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The Motsepe Ethic

An exploration of the role of the BEE power elite

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Chapter 1: Introduction

From the beginning of the colonisation of South Africa in the 17th century until the first democratic election on the 27th of April 1994, the country was dominated, both politically and economically, by its white population. The three decades of white[1] rule within South Africa allowed for the privileging of white South Africans socially, politically and economically. This privileged position resulted in the creation of employment and wealth for the majority of the white population through the disadvantaging of the majority of the African population. Certain white families such as the Ruperts and the Wieses became so wealthy under this system that they were listed on the Forbes Worlds' Billionaires, whilst many African South Africans live(d) on under $1 a day.

Patrice Tlhopane Motsepe was born in the midst of the apartheid regime, which was the ultimate expression of white privilege (Mars, 2014:1). He went on to become South Africa's first black billionaire with an estimated net worth of $2.9 billion, placing him in the same league as South Africa's wealthiest family, the Ruperts, who have an estimated net worth of $7.7 billion (Mars, 2014:1). The implementation of black economic empowerment policies has resulted in many questioning the manner in which Motsepe came to acquire his wealth, with *Forbes* magazine stating:

> "Even many blacks have complained that the country's 1994 transformation from apartheid to democracy has benefited only the elite few. The criticism stems from laws that require substantial black ownership in certain industries, including mining. A handful of politically connected individuals have grown enormously wealthy as a result. One of Motsepe's sisters, Bridgette Radebe, who's married to transport minister Jeffrey Radebe, heads a mining company and is said to be among the wealthiest black women in the country. 'It's called crony capitalism,' says Moeletsi Mbeki, 62, brother of South Africa's president and an outspoken critic of the race-preference laws. 'It's an anticompetitive system'" (cited in Adams, 2008:1).

[1] This author does not agree with classifying people according to race, however due to South Africa's historical trajectory it is exceptionally difficult to avoid using these terms. For the purpose of this research report three racial categories are used: white – to refer to white English- and Afrikaans-speaking citizens, black – to refer to black African language-speaking citizens and African – to refer to citizens of all racial groups except white.

The manner in which Motsepe came to acquire his wealth and approaches the acquisition of wealth can thus be seen as a highly contested issue within South Africa that needs to be explored so that its true nature and Motsepe's place in South Africa's economic and political landscape may be identified.

Research question

What is Patrice Motsepe's ethic of capital accumulation and how does it influence and structure the social, political and economic world in which he operates?

Aims and objectives

This research paper aims to construct Motsepe's ethic of capital accumulation through an inquisition into the social, political and economic worlds in which he operates.

Rationale

Racial capitalism was institutionalised in the apartheid era under the National Party government. This system produced a white economic elite out of Afrikaner economic upliftment. The Afrikaner elite were expected to economically rival white English-speaking economic elites whilst aiding Afrikaner upliftment through providing employment. The ANC instituted affirmative action legislation in the form of black economic empowerment (BEE) in order to attempt to redress the injustices of the past. The reason given for this was that a black economic elite needed to be created that could rival the white economic elite and would serve as a patriotic bourgeoisie through aiding in the social upliftment of black South Africans.

The Afrikaner economic elite arguably only fulfilled their duty towards Afrikaner upliftment until the economic costs of doing so started to hurt their capital accumulation. This was found in previous research that was conducted by this researcher on Anton Rupert's ethic of capital accumulation. The research on Motsepe's ethic of capital accumulation was read alongside that of Rupert's in this study in order to draw broader conclusions regarding the nature of South Africa's created economic elite. A comparison of these elites allows for important questions to be asked regarding whether a patriotic bourgeoisie can exist or whether the ideology of capitalism erodes all nationalistic identity and selfless actions. This study will therefore contribute to an understanding of capitalism and racial capitalism in post-apartheid South Africa.

Chapter outlines

Chapter 2: Conceptual Framework and Literature Review

This chapter provides an overview of elite theories, looking specifically at power-elite and Marxist theory. A criticism of these theories is provided as well as a justification as to why they are appropriate for this study.

South Africa's apartheid and post-apartheid history of capital accumulation is put forth in this chapter. In light of this, the similarities between the National Party's and the African National Congress's project of nationalism and economic empowerment, as well as the eventual erosion of nationalism as a result of the creation of class is examined and critiqued.

The life-history of Anton Rupert is briefly explored in this chapter. This exploration highlights his early life, his rise as a business tycoon, his economic power, his social and environmental consciousness as well as his changing political alignments during South Africa's transition.

Lastly, the concepts that are important to this study are also defined in this chapter. These include the patriotic bourgeoisie, comprador capitalism and the ethic of capital accumulation.

Chapter 3: Methodology

The methodology that was utilised in this study is explored in this chapter. It includes a detailed outline of the manner in which the study was conducted, the limitations of the methodology and the manner in which they were overcome. The ethical considerations of the study are also explored.

Chapter 4: The birth of Patrice Motsepe's entrepreneurial ethic

This chapter examines Motsepe's early history and influences and places it within South Africa's sociopolitical history of apartheid. In order to fully understand how Motsepe's entrepreneurial ethic was formed, his parent's business development and acumen is considered in terms of the lessons and passion it instilled in him. As Motsepe is a black South African who grew up during the time of apartheid, his own and familial struggles concerning this history is explored in order to establish his place in history. His history is not only viewed regarding these factors, but also taking his personality and culture into account.

Chapter 5: The economic world of Patrice Motsepe

In this chapter the history of Motsepe's business empire is examined and read against the implementation of black economic empowerment legislation. His business acumen and ideology are explored so as to question whose interests he serves.

Chapter 6: Patrice Motsepe's political embeddedness

The formation of Motsepe's political connections is read against the formation of and embeddedness of the other three BEE-llionaires in South Africa in this chapter. Motsepe's political connections are examined so as to ascertain the political influence and power that he holds and the actions he takes to ensures that he keeps it.

Chapter 7: Patrice Motsepe's social consciousness

This chapter questions Motsepe's social consciousness through examining whether his philanthropic activity is a result of the spirit of Ubuntu and fulfilling his role as a patriotic bourgeois or whether they are merely to ensure sociopolitical stability within South Africa so as to further his profit margin. The impact that Motsepe's company has on the environment is examined.

Chapter 8: Conclusion

In this chapter Motsepe's ethic of capital accumulation and the manner in which it shapes and influences his social, economic and political worlds is examined. His role as a comprador capitalist and a patriotic bourgeois is discussed in terms of the findings regarding his ethic of capital accumulation, and the theoretical implications of these findings are considered.

Chapter 2: Conceptual framework and literature review

The concept ethic of capital accumulation was developed for the purpose of this research. A person's ethic of capital accumulation refers to the philosophy that guides the manner in which they approach the process of acquiring capital, as money or investments, and utilising it to generate more money (capital). Within this conceptualisation, philosophy is defined as an individual's manner of thinking, which includes their attitudes, values, habits and customs. This conceptualisation allows for an inquest into the history, society, culture and experiences of an individual that came to shape their philosophy. In this regard, the life story of Patrice Motsepe will be explored in this study in order to answer the research question.

It is important to consider Motsepe's ethic of capital accumulation in answering the research question as it influences and structures the social, political and economic worlds in which he operates and in turn these worlds influence and shape his ethic. Such an understanding will allow for a window into the post-1994 phenomenon; the rise of a new (black) economic elite and the manner in which they interact with each other (including the established white elite), political elites and the broader South African society. Motsepe is used in this regard because he belongs to the very small group of black economic elite within South Africa and holds no governmental position. He can thus be described purely as a personification of one variant of the black economic elite (capitalists). Marx (1906:15) stated of such an analysis:

> "I paint the capitalist… in no sense *couleur de rose*. But here individuals are dealt with only so far as they are the personifications of economic categories, embodiments of particular class-relations and class-interests. My stand-point, from which the evolution of the economic formation of history is viewed as a process of natural history, can less than any other make the individual responsible for relations whose creature he socially remains, however much he may subjectively raise himself above them."

An exploration into the entire social, political and economic worlds in which Motsepe operates is beyond the scope of this research project, and the focus is therefore on certain areas in each of these worlds. Motsepe conducts most of his economic activity within South

Africa, which is a democratic capitalist society. He started his economic activity and built his corporation African Rainbow Minerals in South Africa post-1994 when powerful giant corporations had already been established locally and internationally. In his book *The Corporation: The Pathological Pursuit of Profit and Power*, Joel Bakan (2005) argues that the proliferation of powerful corporations altered the world's business and economic environment and influenced "the actions of people within it". He states that many corporations take on the ideal type of the psychopath and that this ideal type is classifiable using six phenomena commonly used to identify a psychopath in psychiatry. These phenomena are: one, a callous disregard for the feelings of other people; two, the incapacity to maintain human relationships; three, a reckless disregard for the safety of others; four, deceitfulness (continual lying to deceive for profit); five, the incapacity to experience guilt; and six, the failure to conform to social norms and respect the law. He argues that these phenomena cannot necessarily be extended to the owners and executives in a corporation. In this regard, this study will inquire whether any of these phenomena, firstly, are present in African Rainbow Minerals and, secondly, if so whether they have had an influence on Motsepe's business dealings.

Patrice Motsepe is operating within a country that has been undergoing major social, political and economic changes since the 1994 democratic transition. Adams (2008:1) posits that Motsepe's wealth is a product of the ANC's black economic empowerment strategy that hopes to close South Africa's large (racially based) income gap and create a patriotic bourgeoisie. The ANC has conceptualised the patriotic bourgeoisie as a capitalist stratum that will aid social transformation and development by virtue of their racial ethnicity and South Africa's history of oppression (Matthews, 2010:172). The politician, Motlanthe stated that a patriotic bourgeois possesses "a social consciousness that goes beyond self-enrichment. Many of us upon acquiring wealth, pay little attention to our social responsibilities. [We] must create new value systems which are able to root the beneficiaries of black economic empowerment in the communities from which they emerge" (cited in Andreasson, 2007:16). It would appear that Motsepe is a prime example of a patriotic bourgeois due to the philanthropic work he undertakes through his charity fund The Motsepe Foundation.

Morvaridi (2012:1191) argues that capitalists who engage in philanthropic activities do so in order to further their own profits and not for the sake of social and economic upliftment. If this is found to be correct, the idea of a patriotic bourgeois can be problematised. The notion of a selfless patriotic bourgeois has also been critiqued by Matthews (2010:172) who states that "a capitalist is a capitalist and is driven by the need to extract profits by exploiting workers, whatever his or her colour may be". The criticism levelled by these theorists reinforces the idea that many capitalists created in newly independent nation states serve only the interests of foreign capital and the foreign capitalist class and have no interest in national development – a system called comprador capitalism (Sklair & Robbins, 2002:81). Within South Africa it is more difficult to ascertain whose interests the patriotic bourgeoisie or comprador capitalists serve due to the country's complicated sociopolitical history. Andreasson (2007:4) argues that this class serves the old (white) established capital class because they are dependent on their resources. This research on Patrice Motsepe will shed light on the relationship between the old and the new capitalist class as well as analyse his business and philanthropic interests.

The power elite theory

Many different theories exist whereby the state, political power and the relationship between state and economic interest groups can be understood. These theories include: pluralist/group theory, (neo-) Marxist theory, conservative neoclassical public choice theory and elitist theory (Farazmand, 1999). An overview of these theories as well as the above discussion on South Africa's political economy illustrate that a power elite theory, a form of elite theory, coupled with a Marxist class analysis is the most useful theoretical approach to answer the research question.

