africa. At the turn of the 20<sup>th</sup> century, the black working class was at 67 percent and towards the end of Apartheid at the year 1994 black working class was at 76 percent (2012, 1102).

The white working class was 21 percent at the turn of the 20<sup>th</sup> century and towards the end of apartheid the white working class was at 10 percent (Mariotti, 2012, 1102). In the year 1967 the secondary industry in South Africa employed a majority of black Africans. The industry employed over 50 percent black Africans in every sector (Cherry, 1992, 18).

Furthermore, using the statistics provided in chapter 5, we can say that the South African black population holds a majority in the lower and middle classes. My assessment also showed me that in the year 1994, the black population comprised the 63 percent of the working class whereas coloured people comprised was 13 percent, Indian or Asian working class comprised 4 percent and the white working class comprised the 21 percent of the working class in that same year (StatsSA, 2014, 15). In 2014, the black working class was 73 percent. In that same year the coloured working class was 11 percent. In 2014 the Indians or Asians working class was 3 percent. The white working class in the year 2014 was 13 percent (StatsSA, 2014, 15). The black working class is the only one that increased between the year 1994 and 2014 (1994-2014). These statistics show that black Africans are majority of the working class since the year 1994. An article by Employment Relations Exchange states that in 2016 the black working class in South Africa was at 74.2 percent (2017, 6). The Coloured working class was at 10.5 percent in that same year. The Asian and White working class was at 3.3 and 11.9 percent respectively (Employment Relations Exchange, 2017, 6). In the year 2017 the black working class

was at 74.9 percent. The Coloured working class was at 10.1 percent in the year 2017. In that same year the Asian working class was at 3.3 percent, while the White working class was at 11.7 percent (Employment Relations Exchange, 2018, 6).

These statistics reveal that despite the rise of a black middle class and the decline in the percentage of black people living under poverty, black people still comprise the majority of the poor and the working class and therefore support my hypothesis. Essentially, data found in this thesis chapter affirms my hypothesis rather than undermining it.

## **Chapter 7**

### **CONCLUSION**

In this thesis, I aimed to analyse post-Apartheid education policies and assess whether these policies have been able to transform racial capitalism. My research question was; have the post-Apartheid policies been able to reverse the key features of racial capitalism? My hypothesis was: Although there have been certain improvements in the black population's access to resources and opportunities in South Africa, the policies implemented in the post-apartheid period have not managed to entirely transform racial capitalism. Despite implementing policies that aimed to create a black middle class through various strategies, majority of the working class in South Africa is comprised of blacks and inequalities between white and black populations continue to exist.

My theoretical framework was racial capitalism. Racial capitalism is often defined as the white population using non-whites to acquire economic value. This is because there is an intimate relationship between race and capitalism. Capitalism did not develop out of slavery but rather capitalism has been joined with slavery to form a mutual relationship. In other words capitalism and slavery were made compatible so that the former benefits. It is impossible to talk of economic development which constituted capitalism without mentioning slavery. The capitalist system was built and maintained on the exploitation of black labour first in the form of slave labour and then in the form of paid labour. Therefore it is impossible to have capitalism

without racism. It is impossible to separate race from capitalism, race cannot simply just disappear. Racial capitalism benefited the economy of South Africa. The exploitation of non-white individuals was on a high level.

In order to answer my research question I analysed post-Apartheid policies. The RDP was established with the aim of trying to reform racial capitalism in South Africa. The education sector plays a huge role in trying to reform racial capitalism. GEAR was established to support the RDP. The GEAR programme also focuses on the post-Apartheid education sector. The programme works towards transforming racial capitalism. GEAR was also established to try to improve the standards of living of blacks living in South Africa. The programme is also focused on increasing employment and refining international competitiveness. BEE was established to empower the black population in South Africa. The policy was established to create economic opportunities for blacks in the country. The aim was to try to transform racial capitalism in South Africa. The BEE programme also aimed to reduce inequality and make the education system inclusive. The programme tried to reform racial capitalism by helping blacks in South Africa purchase equity stakes and refining the post-Apartheid education system.

NSFAS has managed to increase the population of non-whites in universities. The black population has increased significantly. This means that the number of the black population in higher skilled labour jobs is increasing. In the post-Apartheid era, the black population can now get higher skilled jobs and get better wages.

The New Funding Framework (NFF) works hand in hand with NSFAS. NFF also aims to reduce racial inequality in South Africa. The policy targets the poor, which is



essentially the non-white population. The policy also improved the living standards of the black population. The Free Higher Education policy also has the same characteristics as the two policies mentioned in this paragraph. Language of Instruction, SASA, SGBs and Returns to Investment are education policies that were introduced to make life easier for the black population.