Pluralist or group theory suggests that political power is dispersed amongst various individuals, organisations and groups within a nation-state and that these actors pursue their interests within the governmental system. This theory argues that these actors make certain claims upon other actors in society and through different governmental institutions that ensures that their interests are reflected in governmental actions (Benthly, 1908; Truman, 1951; Lindblom, 1953). Pluralist theory does not reject the notion that elites exist within society, but they do reject the notion of elite consensus and homogeneity in their

decision making and thus that they are the most powerful interest group within a nation-state (Dhal, 1958). This theory states that power is always dispersed amongst various interest groups within a governmental system which disallows for one group to determine governmental decisions in a consistent manner.

Conservative neoclassical public choice theory is a market-based theory. This theory posits that organisations are like individuals in the sense that they are rational decision makers. It suggests that the government will make decisions that maximises its own self-interest, whilst minimizsing costs and maximising benefits. Government decisions and actions will therefore only be in the interest of the elites within society if it is also in the best interest of the state (Niskanen, 1971; Ostrom, 1974).

(Neo-) Marxist theory states that societal institutions, such as the government, are merely instruments of class domination, exploitation and control that ensures that the capitalist system is maintained and controlled by the ruling class. This theory suggests that the ruling class within a society can be equated with the capitalist class that dominates the business, government and other social institutions within a capitalist society. This is not to say that there is no differentiation between and within the different elite groups, such as the political and economic elite, but that they form one ruling group (Poulantzas, 1969; Miliband, 1969).

Elitist theory shares many commonalities with Marxist theory, but differentiates from it in terms of its conceptualisation of the ruling class. This theory suggests that within the ruling class there are a few individuals who make the most commanding decisions within society and that this is done from outside of the formal governmental structures. Elitist theory defines the elite and their power as a few who have power, are drawn disproportionally from the upper socioeconomic strata, share a consensus of basic values and govern society through influencing the masses and ensuring that public policy reflects their interests and any changes are incremental and not radical or revolutionary (Hunter, 1959).

The power elite model is a form of elitist theory developed by Hunter (1959). This theory suggests that there is a hierarchy of power and influence within a nation state and that the elite dominate the apex of this hierarchy. The elites are composed of business, political and in some cases military elites whose interests, social background and wealth holds them

together in a small concentrated group. This theory suggests that the configuration of the elites may change over time, but they always gravitate towards forming a central elite group. Power elite theory is not without its criticism as Dahl (1958:463) states that the form this theory takes makes it impossible to disprove because it cannot be converted into empirical evidence, making it unscientific. He goes further to state that it confuses the ruling elite with a group in society that has the highest potential for control, but does not use this control because they lack homogeneity and consensus (Dahl, 1958:465). Despite this criticism, power elite theory still presents the most useful theory for understanding the process of "elite pacting" and elite influence in South Africa under the new political dispensation, as Iheduru (2002:76) states:

> "they have begun to replicate South Africa's closed corporate culture in which industrial giants incestuously buy into each other's companies, creating a formidable triangle of cross-holdings. These holding companies exist in a maze of share ownership and cross-directorships, which in turn has produced a myriad of confounding subsidiaries with interests in every facet of the economy. The result is that the same faces have continued to show up time and time again in many of the empowerment deals brokered between blacks and local and foreign white capital and mediated by the state. This is creating the perception that the neo-corporatist framework based on capital accumulation is empowering only the most powerful and highly connected individuals".

The manner in which the (economic) power elite come to exert their economic influence upon the political terrain has been studied by numerous authors, the most influential of which is arguably C.W. Mills's study entitled *The Power Elite* (1956). His study utilised power-elite theory in order to study the state, the ruling class and their relationship to one another. Mills (1956:76) conducted his study on the structure of power in American society during the 20th century arguing that the leaders of political, economic and military institutions hold the power to make decisions that have national and international consequences. He found that the military, political and economic domains are interrelated and embedded within one another, which allows them to form a triangle of power (Mills, 1956:76).

The leading men in each of the leading institutions of these spheres together, Mills (1956:76) states, can be termed the power elite as their position within the institutions form the base from which they can accumulate wealth, power and prestige. Mills (1956:77) posits that these leading men come to form an almost impenetrable social stratum. The power elite becomes almost impenetrable because access to the top positions within these dominant institutions is restricted by the elite themselves, who only intermingle with those like them (Mills, 1956:78). As a result of the class awareness of the power elite Mills (1956:78) states that "no matter what else they may be, the people of these higher circles are involved in a set of overlapping 'crowds' and intricately connected 'cliques'". Additionally, Mills (156:363) states that only systematically misleading information regarding the activities and characters of the power elite is made available to the public.

Their common interests coupled with the interrelation of the dominant institution have resulted in the means of power and decision making to become unified, thus heightening the power elite's freedom to make decisions (Mills, 1958:31). Democracy is undermined because the interests of the different elites within society have become coordinated and decisions are now made by a unified power elite who are "not representative men" (Mills, 1956:361).

Acemoglu and Robinson (2008) also focus on the manner in which economic elites come to influence the political landscape of a country. They argue that there is a difference between the *de jure* political power (the institutions and individuals who legally hold power) and the *de facto* political power (the institutions and the individuals who actually have power) that is present within a country (Acemoglu & Robinson, 2008:268). Those that hold the *de facto* political power within a country are the economic elite and this power vests with the elite the ability to determine economic policies and decide how economic resources should be distributed (Acemoglu & Robinson, 2008:268). Acemoglu and Robinson (2008:268) posit that the economic elite utilise methods such as bribery or the capturing of a political party to offset any changes that may occur within the composition of the *de jure* political power, such as a regime change or a change in political institutions. The economic elite's ability to control the political situation and policies of their countries are of great importance to them and thus they invest large amounts of time and resources into the accumulation of *de facto* political power. Acemoglu and Robinson (2008:269) argue that when the economic elite of

a democratic country have accumulated extensive *de facto* political power, the democracy of that country is effectively captured by the economic elite as its economic institutions continue to favour them. In order to dominate politics effectively and ensure that any action taken is in their interests it is therefore in the interest of the economic elite to keep their membership small (Acemoglu & Robinson, 2008:287).

In light of the international findings regarding the prominent role that the economic elite play in shaping the policies and institutions within a society it therefore becomes important to determine who these elites are and how they reached their position (Woodard, 1956:247). It is also important to determine whether Mills's argument for the existence of a power elite can be extended to South Africa (as Southall has done, this will be looked at later) in order to ascertain whether the combining of political and economic interests can be seen as a capturing and therefore undermining of South Africa's new-found democracy. Many authors (Legassick, 2002; Glaser, 2001; Maylam, 2013) argue that utilising theories based on material analysis, such as power-elite theory, is necessary and relevant in the study of post-apartheid South Africa because much of the work done so far neglect class interests. Glaser (cited in Maylam, 2013:61-62) posits that "economic-material interests show up in, or influence, a range of behaviours, that they will occasionally do so unconsciously and will not necessarily engender class consciousness… that collectivities formed on the basis of material interests will challenge the formation and maintenance of other kinds of collectivity". This statement allows powerful questions to be asked concerning the nature of elite behaviour, their interests, their group identity and their alliances in post-apartheid South Africa.

The manner in which the old (white) economic power elite comes to be integrated into the new (black) economic power elite needs to be explored so as to analyse whether the economic power elite within South Africa is a unified whole or whether racial and/or ideological differences continue to divide them. Iheduru (2004:21) argues that they do not form a coherent whole because the new (black) economic elite are viewed as outsiders that have to "adjust to South Africa's closed pyramidal corporate culture in which industrial giants [are] controlled by a few families". If there truly is an insider and outsider group within South Africa's economic fraction of the power elite it will be interesting to note whether capital accumulation is the only interest that they share. Iheduru (2004:3) suggests

that the South African state has already been captured by the new economic power elite and therefore that it is "quasi-pluralistic". He suggests that the continuation of the current BEE strategy that makes black businesses ward of the state due to patronage accumulation is indicative of this. Given the complex relationship between the old and the new economic power elite, one has to wonder whose interests the state is serving and the manner in which they impact the political fraction of the power elite's autonomy and interests.

Literature review

> "Men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past. The tradition of all of the dead generations weighs like a nightmare on the brain of the living." (Marx, 1974:146)

An overview of South Africa's social and capitalist development

For some analysts, the start of the development of the capitalist system of accumulation within South Africa coincided with the colonisation of the Cape of Good Hope, first by the Dutch in 1652 and then by the British in 1806. South Africa was attractive to its (white) colonising countries due to the agriculture it allowed, its abundant mineral wealth and (black) indigenous population that could supply (cheap) labour to these labour-intensive enterprises. (Arrighi, Aschoff & Scully, 2010:412)

Mining was to become the most labour-intensive enterprise as gold was discovered in Witwatersrand in 1886 (Ally, 1994:1). This discovery coincided with the shift of the world financial system to the gold standard, which made South Africa with its abundant gold deposits all the more attractive to the Western world. From the 1886 mineral revolution, mining became the central system of accumulation within the country. Over the course of the country's development, the state facilitated the energy and financial sectors in gaining as much importance as the mining sector and drove their development through instituting certain economic policies (Fine, 2010:27). After World War Two these policies involved building up Afrikaner capital and integrating it into white English capital within the mineral, energy and financial sectors (Fine & Rustomjee, 1996:65). The historical relationship between the state and these sectors, as well as their importance in the development of the

country and the economy, led Ben Fine (2010:3) to term it the Mineral and Energy Complex (MEC).

Over the course of the 19th century, the colonisation of South Africa initiated the process of primitive accumulation or capital accumulation by dispossession as land became privatised and labour-power commodified; whilst the indigenous populations' pre-capitalist forms of production and consumption were repressed (Arrighi, Aschoff & Scully, 2010:411). As colonisation and capitalism spread to encompass the entire South Africa, the rural black communities were systematically dispossessed of their land and confined to poor regions that did not allow for commercial farming (Arrighi, Achoff & Scully, 2010:412). This process of capital accumulation by dispossession led to the proletarianisation of the majority of black (men) in South Africa as they became forced "to sell their labour power in order to subsist even if their households [did] produce on the land" (Legassick & Wolpe, 1976:90). The promulgation of the Land Act in 1913 furthered and legalised the dispossession of black land through the establishment of black reserve areas encompassing only 7% of South African land (Arrighi, Aschoff & Scully, 2010:420). The black reserve areas were later increased to encompass 13% of the land under the 1936 Land Act. The establishment of reserve areas thus ushered in the era of segregation of racial groups and racial capitalism within South Africa. The capitalist development of South Africa became dependant on racial capitalism (capitalism structured along racial lines) as the state and capital was subsidised by the black migrant labour force (Arrighi, Aschoff & Scully, 2010:423). Subsidisation occurred as the migrant labourer was paid a wage low enough to only subsidise themselves due to the reserves serving as an additional economic base to the labourer that carried the social cost of reproducing their family through subsistence farming.

The era of segregation gave way to the era of apartheid. Apartheid ensured continued economic growth through mechanisms that formalised racial capitalism, thus guaranteeing a continued supply of cheap black labour (Arrighi, Aschoff & Scully, 2010:414). An overview of South Africa's pre-20th century capitalist development illustrates black South African's historical exclusion from entering the ranks of South Africa's capitalist class and most lucrative sectors.

A comparison between the trajectories of the National Party and the African National Congress

The political parties, the National Party (NP) and the African National Congress (ANC), that have governed South Africa before and after 1994 respectively share certain similarities in their historical trajectories according to Maylam (2013:74). He argues that these similarities are due to both parties having managed to establish a multi-class alliance under the umbrella of nationalism and that both instituted economic legislation that privileged those who belong to that nationalist identity (Maylam, 2013:62). Arguably there is a third similarity as the economic legislation resulted in the creation of an elite nationalist capitalist class. It must be stated that these parties only share certain similar historical trajectories and that this is not a comparison between the NP that institutionalised racism and the ANC that arguably led South Africa to democracy.

NP and ANC nationalism

The NP embarked on an Afrikaner nationalist project from its establishment on the 2nd of July 1915 under General Hertzog, but this project only truly started to come to fruition in the 1930s and 1940s. Afrikaner nationalism became successful during this time period because the NP, together with the "Broederbond", was able to unite Afrikaners of all classes through pointing out their "relative economic deprivation" compared to their English counterparts (O'Meara, cited in Maylam, 2013:63). The belief that British imperial interests both controlled the South African economy and exploited Afrikaner workers was systematically espoused by the NP, the Broederbond and many of the Afrikaner religious institutions (O'Meara, 1983:62). This nationalist message was not extended to all Afrikaans-speaking people, but rather directed only at white Afrikaners. White Afrikaners were warned that African South Africans would compete with them for employment and tarnish their racial and cultural purity (O'Meara, 1983:250). In this manner, Afrikaner nationalism united white Afrikaners along economic, linguistic, cultural and racial lines. The establishment of Afrikaner nationalism, coupled with the NP's election platform of anti-capitalism, apartheid and anti-communism, translated into the party winning and keeping political power from 1948 to 1994.

The ANC was established on the 8th of January 1912 to unite all Africans and further their rights and interests. Initially the ANC was not very successful in these goals because it was seen as "a predominantly petit-bourgeoisie organisation that paid little heed to the needs of the black working class" (Maylam, 2013:65). Mahmood Mamdani argues that the apartheid state attempted "to fragment its victims through ethnicized identities" (Adam & Moodley, 1997:113). It attempted to do so through the creation of Bantustans (homelands or reserve areas) that divided different African ethnicities into different geographical areas. Supposedly this was to solve the "ethnic problem" by creating complementary political and economic units for different ethnic groups. It went further to bifurcate power between the state and the Bantustans, according to Mamdani (1996:3).

From the late 1940s and early 1950s, racial discrimination and economic oppression intensified due to apartheid and this aided in diminishing class differences amongst African South Africans. During the same period, the ANC aligned with the South African Communist Party (SACP) and the South African Congress of Trade Unions (SACTU) (Maylam, 2013:65). This alignment, coupled with the diminishing of class differences, aided the ANC in creating African nationalism (Adam & Moodley, 1997:114). African nationalism was created by the party through its rhetoric of all oppressed South Africans needing to stand together in order to change white domination within the country. The ANC's African nationalist rhetoric and socialist ideology allowed it to garner widespread political support from most of the African and some of the white population of South Africa. The socialist direction of the ANC was put forth in various statements made by the party. Arguably the most famous being the words of Nelson Mandela in 1990 when he was released from prison. He stated that "the nationalisation of the mines, banks and monopoly industry is the policy of the ANC and a change or modification of our views in this regard is inconceivable" (Marais, 2011:97). The African nationalism that the ANC had established, coupled with the promise of a more economically equitable future, greatly aided the party in winning the 1994 election.

Transformed capitalist policies and the creation of class

The anti-capitalist attitude and election platforms that the NP and the ANC held when they came into power failed to translate into anti-capitalist legislation, and instead it translated into transformed capitalist policies. Each party chose to transform capitalism in a manner that reflected its nationalism and its (perceived) historical economic deprivation. The NP and the ANC's systems of transformed capitalism created new middle and capitalist classes that served to fracture the multi-class alliance upon which their nationalism was built, according to Maylam (2013). A new small economic elite class also emerged out of these systems.

For the NP, apartheid was accompanied by the need to create an Afrikaner capitalist class that could rival the British capitalist class within South Africa. This was a difficult undertaking as many Afrikaners held a distrust of the capitalist system. The manner in which the Afrikaners' sense of nationalism and capitalism came to develop is contested primarily by the social scientists O'Meara (1983) and Giliomee (1998). O'Meara states that Afrikaner nationalism and an understanding of capitalism was instilled into the majority of white Afrikaners by the Broederbond that was formed in 1918 as a cultural society (O'Meara, 1983:59). He argues that the Bond membership was comprised of elite Transvaal intelligentsia and petty bourgeoisie who took it upon themselves to direct Afrikaner nationalism and reinterpret the Afrikaner experience of capitalist development (O'Meara, 1983:62). The Bond developed Afrikaner nationalism and the ideology of apartheid based on the Kuyperian doctrine of "sowereiniteit in eie kring" (sovereignty over own people) and the Neo-Fichtean doctrine that they believed in (O'Meara, 1983:69-70). These doctrines view culture (and race) as divinely created and therefore to obliterate differences is to infringe upon God's natural law (O'Meara, 1983:70). O'Meara suggests that capitalism was also reinterpreted for the Afrikaners by the Broederbond through a religious lens as they equated the British capitalists' monopoly over South Africa's economy to Godless capitalism (O'Meara, 1983:151). The Broederbond spread this anti-capitalism position through arguing that capitalism had exploited the Afrikaners and disintegrated its unity through the creation of class division and conflict. It is contended by O'Meara (1983:250) that through the spread of this anti-capitalist message the Broederbond

instilled nationalism in the Afrikaners and created the conditions for them to introduce “volkskapitalisme” (people’s capitalism).

Giliomee (1998:37) agrees with O’Meara that “volkskapitalisme”, as a capitalist system that fostered the creation of an Afrikaner capitalist class through mobilising Afrikaner capital, was proposed by the Broederbond at the first economic “volkskongres” (people’s congress) in 1936. However, Giliomee (1998:1) claims that Afrikaner nationalism emerged organically as the Afrikaners sought to have their language recognised and believed that this could only be accomplished if it had commercial value. The Afrikaner anti-capitalist position was widely held, but as a result of the cultural-historic development of the Afrikaners, not because it was spread by the Broederbond (Giliomee, 1998:6). Giliomee (2003:378) also disagrees with O’Meara over the origin of the ideology of apartheid as he argues that it was conceptualised by the elite Afrikaner nationalist of the Cape who understood the benefits of segregation as they had historically formed a part of the capitalist bourgeoisie. There is very little disagreement between Giliomee and O’Meara regarding the consequences of the creation of an Afrikaner capitalist class, as both acknowledge that eventually capital became more important to them than nationalism (Giliomee, 1998:54). This can be seen in the manner in which the economic elite and the political elite came to interact with one another through the creation of “volkskapitalisme”, which arguably turned the state into a vehicle for furthering the interests of the economic elite. The economic and political elite were deeply intertwined and this allowed them to create policies that were in the interests of the economic elite, such as apartheid, which ensured the continuation of racial capitalism (Legassick & Wolpe, 1976:88).

The NP chose to implement the system of transformed capitalism that was conceived during the 1939 “Ekonomiese Volkskongres” held by the Broederbond (Giliomee, 1998:37). During this congress, the notion of “volkskapitalisme” was put forth. This concept merged Afrikaner nationalism, the “volk” (the people), with capitalism (“kapitalisme”). It was argued that a new capitalist system should be implemented that furthered the economic interests of the Afrikaners and allowed them to challenge the domination of the South African economy by foreigners (Maylam, 2013:64). “Volkskapitalisme” thus had a strong Afrikaner economic empowerment basis because it favoured the employment and economic development of Afrikaners. In order to

facilitate the attainment of these goals, three economically orientated institutions were founded: the "Reddingsdaadbond" (the Rescue Action Society, hereafter RDB), the "Federale Volksbeleggings" (the Federal Peoples Investments, hereafter FVB) and the "Afrikaanse Handelsinstituut" (the Afrikaans Commercial Institute, the AHI) (Giliomee, 1998:37). "Volkskapitalisme" proved highly successful, but Arrighi, Aschoff and Scully (2010:414) argue that this was because it was coupled with racial capitalism. The social policy of apartheid was implemented by the NP after it won the 1948 election and served to formalise racial capitalism because it ensured a continued supply of cheap black labour. Additionally, the NP funded Afrikaner industrial enterprises and erected trade barriers so as to stimulate the local production of goods, employment and the economy.

Anton Rupert's ethic of capital accumulation

An Afrikaner elite became established shortly after the NP came into power as a result of the abovementioned actions, the most eminent of these being Anton Rupert (Freund, 2006:4).

A brief history of Anton Rupert

Anthony Edward Rupert (Rupert) was born on the 4th of October 1916 in Graaff-Reinet to John and Hester Rupert (Dommisse and Esterhuyse, 2005:24). Hester Rupert was a devoted Christian who participated passionately in the Dutch Reformed Church through teaching Sunday school. Due the important role that religion played in her personal life, she passed her devotion on to her children (Knight, 2006:22). John Rupert did not share his wife's religious devotion, instead finding his spiritual connection in nature. He took Rupert for hikes in the Valley of Desolation which he described as "the mountain cathedral… the church where I want to pray" (cited in Dommisse & Esterhuyse, 2005:33). Despite John's lack of traditional religious devotion, the Calvinistic values of integrity, frugality, hard work, moderation and abhorrence for waste was important to him and thus instilled in his children.

During Rupert's developmental years, Afrikaners were busy fighting for their independence from British rule and trying to establish their political, economic and cultural-linguistic rights within the country through the project of Afrikaner nationalism. Rupert's family were involved in Afrikaner politics, which stimulated his interest in Afrikaner politics and his

passion for Afrikaner nationalism from an early age. His parents worked from the NP's office in Graaff-Reinet and his father's best friend was Rev Jozua Francois Naude, who co-founded the Broederbond (Dommisse & Esterhuyse, 2005:26-33). Rupert's grandfather, Jacobus Albertus van Eeden, had co-founded South Africa's first political party, the Afrikanerbond, and upon his retirement frequently discussed national affairs with his grandson (Knight, 2006:22). He met many future Afrikaner political leaders, due to the employment his parents had, before he finished high school, among them being John Vorster, J.G. Strijdom, Dr. D.F. Malan and Rev. Jozua Francois Naude (Dommisse & Esterhuyse, 2005:25).

Rupert's extended family instilled in him a love of industry during his schooling days. His aunt Florence lived in the nearby city of Port Elizabeth and Rupert spent many of his school holidays visiting her. She took him on tours of factories, such as Mobs shoe factory and General Motors. These excursions had a great impact on Rupert who later stated that "[c]oming from Graaff-Reinet where there were no industries, it was a dream and a magical world to me to see how 'something' was manufactured" (cited in Dommisse & Esterhuyse, 2005:33). Rupert's uncle Fred Knoetze who lived in Somerset East also played a part in igniting his passion for industry because he published the local newspaper. During school holiday visits to his uncle, Rupert learnt about printing, colour and form (Dommisse & Esterhuyse, 2005:24).

To his parents dismay, there was no Afrikaans-medium high school in Graaff-Reinet and thus he attended an English primary school before he moved to the Afrikaans high school, Hoër Volkskool (Dommisse and Esterhuyse, 2005:34). Rupert was a top academic performer throughout his school days and matriculated top of his class. This achievement won him the £10 he needed fund his B.Sc. degree at the University of Pretoria (Dommisse & Esterhuyse, 2005:36).

His passion for Afrikaner nationalism was blatant during his university career when he became the chairman of the "Afrikaans-Nasionale Studentebond" (the Afrikaans National Student Board). However, he did not pursue an active political or business career at that stage as he had taken up a lectureship position at the Pretoria Technical College whilst he completed his M.Sc. degree. The success of the Afrikaner nationalism project was made clear in Rupert whilst he was a lecturer as he stated that "even then that he was training

Afrikaners to work for 'the English' – the language divide, reinforced by economic inequality, ran deep… Afrikaners would have to fight for their own niche in the business world and in public life" (Dommisse & Esterhuyse, 2005:41).