These policies enabled the social mobility of the black people from lower class to upper class. The new Constitution of South Africa made sure that the education system accommodates all official languages of the country. Accommodating all official languages at school would lead to social inclusion in South Africa. The SASA Act enforces compulsory attendance of school for every one below the age of 15 years.

NSFAS has played a key role in increasing the number of black students in higher education. The budget of the programme has moved from million rands to billion rands. This means that the number of students under this programme has increased. NSFAS now offers stipends which cover the expense of students which are in their programme. The NFF provides a connection amongst the government higher education grants and institutional planning. The programme works hand in hand with NSFAS. The programme SASA was able to decentralise the education system and making it better and accommodating for everyone.

The Youth Employment Accord has also played a major role in empowering the black population. The programme has trained and provided jobs for the black population. The wages that the Youth Employment Accord sets for companies increase the black middle class and improve the living standards of the population.

The Youth Employment Service was established to create more employment. The target set by the programme will have a huge impact on the economy. Investing in education has led to the rise of the black middle class in South Africa. The percentage of black middle class has increased. Surveys revealed that the percentage of the black middle class has been rapidly increasing. The number of black higher education graduates has increased. The education system in South Africa now accommodates everyone. The reforms in education have been significant and have brought black empowerment in the country.

However, it is important to note that these policies have been partially effective. This is due to the fact that a significant number of black people still live under poverty in South Africa. Although there have been certain improvements in the black populations' access to resources and opportunities in South Africa, the policies implemented in the post-Apartheid period have not managed to entirely transform racial capitalism. Despite implementing policies that aimed to create a black middle class through various strategies, majority of the working class in South Africa is comprised of blacks. Inequality between the whites and the blacks is still a major problem in South Africa.

During the Apartheid era black working class was the majority in South Africa. The percentage of the black working class kept on increasing even towards the end of Apartheid. The black working class during the Apartheid era was between 67 percent and 76 percent. The white working class during the Apartheid era was at 21 percent then dropped to 10 percent towards the end of Apartheid. These statistics mentioned in this paragraph affirm and support my hypothesis. Furthermore, in the year 1967 black Africans were a majority in the secondary industry of South Africa. The

secondary industry hired over 50 percent black Africans in each and every sector in the country. Indeed, my hypothesis is supported and affirmed by the 1967 statistics.

In Chapter 6, I looked at the percentage of black people living under the poverty line. In 1989, the percentage of black people living under poverty was at 51 percent, in 1997 the percentage of black people living under poverty increased to 55. However, these percentages have been reducing since early 2000s and up to mid-2000s. StatsSA stated that 36.1% people in South Africa still live under poverty. StatsSA also stated that 40% of the black population in South Africa has been living under constant poverty between the year 2008 and 2017.

My evaluation also revealed that since the year 1994 up until the year 2017 the black working class has been increasing. Different articles show an increase in the black working class. In the year 1994 the black working class percentage was at 63 percent. The Coloured working class was at 13 percent in that same year. The Indian or Asian working class in the year 1994 was 4 percent. The white working class was 21 percent in that same year. In 2014, the black working class increased by 10 percent to 73 percent. The Coloured working class reduced to 11 percent. Indians and Asians in the working class were 3 percent. In the year 2014, 13 percent of the working class was held by the white population. Another article reveals that in the year 2016 the black working class was at 74.2 percent. The Coloured working class was at 10.5 percent in the year 2016. In that same year the Asian and white working class was at 3.3 and 11.9 percent respectively. Furthermore, in the year 2017 the percentages of the working class in South Africa were; 74.9 percent black population, 10.1 percent Coloured population, 3.3 percent Asian population, 11.7 percent for white population. This means that the black population constitutes the

majority of the working class. These statistics support my hypothesis. Furthermore, between the year 1994 and 2017, the statistics revealed that the black population comprised the majority of the working class.

My findings in this thesis affirm my hypothesis which was: Although there have been certain improvements in the black population's access to resources and opportunities in South Africa, the policies implemented in the post-apartheid period have not managed to entirely transform racial capitalism. Despite implementing policies that aimed to create a black middle class through various strategies, majority of the working class in South Africa is comprised of blacks and inequalities between white and black populations continue to exist.

Indeed the post-Apartheid policies did end racial discrimination, empower the black population and enable the rise of a black middle class in South Africa. Nevertheless, these policies have been only partially effective in transforming racial capitalism.

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