The Rise of the tycoon Rupert

Rupert was in attendance at the "Ekonomiese Volkskongres" held in 1939 (Giliomee, 1998:35). The congress was a turning point for Afrikaner capitalism as it emerged that Afrikaner-owned capital needed to be mobilised and held by Afrikaner institutions, Afrikaner purchasing power needed to be directed to Afrikaner businesses and Afrikaner mass consciousness needed to be transformed regarding economic issues (O'Meara, 1983:137). After the congress, Rupert took a job at the RDB and established his first business "Chemiese Reinigers Edms Beperk" with Dirk Hertzog (General Hertzog's nephew), Dr Nic Diedrichs (the head of the RDB and the chairman of the Broederbond) and Dr A.J. Stals (the director of Volkskas Bank and Voortrekker Press) (Dommisse & Esterhuyse, 2005:54). The business was sold in 1941 due to financial difficulties. Rupert had however already set his sights on a new business venture as he had heard about an insolvent tobacco manufacturing company through his job at the RDB. In September of 1941, he established "Voorbrand Tabakmaatskappy" with the same three partners he had in the dry-cleaning business. He was unable to gather his share of the money needed to purchase the company and thus obtained a loan of £5 000 from the FVB and "Kopersbond" (Dommisse & Esterhuyse, 2005:58). "Voorbrand Tabakmaatskappy", however, did not meet the FVB's criteria of being a large and promising industrial or business venture (O'Meara, 1983:192).

The name of the business was suggested by Mr I.M. Lombard, the general secretary of the Bond (Domisse & Esterhuyse, 2005:60). Everything regarding Voorbrand's name and advertisement campaigns was chosen to play to the sentiment of Afrikaner nationalism. Voorbrand bore similarities to the Voortrekkers who played an important role in Afrikaner history. Their advertisement campaign read "rook Voorbrand en hoes vir die volk" (smoke Voorbrand and cough for the nation) during the time when Afrikaner nationalism emphasised doing everything for the Afrikaner nation and people (informant).

Its play on Afrikaner sentiment proved to be insufficient to garner a significant tobacco market share and Rupert was forced to take drastic action in 1943 in order to save the company. Firstly, he established a second business, "Tegniese en Industriele" Beleggings (TIB), in order to serve as an investment vehicle for Voorbrand. Secondly, he widened Voorbrand's target market through selling snuff tobacco to African merchants. Lastly, he made an agreement with the British tobacco tycoon Sydney Rothman to manufacture Rothmans in South Africa in exchange for technical expertise (Dommisse & Esterhuyse, 2005:79). This agreement inspired Rupert to become a role player in the international market which would require him to change his company's name without losing his Afrikaner support base. In 1946, Rupert merged Voorbrand and TIB under "Rembrandt Tabakvervaardigingskorporasie van Suid-Afrika" (Giliomee, 1998:41). Rembrandt was chosen as a name due to its universal appeal and the connotations to quality and style, as it stemmed from the 17th-century Dutch painter Rembrandt Harmenszoon van Rijn (Dommisse & Esterhuyse, 2005:77). Rupert managed to keep playing on Afrikaner sentiment through establishing his first factory in Paarl and the advertisement campaign that read "Was it pure coincidence that the first Afrikaner cigarette factory came into being in Paarl where the first Afrikaner language movement began 75 years ago? Because every volk needs its own of those things which made a difference – its own language, its own culture, its own factories, its own success" (O'Meara, 1983:203). The factory employed only Afrikaner women and children, which allowed it to be seen as aiding Afrikaner upliftment through providing employment and delivering a product that was untouched by African hands. This had the added benefit of keeping the company's production costs low as it was cheaper to employ women and children than men (O'Meara, 1983:203).

Rupert's fiery nationalism could however not continue as he came into contact with the international market and Afrikaner economic upliftment started to impact his profit margin. The change in his political and economic sentiment emerged at the second economic "Volkskongres" in 1950 when he stated in the address he delivered; "[w]e are always ready to work with you, but not to work for you in perpetuity" (Dommisse and Esterhuyse, 2005:93). This statement reflects Rupert's belief at the time that Afrikaners had gained sufficient economic and political power for Afrikaner

economic upliftment to no longer be necessary. Rupert's class position as a capitalist re-orientated his values and interests away from "volkskapitalisme" towards capital accumulation as an end in itself. In 1953, Rupert's position as an international capitalist was solidified as he acquired Rothmans with capital lent from Sanlam. The chairman of Sanlam, Dr Louw, however asked Rupert to sell the company shortly after its acquisition because owning business interests abroad was not seen to be in line with the idea of "volkskapitalisme" (Dommisse & Esterhuyse, 2005:93). Rupert refused and went on to further business interests abroad, such as Carrera, Dunhill and Mont Blanc.

The economic prosperity that many Afrikaners had reached by the 1960s saw the wide-scale erosion of Afrikaner nationalism as class identification became more important than racial identification, according to Hyslop (2000:39). Rupert's acquisition of international luxury brands during the 1950s put him ahead of the change from "save for stability" to "spend for success" (Grundlingh, 2008:146). Hence, Rupert became the wealthiest Afrikaner industrialist whose family's wealth continued to accumulate until they could claim the title of the wealthiest family in South Africa in 2012 (Forbes List, 2013:1).

Rupert's economic power

In an article written in tribute to Rupert upon his death in 2006, Mbeki (2006:1) wrote, "a mere reading of the role-call of the Afrikaners with whom [Anton Rupert] interacted during his life's journey would show how much he was firmly embedded within the Afrikaner society that saw the 1948 electoral victory of the National Party". His interaction with Afrikaner political leaders started during his schooling years (as mentioned in chapter four), however it was not until university that Rupert started to form meaningful relationships with these leaders. In order to save on accommodation costs, Rupert resided with Fritz Steyn, the University of Pretoria's propaganda secretary, during his time at university. Steyn encouraged Rupert to become involved in the fight for Afrikaner liberation (Dommisse & Esterhuyse, 2005:28). Rupert took up the cause by becoming the chairman of the "Afrikaans-Nasionale Studentebond" (ANS) and joining the editorial board of its official publication *Wapenskou*. The ANS was a brother organisation of the Afrikaner Broederbond and thus Rupert formed a close relationship with the Bond's president, Dr Nic Diedrich (O'Meara, 1938:7).

During this time, he also met Bond member Dr H.F. Verwoerd (the future President of South Africa) when Verwoerd interviewed him for a position at *Die Transvaler* (Dommisse & Esterhuyse, 2005:41). The two found an instant dislike to one another that would come to underlie their future interactions. The first and second economic "volkskongres" allowed Rupert to meet many other Afrikaner leaders, such as Dr A.J. Stals, the director of Volkskas Bank and Voortrekker Press. Rupert utilised developments in Rembrandt to showcase his relationship with prominent Afrikaner leaders. When Rembrandt's Paarl factory was opened in 1947, Mr M.S. Louw, the president of the AHI and Sanlam, was present to take the first cigarette off the production line (Dommisse & Esterhuyse, 2005: 87).

Rupert often used the economic power that Rembrandt and his political connections gave him to force the government into acting in his interest. At the second economic "volkskongres" Rupert threatened to close down Rembrandt's Paarl factory if his quota was not increased (Dommisse & Esterhuyse, 2005:89). The quota system was eventually abolished. Although Rupert successfully manipulated the government on a "small" policy scale, he was unable to manipulate them into lifting some of the apartheid laws. Rupert wished to see these laws lifted as they constrained the size of the domestic economy and it became increasingly difficult to operate internationally due to the economic sanctions placed on South Africa. The watershed moment in this regard came in 1984 when the Chairman of Rothmans, Sir Robert Crichton-Brown, informed Rupert that he was no longer welcome at Rothmans in a management position (despite Rothmans being a Rembrandt-owned company) (Dommisse & Esterhuyse, 2005:321). In light of these developments, Rupert joined forces with other white South African capitalist to facilitate talks between the ANC and the NP regarding a peaceful political revolution.

Rupert used these talks and the subsequent transition negotiations to form alliances with prominent members of the ANC. He established the most meaningful relationship with President Nelson Mandela, who went on to describe Rupert as a friend and a brother. In this manner Rupert came to be in Nelson Mandela and Thabo Mebeki's inner circle and was often consulted on important economic decisions (Bassett, 2008:192). Although the leadership of South Africa had changed, Rupert continued to use his economic power to

influence economic policy decisions. In 2002, he wrote a letter to finance minister Trevor Manuel regarding South African tax law which did not make charitable donations tax deductible. Rupert expressed his "deep frustration" stating that "[s]hould the situation not be resolved, we shall have to seriously consider moving our offices abroad… [t]his situation only you can rectify" (Dommisse & Esterhuyse, 2005:386). The tax laws were changed shortly afterwards.

The social and environmental consciousness of Rupert

Rupert undertook various social and environmental projects during his lifetime, but whether these projects were undertaken selflessly or to increase Rembrandt's bottom line is debateable. In 1959, Rupert approached Prime Minister Verwoerd to ask permission to start an industrial partnership with the coloured community in the Cape (Dommisse & Esterhuyse, 20054:128). Rupert often undertook industrial partnership with communities in which he conducted business as he found workers performed better if they had a vested interest in the business and it gave them greater purchasing power as consumers. Industrial partnerships entailed selling shares in the company to the workers and training workers to fulfil key management positions. Verwoerd refused to grant his request, stating that Rupert merely wished to exploit African South African's for his own financial gain (Hoogenraad-Vermaak, 2010:135). This refusal made Rupert sceptical of apartheid political leadership as he believed in free enterprise and unregulated labour markets (Dommisse & Esterhuyse, 2005:153). Rupert bided his time waiting, whilst consumer markets continued to shrink in South Africa, for an opportunity to attempt to deregulate markets. This opportunity came in 1976 when he met with Harry Oppenheimer and other white business leaders to discuss growing black unemployment and urbanisation (Hoogenraad-Vermaak, 2010:135). The result of this meeting was the establishment of the Urban Foundation in 1977. This foundation sought to create a black urbanised middle class with Western-type materialistic needs and promote a political climate of inclusion to facilitate free enterprise values (Lipton, 1985:231). In 1979, Rupert established a second developmental organisation, the Small Business Development Corporation (SBDC), to aid the entrepreneurial development of all South Africans (Bartlett, 1991:63).

Rupert managed to combine the passion for nature that his father had given to him with political networking. In 1996, he started the Peace Park Foundation with President Nelson

Mandela and Prince Bernhard of the Netherlands. The foundation followed the model of transfrontier conservation as parks were set up on site of historical conflict to protect South Africa's indigenous flora and fauna (Dommisse & Esterhuyse, 2005:377).

The demise of apartheid

The NP's system of apartheid could not continue perpetually as the political and economic elite came to be faced with numerous political, social and economic crises in South Africa in the 1980s and early 1990s. This forced the ruling white (Afrikaner) elite to enter into negotiations with elite members of the liberation party, the ANC. In 1994, the negotiations ended in a democratic transition for South Africa that widely became heralded as the South African miracle. Adam and Moodley (2007:115) argue that instead it should be called the "purchased revolution" as the white capitalist class had merely ensured the embourgeoisement of the ANC elite in order to guarantee that their private property and assets were protected. Southall (2008:297) agrees with this sentiment as he suggests that the political economy that emerged in South Africa after 1994 was composed of a new political elite and an old capitalist elite who were dependent upon one another to further their interests. This relationship was established during the transition period when the process of embourgeoisement of the new elite ensured that common interests were established (Desai, 2002:2). As the old political and capitalist elite as well as the ANC elite were both in a position of strength during the transition negotiations, its resolution required the establishment of a mutual set of interests that would largely derail the ANC's previous ideological position of socialism (Herbst, 2005:99). The purchased nature of South Africa's transition ensured that it entered a new political dispensation that was both democratic and capitalist orientated.

The leaders of the ANC were arguably swayed by forces outside of the party to abandon their socialist ideology and implement neoliberal economic policies within South Africa. Iheduru (2002:74) posits that "this shift in the black elite's perception of capitalism [from a discourse derived from the international left] in less than a decade truly constitutes a revolution itself". Maylam (2013:66-67) argues that the shift in the President of the ANC Nelson Mandela's thinking was solidified during the World Economic Forum in Switzerland in 1992 because Mandela returned from the meeting stating that "[w]e either keep nationalisation and get no investment, or we modify our

own attitude and get investment". In this respect, the ANC's hand may also have been forced due to the Transitional Executive Committee (a committee composed of ANC and NP members to facilitate South Africa's democratic transition) signing a $850 million loan from the International Monetary Fund in December 1993 (Andreasson, 2007:6). The terms of this loan served to ensure that South Africa would implement neoliberal economic policies. It was not only international forces that attempted to sway the ANC's attitude as some established white economic elites had worked closely with the ANC from the 1980s to facilitate a political transition and ensure that market-friendly economic policies would be adopted by the ANC (Andreasson, 2007:3). The extent to which the party's attitude was modified became apparent when it adopted the Growth, Employment and Redistribution (GEAR) policy in 1996. This policy reflects the characteristics of a neoliberal capitalist system because it implements wage restraints, tariff reductions, exchange rate stabilisation, financial liberalisation and privatisation that essentially puts the market ahead of society (Marais, 2011:109-116). From the ANC's initial adoption of neoliberal capitalism, in the form of GEAR, it has continued to enact neoliberal economic policies and work closely with both business leaders and international financial institutions in order to ensure international and domestic approval of its markets (Andreasson, 2007:6).

Black economic empowerment conceptualisation and policies

The purchased nature of South Africa's transition meant that the ANC adopted redistributive and empowering economic and public policies. Steven Friedman (1993) states that empowerment is "an alternative development, which places emphasis on the improvement in the conditions of life and livelihood of the excluded majority" so that historical processes of systematic disempowerment may be redressed (in Khan, 2006:105). The Reconstruction and Development Programme (Act No 7 of 1994) was used as a vehicle for redistributive and empowerment policies (Ponte, Roberts & Van Sittert, 2007:934). This act contained the black economic empowerment (BEE) strategy that was devised in order to achieve the creation of a black capitalist class and the empowerment of the historically oppressed black majority within South Africa via affirmative action (Ponte et al, 2007:934).

In 2003, the BEE strategy was finally translated into legislation with the promulgation of the Black Economic Empowerment Act (Act No 53 of 2003). The aims of this act is to deracialise

the economy and close the income gap through promoting black people to senior management positions, ensuring equity ownership of South African companies and favouring 51% black-owned companies in public works contracts (Herbst, 2005:100). Numerous other acts and industry-specific charters were implemented in response to the BEE strategy in order to ensure that BEE reached its aims (Khan, 2006:106-107). These were as follows, the: Employment Equity Act, Skills Development Act, Preferential Employment Act, Tourism Transformation Act, National Treasury Private Public Partnership Project, National Small Business Development Promotional Programme, Integrated Sustainable Rural Development Programme, Mining Charter, Petroleum and Liquid Fuels Industry Charter, Maritime Charter, Tourism Charter, and Financial Services Charter.

Patriotic bourgeoisie and philanthropic capitalism

The ANC's desire to create a black economic elite class was outlined in the BEE strategy, and Mbeki also stated "as part of the realisation of the aim to eradicate racism in our country, we must strive to create and strengthen a black capitalist class" (cited in Herbst, 2005:120). Southall (2004:313) posits that this desire stemmed from the ANC's adoption of the National Democratic Revolution (NDR). The NDR is a Marxist concept that was adopted by the ANC after it came into power arguably in part to justify why the party did not institute socialist economic policies. In the NDR, capitalism and the capitalist class are described as a necessary instrument towards socialism when socialism cannot immediately be implemented after a democratic revolution due to the domestic or global balance of forces. The ANC'S NDR required the creation of a black elite class that was both patriotic and productive in order to ensure that their wealth would be used to uplift the poor through job creation – it needed to create a patriotic bourgeoisie (Southall, 2004:313).

Patriotic bourgeoisie is often used interchangeably with national bourgeoisie within literature. The national bourgeoisie are described as domestic capitalists within Third World countries. F.H. Cardoso, the Brazilian social scientist, used this ideal type to describe the domestic capitalists of Brazil in the 1970s (Martinussen, 2004:95). He stated that the national bourgeoisie of Brazil were powerful, able to act effectively and autonomously and capable of shaping national development. These characteristics could be seen by the national bourgeoisie's effective manner of ensuring that the strategies of the state were in the national interest of development (Martinussen, 2004:95). Cardoso went on to warn that

if the national bourgeoisie were not economically strong enough and/or held enough influence over the state, they could come to "function as the extended arm of imperialism" (cited in Martinussen, 2004:95). Martinussen (2004:241) supports Cardoso stating that if the national bourgeoisie are influenced by the centre bourgeoisie or have no interest in national development, national interests may be subordinate to the interests of global capital.

Politics often conceptualises the patriotic bourgeoisie in terms of the various roles they are expected to play. Within this conceptualisation the patriotic bourgeoisie are not representative of a certain class and set of interests, but rather represented as an instrument of the state. The ANC has consigned various roles and characteristics to the patriotic bourgeoisie according to various authors (Moodley & Adam, 2000; Iheduru, 2002; Matthews, 2010). Primarily, they should act in the interests of the poor, be black so that they may challenge the stranglehold of white capital over the economy, and be role models that showcase what hard work can achieve, thereby aiding social transformation. The role allocated to the patriotic bourgeoisie within South Africa finds expression in the words of the National African Federated Chamber of Commerce (NAFCOC) president: "[W]e desperately need a black capitalist class to ensure that people benefit out of the wealth of this country, unlike the white capitalist class that misused its muscles to the detriment of the country and its people. The sooner we get real empowerment the stronger the poverty-fighting force will be" (in Matthews, 2010:172). From this role allocation a working definition of patriotic bourgeoisie can be found – they are a capitalist class of a certain race or ethnicity within a nation-state[2] that share a sense of solidarity with all classes within that state and act in the interest of certain sectors of the country and its people whilst continuing to accumulate capital for themselves. This definition highlights the inherent contradiction of the concept: How can a capitalist act as a capitalist through exploiting workers to extract profits whilst acting in the interest of the working class?

The ANC set out to create a black bourgeoisie through BEE, assuming that it would act as a patriotic bourgeoisie due to South Africa's history of racial oppression, according to Mathews (2010:172). This assumption allows the questions to be asked: Can South Africa's

[2] The patriotic bourgeoise can refer to nationality (in the Brazilian case) but this conceptualization is problematic within the South African case as the patriotic bourgeoise are so often associated only with a certain racial group within the country.

black elite be described as a patriotic bourgeoisie? This question may be answered through assessing whether the black elite meets the various roles that the ANC has set out for them (as mentioned above).

The success of the initial BEE strategy instituted in 1994 led to the creation of a small group of what has been called BEE-llionaires (Southall, 2007:74). At the heart of the BEE-llionaires lie those who Southall (2007:75) terms the "fab four": Patrice Motsepe, Cyril Ramaphosa, Tokyo Sexwale and Saki Macozoma. This can be amended to the "fab five" in order to include the mining tycoon Mzi Khumalo. In 2005, 5 880 new black dollar millionaires were created through BEE deals, according to Desai (2006:1). For ease of analysis, only the "fab five" of the black bourgeoisie will be considered because they have arguably reached the "commanding heights of the economy" and thus can be described as the true black economic elite (Gevisser, 1997:24). The "fab five" can be deemed capitalists because their wealth is invested in trade and industry and they derive a profit from this investment. They have also managed to remain wealthy and become even wealthier since BEE was implemented. Moodley & Adam (2000:65) suggest that they do indeed present themselves as role models, especially to "township youngsters". In this regard the "fab five"can be said to play certain of the roles that the ANC requires of the patriotic bourgeoisie, as: they are black capitalists who have remained wealthy and present themselves as role models.

It is more difficult to ascertain whether they fulfil the roles of acting in the interests of the poor and challenge the stranglehold of white capital over the economy. In terms of acting in the interests of the poor, their behaviour may be described as being a dichotomy. It may be argued that this contradiction reflects the abovementioned inherent contradiction of the concept patriotic bourgeoisie.

Whether the black elite can challenge the stranglehold of white capital is connected to whose interests they serve. The political analyst Moetletsi Mbeki argues that BEE is a sham dreamt up by white capitalists to ensure that the ANC stays away from nationalisation (cited in Southall, 2004:313). If one considers that BEE was initiated by white corporate businesses, Sanlam and Anglo-American in the early 1990s when they started to employ and sell shares to black businessmen, there seems to be some validity to Mbeki's statement (Freund, 2007:661). Adam and Moodley (2000:64) posit that white businesses, such as

Gencor and Anglo-American, undertook the "embourgeosiement" of the new black powerholders because they expected them to share their vision of a deracialised, neoliberal economy within South Africa. They go further and argue that the "embourgeosiement" of key cadres within the ANC was furthered by the ANC after it came into power so that they would refrain from questioning the implementation of neoliberal economic policies (Adam & Moodley, 1997:113). This suggests that "elite pacting" occurred between white economic elites and ANC elites prior to South Africa's transition and that this pact impacted the form of the new South Africa (Freund, 2006:7). Freund (2006:7) states that this pact resulted in the need for the new black economic elite to be created so that neoliberalism could be legitimised and political stability could be ensured. Southall (2004:319) posits that black capitalist aspirants were either given or lent capital by white capitalists who desired to protect their own interests through creating a black capitalist class. He further states that this places the black capitalists in a vulnerable position economically and politically, which inhibits them from truly driving social transformation because they are dependent on old capital.

Andreasson (2007:4) suggests that due to this dependence on old white capital, the new black capitalists can be referred to as the ideal type comprador capitalists. Sklair and Robbins (2002:81) characterise comprador capitalists as capitalists who serve the interests of established foreign and domestic capitalists, have no interest in national development and sell out their compatriots. Neo-Marxists believe that the new and old elites are given the opportunity to collude with one another and take advantage of new economic opportunities when newly dependent countries re-orientate their economies towards neoliberalism (Andreasson, 2007:3). This position holds similarities to that of Marxists who state that there is very little chance of a truly independent capitalist class emerging in newly independent countries because this class will almost always serve the interests of international capital (Andreasson, 2007:4). Bond (2001:xi) posits that the "notion of comprador capitalism underpins the powerful metaphor about South Africa's present leaders 'shining' not breaking the chains of 21st-century global apartheid". The argument for the existence of comprador capitalism suggests that capitalists possess class consciousness or awareness, "that they share a set off common interests, are potentially aware of this fact, and are indeed capable of acting together to promote and defend those interests" (Allahar,

2004:101). This suggests that class becomes more important to them then their ethnic, racial or religious identity.

South Africa's "purchased revolution" that ensured the adoption of neoliberal economic policies suggests that the new capitalists should be defined as comprador capitalists and not as a patriotic bourgeoisie. Patrice Motsepe, the president of Business Unity South Africa (BUSA), once stated that "the government would give serious consideration to South Africa's overregulated business environment" (cited in Andreasson, 2007:8). He made this statement in light of concerns raised by the International Monetary Fund that South Africa's markets (including labour market) were not open enough to inspire investment confidence. Morvaridi (2012:1191) suggests that Motsepe's philanthropic work is not purely in the interest of aiding the poor and promoting social development because he so often makes market-based social investments through partnerships in order to make the market work for capital. He suggests that philanthropic capitalists' activities devolve power to non-state actors through reducing state responsibilities and intervention in economic welfare (Morvaridi, 2012:1191). Neoliberal capitalist philanthropists are said to base their activities on their own self-interest because they often turn subsidised charities into profitable ones and gain greater power and influence over the state and the economy (Morvaridi, 2012:1199). This suggests that Motsepe prioritises profit over people and that he acts in a manner which ensures capitalist interests are protected in welfare and business.

It has also been questioned where Cyril Ramaphosa's interests lie since he took on the dual role of being a capitalist and a unionist through acquiring shares in Anglo-American. An Anglo-American executive said of this move, "Cyril Ramaphosa was the man who built the unions in the eighties and he will be the one to break them in the nineties" (Gevisser, 1997:24). Whether South Africa's unions are broken is debatable, but what the recent Marikana strikes reveal is that there is indeed a profound crisis facing South Africa's labour movement. South Africa's labour movement has a history of strong, well-organised and militarised labour unions that played a significant role in the liberation struggle. However, Gevisser (1997:24) argues that since South Africa's democratic transition, top unions strategists entered the corporate sector and their interests have become divided between extracting profits and leading the labour movement. This places labour capitalists in the precarious position of having to balance labour and capital interests.

From the above discussion it becomes clear that it is difficult to assess whether the black economic elite is a patriotic bourgeoisie or comprador capitalists because they are so often caught in between the interests of foreign and domestic capital and those of the working class. The difficulty in classifying this elite is further complicated by the criticism often levelled against them, the ANC and BEE.

Criticism of BEE and the BEE-llionaires

The BEE-llionaires are often criticised as being self-serving and therefore not fulfilling their patriotic responsibilities and that they only became so wealthy by virtue of their connections to the ANC. This criticism has a basis if one considers that during the initial implementation of BEE, Sexwale was the Premier of the Gauteng Province, Ramaphosa was on the ANC's National Executive Council, Macozoma was a parliamentary member of the ANC and Motsepe, although having no direct connections with the ANC, is the brother-in-law of Jeff Radebe and Cyril Ramaphosa (Southall, 2004:324).

The relationship between the political elite and the economic elite has further been put under scrutiny due to businesses such as The Network Lounge which allegedly charges R5 million to individuals wanting to associate with the ANC elite and the Progressive Business Forum which allows individuals to network with policy makers (Southall, 2008:287). The ANC also encourages the political elite to work closely with the economic elite. President Mbeki allegedly held bi-annual meetings with the Big Business Group composed of senior government officials and domestic and international business leaders in order to ensure approval of its markets (Andreasson, 2007:6). Calland (2007:50) states that economic elites have direct access to the President of South Africa and that their calls are deemed important. The control that the economic elite has over government is further brought into question when one considers that five of the ANC's National Executive Committee was on the Sunday Times Rich List in 2006 and Cyril Ramaphosa is currently the Deputy President (Khan, 2006:103).

Critics of BEE argue that it has becoming a "revolving door between politics and business" that only empowers a small group of politically well-connected elites (Khan, 2006:101). The BEE-llionaires have become a bone of contention within the government itself. Kgalema Motlanthe for instance stated that "certain individuals are not satisfied with a single bout of empowerment. Instead they are the beneficiaries of repeated bouts of empowerment. We

see the same names mentioned over and over again in one deal after another" (cited in Herbst, 2005:101). This statement echoes the finding made by Khan (2006:102) that small BEE companies and the rural poor resent the BEE elite because they feel that elite enrichment comes at the expense of broad-based empowerment. Although government did institute a broad-based black economic empowerment (BBBEE) strategy in 2003, most of the BEE transactions continue to only (re)empower an elite, politically connected few (Khan, 2006:104). Further criticism has been raised against BEE transactions and big businesses because they are said to mostly involve Johannesburg Stock Exchange deals, be composed of leveraged buyouts which allow politically connected individuals to be chosen and that most BEE businesses do not have enough black employees (Khan, 2006; Adam & Moodley, 1997). Herbst (2005:100) argues that this type of criticism has been levelled against BEE because it has failed to reach its other goals of closing the large income gap and ensuring racial equity ownership in South African businesses.

Class is no longer conterminous with race in South Africa, according to Nattrass & Seekings (2001:473) because there has been a steady decline in interracial inequality that was matched by a steady incline in intraracial inequality. Sampie Terreblanche (2013) states that South Africa's population of approximately 50 million people can be divided into three racial-economic groups. The rich elite makes up 20% of the population and is comprised of predominantly white and some black people; the petite bourgeoisie makes up 30% of the population and is predominantely black, whilst 50% of the population live in extreme poverty and 24 out of the 25 million in this class are black (Terrblanche, 2013). From this assertion it can be seen that both inter- and intraracial inequality exists within the country. Seekings (2013:7) suggests that BEE has indeed not been broad based because of the racial composition of South Africa's classes. He posits that rapid upward mobility only took place for blacks who came from a semi-privileged starting point (Seekings, 2013:8). The semi-privileged starting point that Seekings (2013) is referring to may be construed as well connected to the key ANC cadres if one considers the rapid upward mobility of the "fab five". Desai (2006) and Moodley and Adam (2000) state that the "fab five"'s upward mobility under BEE was significantly more rapid than the Afrikaner capitalist elites mobility under "volkskapitalisme" – in fact they compare it to the "heyday of robber barons like Rhodes and Beit". Be that as it may, South Africa's rich elite is only slightly mixed as 14 of

the 100 South Africans that appeared on the Sunday Times Rich List of 2014 were black (Fin24, 2014).

There is a great deal of resentment towards BEE-llionaires by many black South Africans that still live in poverty and feel they have not benefitted from democracy or BEE (Seekings, 2013:4). Many of the BEE-llionaires now lead lives of such luxury according to Andreasson (2007:1) that the words of Marx are brought to mind: "bourgeois society, freed from political cares, attain(s) a development unexpected even by itself… financial swindling celebrate(s) cosmopolitan orgies; the misery of the masses (is) set off by a shameless display of gorgeous, meretricious, and debased luxury". Adam and Moodley (1997:121) state that their "lack of Ghandhian austerity" could be overlooked was it not that many of them are important members of the ANC – a party that claims to represent all people, especially the downtrodden.

The manner in which BEE has come to be seen as a "revolving door between politics and business" that is bordering on cronyism due to the constant re-empowerment of a small elite in public opinion is problematic for the stability of South Africa's rather new democracy (Khan, 2006:101). Khan (2006:101) argues that the excluded majority has started to view BEE as a practice only reserved for those with the right political connections. This situation, he posits, can become problematic for the survival of the ruling government and the political dispensation if the majority of the South African population loses faith in the economic and social upliftment that democracy and the ANC promised in 1994. South Africa has a representative democratic system which Seekings and Nattrass (2001:471) argue entails rule by the poor, but only in a weak sense because parties compete for votes. They state that a democratic capitalist system is based on a class compromise because the popular masses agree to an economic system that creates economic inequality, whilst the rich agree to redistribution through public policy (Seekings & Nattrass, 2001:472). Seekings (2013:1) posits that the poor's ability to force the government to adopt pro-poor policies has been weakened due to the insufficient competition within South Africa's electoral system that allows the ANC to win by a large margin and have a great deal of control over which public policies are adopted. The "elite pacting" mentioned above between the economic and political elite poses a problem for the adoption of pro-poor policies and

Andreasson (2007:8) suggests that government is very sensitive about business responses to its policies.

The success of BEE and the implementation of neoliberal economic policies has led to the creation of greater class stratification amongst black South Africans. Maylam (2013:69) suggests that this has fractured the ANC's nationalism, which was based on a multi-class alliance. The abovementioned resentment of sectors of black South African society towards the BEE-llionaires, and their criticism that government is not doing enough to ensure distribution, is indicative of this fracturing (Khan, 2006). The ANC has attempted to ignore the corrosive impact that class has had on their African nationalism through attempting to equate race with class in South Africa. Mbeki once stated that South Africa has two economies: one is poor and black whilst the other is rich and white (Moodley & Adam, 2000:64). Moodley and Adam (2000) suggest that this type of rhetoric ignores the success of BEE and the existence of a black bourgeoisie as well as equating race to economic class. When the ANC came into power in 1994, it stated its desire to create a "rainbow nation" through nation building, non-racialism and reconciliation (Moodley & Adam, 2000;51). Gillian Hart (2013) suggests that the ANC is responsible for the corrosion of its hegemony due to the "rainbow nation" rhetoric which it employs – she terms this re-nationalisation – and the "elite pacting" which occurred during South Africa's transition – de-nationalisation. She defines de-nationalisation as the "alliances through which corporate capital defined the terms of reconnection with the global economy, as well as the forces unleashed in the process" (Hart, 2013). These processes she deems responsible for generating the ongoing inequality and conflict generated by racial capitalism and colonialism. This is in line with Mamdani's (1996:3-4) thesis that the ANC unsuccessfully deracialised the economy and politics within South Africa because it largely kept the bifurcated power between the state and the tribal "reserves", created by colonialism, intact. Bifurcated power can be seen in the state's relationship with the Congress of Traditional Leaders of South Africa, customary law and the unreformed customary power that exists in previous "reserve" territories (Mamdani, 1996:9). Hart (2013) asserts that the ANC also "latch[ed] onto apartheid era immigration legislation premised on control, exclusion and expulsion". She lists this along with their "rainbow nation" rhetoric and idea of NDR as comprising re-nationalisation. It is for these reasons that Hart (2013) suggests that South Africa is in crisis because its transition

was merely a passive revolution that allowed the bourgeoisie to seize power and pacify the subaltern classes through mild reforms such as BEE.

Iheduru (2004:3) argues that the ANC has instituted a system of black capitalism in this regard through the implementation of black economic empowerment policies. He terms this system black capitalism because he states that it predominantly privileges black South Africans. His reason echoes a statement made by the ANC in 1997 at the Mafikeng National Conference where BEE was first endorsed to "empower the black community in general and African people in particular" (cited in Iheduru, 2004:3). The success of black capitalism in creating a black elite can be equated to the success of "volkskapitalisme" in creating a white Afrikaans elite, and the power and influence over government and the South African economy that both of these groups hold cannot be ignored. Many of the black economic elites are also political elites, which opens the ANC up to criticism from the popular voting masses if they are not seen to act in their interests. Due to the ANC's continued ambivalence towards class in favour of a racial rhetoric, it has opened itself up to criticism about its political actions and the actions of the black bourgeoisie that it has created. As *Business Day* (1999) states: "[T]he new black elite demonstrates its firm resolve to act more capitalist than the old capital owners. White business at least could be expected to feel guilty. No such softening characterizes the new elite" (cited in Moodley & Adam, 2000:66).

The complex relationship between the economic and political elite within South Africa, although not a new phenomenon, presents an interesting case study for the manner in which capital intersects with and influences state policy, manipulates the subordinate classes and the limits which democracy imbues it with. It is in light of this that a comparison is drawn between the life-histories of Anton Rupert and Patrice Motsepe for in order to understand this complex relationship its historical presence within South Africa needs to be showcased.

Chapter 3: Methodology

This study utilised qualitative and exploratory methodological paradigms due to the nature of the research question. These methods were chosen due to the inductive nature of the research problem that required the collection of rich and detailed research on the life of Patrice Motsepe so as to construct a model of his ethic of capital accumulation and the manner in which it influences and was influenced by his social, political and economic worlds. Merriam (2002:7) argues that it is best to use a qualitative and explorative approach to conduct research when a research question requires rich and detailed data to be analysed. In this regard, qualitative research methods best served this purpose as it allows for the collection of the type of information that allows the research question to be answered. After a survey of what had already been written about Motsepe, it became clear that this research would need to be explorative because nothing has been written directly regarding Motsepe.

A life-history analysis of Motsepe's business ethic and model of capital accumulation as it has developed from his birth in 1962 to the present was conducted because his ethic would have been informed by his life experiences, including those of early childhood. A life-history analysis was chosen because it allows the pivotal events and important experiences of Motsepe's life to be traced so as to identify and examine the links between these and the ethic of capital accumulation that he came to develop (Lawerence, 2002:477). Additionally, it has allows the various dynamic and temporal processes beneath certain experiences and events in Motsepe's life to be considered, as well as the impact that larger social forces and events had on his life's trajectory to be examined (Lawerence, 2002:477). Wu (2003:477) argues that that there is a link between the early and later life course of an individual because earlier experience comes to inform the actions of an individual in their later life.

This research took place in three stages. Firstly, a documentary analysis of the Motsepe ethos and model of capital accumulation as it has developed over time was conducted. This allowed many articles and business documents that relate to Motsepe to be collected and used as primary data. In order to do this, a textual archive of Motsepe using academic sources, SABINET (the South African Media Archives) and the online archives of his

companies (African Rainbow Minerals, The Motsepe Foundation) was built. Additionally, the transcripts and recordings of interviews that Motsepe has granted were collected. From this stage of the research, moments of historical significance, both political and economic that pertained to the evolution of the Motsepe ethos, were identified. An analysis of the necessary texts that pertain to his heritage and person allowed the research to be embedded within his sociohistorical background in terms of the influence that politics, religion and his ethnicity as a black South African had on him.

The information gathered from this stage of the research informed the second and third phase of the research. In the second phase of the research, semi-structured interviews with certain of Motsepe's employees at The Motsepe Foundation and African Rainbow Minerals were held. These interviews focused on clarifying important information that pertained to the research question found on his foundation and company's website. These interviews only focused on information found in the public arena.

The third stage of the research was semi-structured interviews using life-course interview schedules. The content of the life-course interview schedules that were used were informed by the first phase of the research. Due to the limited nature of the research question and the limited time and space of the research project, it was necessary to construct a semi-structured life-course interview schedule so as to ensure that the events important to the research question were thoroughly explored and so that there was enough room to explore any other important events that might come to light during the interview. Verd and Lopez (2011:67) state that utilising semi-structured interviews when conducting life-course analysis allows for richer research to be collected because interviews are formalised.

The interviewees of this stage of the research were people who have had business or social dealings with him and people who play or have played a pivotal role in his life. These people were identified from the first stage of the research with interviews serving as an additional mechanism to identify people of interest. The interviews conducted in the second and the third stage of the research were analysed against the documents collected and other interviews that were conducted so as to ensure that the data was objective and reliable.

All research that was collected was analysed using a combination of Marxist and power-elite theories and methodologies. This was chosen because both these theories consider the role

that the economic elite play within society and the manner in which they use their power and influence to ensure the adoption of socio-economic policies that are in their favour. These theories thus allowed Motsepe's interaction with the state and the political elite to be looked at through these paradigms.

Methodological constraints

A biographical life-course analysis of Motsepe was conducted in order to try to understand the broader shifts in the relationship between capital and the state in post-apartheid South Africa. The relationship between biography and post-apartheid South Africa is a complex one as a result of its truth claims (as will be discussed below). This study was further troubled by the fact that the biographical information was not obtained via interviews with Motsepe. All the requests that were made to interview Motsepe were rejected due to his policy of rarely granting interviews.

Motsepe's life has been represented not as a coherent whole that follows a linear progression, but rather as a sequence of events that have impacted on and altered his social, political and economic ideology. This was done in order to avoid what Bourdieu (1987:300) called the "biographical illusion". The "biographical illusion" refers to the representation of a life history as a linear and predictable progression that presents the self as a unified whole (Bourdieu, 1987:301). Bourdieu (1987:298) argues that this creates an illusion regarding the self being studied and their life course. This view of life history stems from the philosophy of history that views history as a progression of events that are chronologically ordered and artificially linked in order to give it meaning (Bourdieu, 1987:300). That is not to say that the tradition of biographical narration can simply be dismissed, for it does hold important explanatory value, but rather that the history of the subject should be treated with caution so that it does not dictate history (Comaroff, 1990:550).

Rassool (2010:28) agrees with Bourdieu regarding the existence of the "biographical illusion" in many life-history analyses stating that it is produced when lives are "characterised by an ordered sequence of acts, events and works, with individuals characterised by stability, autonomy, self-determination and rational-choice". He warns that the writer of a biography should be aware of the existence of the subject's private life and

the manner in which it shapes the public life (Rassool, 2010:39). The "biographical illusion", he states, can be avoided in the subject's interactions with others, and their history and culture is considered and examined. Hyslop (2010:108) posits that biographical life-course analysis is a methodology that can be used when dealing with elite figures in history because their actions often shape history. This statement is similar to Mills's (2000:4) conception of the elite as being "in positions to make decisions having major consequences. Where they do or do not make such decisions is less important than the fact that they do occupy such pivotal positions".

Hyslop (2010:108) questions Rassool's argument that individuals can be characterised by ration-choice because he states that individual rationality and agency are informed by unconscious psychological processes, cultural values and social structures. Comaroff (1990:555) is in agreement with Hyslop as he argues that the qualities of which Rassool speaks stem from the post-enlightenment period in which the individual as self-conscious was conceptualised. Individuals are characterised as possessing such qualities according to Bourdieu (1987:303) because the official self and its life is treated as a unit of historical analysis. Whenever the official self is represented, it hides the personal aspects of the self. In order to try to overcome this problem, Motsepe's representation of his official self was read against the development of his personal early history. This is not to say that it completely overcame this problem because many of the personal aspects of Motsepe are hidden. Bourdieu (1987:303) espouses that the personal aspects of a high-profile subject of a biography is often hidden because they have been exposed to the interview process and therefore will present themself in a manner which is consistent with their official self. The interviews with Motsepe were read against interviews with people who know him and documentary sources on him in order to try and circumvent the problem of official representation of self.

The documentary sources were read against South Africa's history and Motsepe's changing ideology so as to place them in context and not treat them as mere "storehouses of facts". Many authors have written about the advantages and disadvantages of using documentary analysis in research. Rassool (2010:39) suggests that political biographies rely on political documents and documentary collections that contain speeches, statements and minutes of meetings as their main source of information. He claims that the essential methodology to

the analysis of these documents views them as “storehouses of facts”, which divorces them from the context in which they were produced and fails to recognise the changing context in which they are analysed (Rassool, 2010:35). Hyslop (2010:106) finds that the criticism Rassool levels against the use of documentary sources is too far reaching as it diminishes its value and does not account for the scepticism with which sources are often approached. Comaroff (1990:554) agrees that documentary sources can have important value as they provide insight into the social, material and political circumstances in which an individual is embedded at a specific historical moment. Documents must then be seen in the context (specific historical moment) in which they were produced so as to illustrate the change in context in which they are read (Comaroff, 1990:556). The life-course (biographical) analysis of Motsepe’s life attempted to circumvent some of the problems associated with conducting documentary analysis through objectively analysing documents pertaining to Motsepe and his businesses. These documents were placed within the context in which they were produced so as not to change their meaning.

Ethical concerns

The greatest ethical concern relates to anonymity. As the research question directly relates to Motsepe, the anonymity of the research participants has been very difficult to maintain. In this regard, a two-fold solution was devised. The research participants were requested to waive their right to anonymity on the research consent form; when they did wish to remain anonymous, their identity has been hidden. However, they were informed prior to the interviews commencing that their identity would be very difficult to conceal and that even if their names were concealed they may still be able to be identified as a member of the Motsepe family, as one of his employees or as one of his close associates. Patrice Motsepe may be aware of who the research participants are if they waive their right to anonymity and/or he reads the research report or if they inform him that they are research participants. The only research participants that Motsepe has power over are those employed by him, however they have only clarified information that is already available in the public domain. They cannot be negatively affected by their interviews because they have merely elaborated on information that can be attained by the public and have not provided personal or private information or opinions about Motsepe.

Chapter 4: The birth of Patrice Motsepe's entrepreneurial ethic

"The fact is I've had the entrepreneurial spirit since I was a child. It was part of the way I grew up." (Motsepe cited in *Management Today*, 2007:40)

Prince[3] Patrice Tlhopane Motsepe (hereafter Motsepe), of the royal Motsepe family of Mmakau[4], was born on the 28th of January 1962 in his mother's hometown of Orlando, a suburb in Soweto, a township just outside of the bustling city of Johannesburg (Davis, 2010:1). Motsepe is the first-born son of Augustine Butana Chaane and Key Motsepe and the second of their six children: Tshepo, Rosette, Bridgette, Jackie and Tlhopane (Informant 1, 2014). He was named after Patrice Lumumba, the first prime minister of the independent Democratic Republic of Congo, with his second name (Tlhopane) meaning "the chosen one" in his mother tongue Tswana (Ncube, 2004:14).

The Motsepe's were classified as "black" under the system of apartheid – a system that classified South Africans into different racial groups in order to facilitate racial segregation and separate development within South Africa (Matlangu, 2003:1). Under this system, white privilege and black oppression were entrenched through public policies and a political system that favoured white South Africans. The public policies ensured that the movement, activities and employment opportunities of African South Africans were closely monitored and regulated[5]. These laws guaranteed that the majority of black South Africans were confined to the lowest economic class as their employment opportunities were limited and their wages were set very low. Southall (2004:314) argues that not all black South Africans fell under the poor and working classes as the apartheid system also allowed for a black middle class to be created, predominantly comprised of teachers, lawyers and homeland administrators. Motsepe echoes this statement suggesting that "[p]eople don't know that there were very successful black businessmen in the years of apartheid… I come from a family of businessmen and women" (cited in Adams, 2008:90). His grandparents, Joseph Tlhopane and Stephina Dijeng, owned and ran a very successful general dealership in

[3] The Motsepe's royal status is contested by members of the tribe, but due to the family and media representing them as such it has been interpreted as the truth for the purpose of this research report.
[4] Mmakau is a small rural town located next to Ga-Rankuwa in the Gauteng Province. It is situated about 37 km northwest of the City of Tshwane.
[5] The key policies in this regard were the Population Registration Act (1950), the Group Areas Act (1950), the Native Consolidation Act (1945), the Bantu Education Act (1953) and the Native Labour Act (1953).

Mmakau (Ngowi, 2014:1). By the 1970s, Motsepe's father was heralded as one of the most successful black businessmen in South Africa, owning shops, beer halls and restaurants in Mmakau and Hammanskraal. His journey to this position was not an easy one.

Augustine Butana Chaane, more fondly known as ABC or digits, was born on the 18th of June 1915 (Mbanjwa, 2007:1). He and his brother, Cuthbert Alban Ramasodi, were very close and made a pact to help one another obtain university degrees through alternating working and studying in order to pay for each other's studies (Ngowi, 2014:1). They succeeded in this pact and both obtained a Bachelor of Arts in Education degree from the University of Fort Hare in the Transkei homeland. Augustine obtained his first teaching job at Felopye Primary School in Hammanskraal in the North West Province before moving to Orlando High School in Soweto (Mbanjwa, 2007:1). During the same time, Cuthbert obtained a job at Mamelodi High School and it is rumoured that there was intense competition between the two brothers during sporting competitions between the two schools (Ngowi, 2014:1). This was however where their paths diverged, arguably for the sake of their own safety.

Augustine and Cuthbert were members of the ANC. In 1960, the party was banned following the Sharpeville massacre (BBC, 1964:1). The massacre occurred at the Sharpeville police station on the 21st of March 1960 when the South African Police force shot dead 69 protestors, some of whom were children, who were demonstrating against the pass laws. Photographs of the incident spread globally and served to enlighten the international community of the political situation within South Africa. The banning of the party resulted in many members of the ANC engaging in more outright opposition against the apartheid state and culminated in leaders of the party planning to sabotage the state. Their plan never came to be carried out as Walter Sisulu, Dennis Goldberg, Govan Mbeki, Nelson Mandela, Raymond Mhlaba, Elias Mosoaledi, Andrew Mlangeni and Ahmed Kathrada were captured and tried for 221 acts of sabotage during the Rivonia Trials from 1963 to 1964 (BBC, 1964:1). During the trial Mandela stated, "I do not deny that I planned sabotage. I did not plan it in the spirit of recklessness nor because I have any love of violence. I planned it as a result of a calm and sober assessment of the political situation that has arisen after many years of tyranny, exploitation and oppression of my people by the whites" (cited in BBC, 1964:1). His statement echoed what many members of the ANC and arguably a great deal of African South Africans felt. According to one of Cuthbert's former students at Mamelodi High

School, the arrest of Nelson Mandela was a tipping point for him as "from 1962 he became a completely different person. Mr Motsepe started to openly discuss politics" (cited in Mathabatha, 2004:308). His discussion of politics in the classroom brought him under the attention of the NP's Special Branch in 1963. When Cuthbert became aware of this, he fled to Botswana (Ngowi, 2014:1). Whilst in Botswana, he received a Presidential Order of Meritorious Service for his substantial contribution to the development of sports and education in Botswana and became a very successful businessman (Ngowi, 2014:1).

Cuthbert was not the only one of Augustine's brothers who had to flee South Africa during that time. Godfrey Josiah Madileng Motsepe hastily relocated his family to London in 1964, the year that Mandela was sentenced to life in prison. Whilst in London, Godfrey's home in Camden Town allegedly became the meeting point for ANC officials in exile and the starting point of what was to become the ANC's diplomatic initiatives across the globe (*Business Day*, 2009:1). In 1979, Godfrey was appointed as the ANC's chief representative in Algeria, but he was relocated to Brussels to set up an ANC missions office for the Benelux countries and France (TRC, 1996:Day 4). During his time in Brussels (1980 to 1988), Godfrey claims he was the victim of two assignation attempts by the Botha administration. Godfrey continued working for the ANC after it came into power as the High Commissioner of South Africa in Ghana until his retirement (*Business Day*, 2009:1).

Augustine was apparently banished by the NP in the early 1960s to Hammanskraal, "an area so poor that any motivation for dissent would be stifled" due to his membership and familial connections to the ANC (White, 2011:1). In Hammanskraal he founded and became the principal of Sekitla High School in Matibastad just outside of Hammanskraal (Mbanjwa, 2007:1). Eventually he tired of teaching and decided to open a grocery store in Hammanskraal in the mid-1960s. His business grew steadily and allowed him to expand his business venture into a beer hall and a restaurant. White (2011:2) argues that under the apartheid system blacks only became wealthy if they could inconspicuously navigate the maze of racial discrimination and/or if they had political connections. Augustine probably had a bit of both as he became a successful liquor distributor by affiliating with the South African Breweries (*City Press*, 2013:1).

Although Augustine had moved into the business sector by the time Motsepe was to start school, his passion for education had not diminished. Augustine was opposed to the Bantu Education Act due to the sub-par education blacks received as a result of it. Fortunately he managed to largely circumvent sending Motsepe and his siblings to a "bantu school" by using his connections and wealth to send him to Saint Joseph's Mission School in Aliwal-North (Informant 1, 2014). Saint Joseph's was a coloured designated[6], Afrikaans-language, Roman Catholic boarding school and thus it was remarkable that Augustine managed to get his children, who were classified as black, into the school. Motsepe's maternal grandfather was Scottish, but this made no difference to his racial classification. Motsepe stated that he was sent to Saint Joseph's by his father for two reasons: "He wanted to give me a good education and, just as important, he wanted me to speak proper Afrikaans" (cited in Matlongui, 2003:1). Augustine's hopes for Motsepe came true as he states, "at boarding school I spoke better Afrikaans than any other language" and that he was a highly motivated student. "Even at school I had to be first… for me it was always about hard work, blood and sweat and coming out top" (cited in Matlongui, 2003:2).

During Motsepe's schooling years, he did not only learn at school as he spent the holidays learning about business from his father – he preferred to work for his father rather than play (Bridge, 2007:170). Motsepe states that he learnt his first and most valuable business lesson – to always plough profits back into one's business – at the age of six as he saw his father "steadily building his business, adding a bottle store, and growing" (cited in Mvoko, 2013:4). His holiday job also convinced Motsepe about what he wanted to do when he grew up, as he says:

> "I must have been about eight when my father said one day: We make so much money when you're behind the counter you should take over the business when you grow up. But it was hard work, from 6 am to 8 pm. I soon realised I needed to choose a career that would keep me away from that shop! That's how I came to decide when I was only eight that I'd become a lawyer."

Motsepe also found time for his own business venture during the school holidays as he started a lemonade stand that sold bread on the side of the road (Bridge, 2007:170).

[6] Under the apartheid system schools were designated to specific racial groups.

His father's businesses also came to dictate the type of law that he would specialise in as he was exposed to mine workers on a daily basis during school holidays when they purchased their daily provisions or drank at his father's beer hall (*City Press*, 2013:1). This early exposure to mine workers and the poverty and inequality that they faced furthered his passion for mining and mining law. His passion was ignited by his father who constantly encouraged his family to fight for the royalties due to their tribe, the Bakgatla-Ba-Mmakua, from the Canadian mining company, Leuka Minerals, who mined vanadium on tribal land (Bridge, 2007:170)[7]. The company had allegedly not honoured their agreement to pay royalties to the tribe and when the tribe had marched on the mine, led by Augustine, to demand payment they were met with guard dogs, tear gas and security guards. However, Motsepe did not only learn about the cut-throat world of business from his parents during this time as his mother taught him about kindness and giving. Motsepe remembers watching his mother give the poor groceries and telling him to be considerate of other people's circumstances (The Motsepe Foundation website, 2012:1).

Prior to Motsepe completing high school, Augustine moved his family back to Mmakau. Key Motsepe opened a large grocery shop in Mmakau called Key Motsepe Superstore and the couple extended their family businesses to include a funeral service and a hostel. Thus by the 1980s, Augustine and Key Motsepe held business interests in various industries and areas of South Africa.

Motsepe left South Africa in 1980 for Swaziland to obtain his Bachelors of Arts degree at the University of Swaziland, but his dream to be a lawyer was not forgotten. By the time he returned in 1983, the sociopolitical climate in South Africa had started to change, albeit slowly, as white capitalists formed an alliance with the ANC and started to pressurise the apartheid state to institute political reforms. This pressure, coupled with South Africa's rapidly stagnating economy due to the international sanctions placed on the country as a result of its draconian apartheid laws, resulted in the NP relaxing certain of the laws it had instituted. White (2011:2) argues that these developments together with Motsepe's family

[7] Whether it was truly the Bakgatla-Ba-Mmakua's land on which Leuka Minerals was mining is currently being contested in the South African courts. One of my informants (5, 2015) states that the Elandskraal farm which was mined, historically belonged to 94 families who were forced to vacate the premises by the NP administration. The R500 million which was successfully recovered from the mining company, allegedly by ABC Motsepe, was never shared with these families or according to another one of my informants (1, 2014) with the Bakgatla-Ba-Mmakau.

connections and wealth aided him in being one of the first black students to be accepted at the University of the Witwatersrand to study law.

Upon the completion of his law degree in 1988, Motsepe joined the prestigious law firm Bowman and Gilfillan based in Johannesburg and specialised in mining law. One of Motsepe's long-time friends and colleague at the firm, Neil Rissik, states that Motsepe "never wore his race on his sleeve" (cited in Adams, 2008:90). In 1989, Motsepe married Precious Makgosi Moloi, who was studying to become a medical doctor. The ban on the ANC was lifted and apartheid dismantled in 1990 by then President F.W. de Klerk and Motsepe was finally free to join the party that his family had risked their lives for (Informant 1, 2014). Motsepe spent 1991 to 1992 in the United States of America on an exchange programme. He had been accepted into the programme of the law firm McGuireWoods based in Richmond because "Bowman Gilfillan had identified him as a superstar" according to one of the partners at the firm (cited in Adam, 2008:91). Motsepe's law career took off quickly upon his return to South Africa as he was made a partner in 1994 at Bowman Gilfillan. The year 1994 proved to not only be a year of change for South Africa, as the ANC won the country's first democratic election, but for Motsepe as well, as he states, "in 1994 I became the first black lawyer to be made a partner at the firm Bowman Gilfillan. Then I suddenly got restless and had to find a new goal. My shop work from my childhood came back to haunt me. So I decided now I have to become an entrepreneur and tackle something on my own" (cited in Matlangu, 2003:2).

Chapter analysis

This chapter illustrates the Motsepe family's position within society during the time of apartheid. Due to the nature of this system, Motsepe's racial identity dictated the opportunities that were available to him during this time. ABC Motsepe's success and wealth allows him to be described as an oppressed economic elite. This position, coupled with the political and social embeddedness of the family within the ANC, allowed ABC to access opportunities for his children that were not available to most other Africans during this time. As a result, Motsepe's "privileged" position as part of an elite group allowed him access to opportunities and information that was not available to those outside of this elite group.

The importance of elite embeddedness also finds expression in Anton Rupert's history. Rupert's family's connection to elite members of the NP and his own political pursuits allowed him to become swiftly embedded within the ruling Afrikaner elite group with whom he shared a social background and a common set of interests. Motsepe and Rupert share certain key similarities in their historical trajectories. These are that they come from middle class socio-economic backgrounds, they were made aware of the political situation within South Africa from an early age, their families were politically connected, they received schooling that was not in their mother tongue and they were top academic achievers at school. Rupert, however, started from a position of embeddedness within the ruling elite group, whilst Motsepe started from a position of embeddedness within an oppressed elite group that went on to become a ruling group. Arguably in both cases their position aided their swift success in business.

Motsepe's shift from practising mining law in a law firm in which he had so recently advanced suggests that his position allowed him to foresee the changes in public policy that the ANC would institute. This insight would allow him to start a business that would take him to the "commanding heights of the South African economy", which is the subject of the next chapter.

Chapter 5: The economic world of Patrice Motsepe

"The (BEE) legislation came way after we did our deals." (Patrice Motsepe, cited in White, 2011:1)

The birth of African Rainbow Minerals

The changing social, economic and political landscape of South Africa in the early 1990s presented numerous opportunities for (black) South Africans as the apartheid laws were being raised, the international sanctions against the country were being raised and the ANC started to speak about its intention to implement BEE. Motsepe chose this epoch in South Africa to attempt to enter the lucrative mining industry again. He had first tried to enter it in 1989 when he bid to purchase small-scale mining operations from Gencor and Anglo-American, but as he was unable to obtain the funding necessary for the purchase the deal fell through (*City Press*, 2013:1).

In 1994, he attempted again and this time he succeeded and opened Future Mining (Mars, 2014:1). He opened this company with a R500 000 loan from Anglo-American because the banks refused to give him one (Informant 2, 2014). Motsepe states, "The banks said, 'Are you mad?'" (Adams, 2008:91). Future Mining contracted low-level labour such as sweeping (workers glean gold dust from rock surfaces after mining is complete with brooms) (Adams, 2008:91). For the first nine months, Motsepe could not afford an office. He states that the miners "used to call me the suitcase man because I worked out of my briefcase" (cited in Adams, 2008:90). Motsepe's luck changed toward the end of the year when he landed a contract providing various services to Vaal Reefs gold mine (owned by Anglo-American) in Orkney (Mars, 2014:1). He was not convinced that traditional mining wage structures were the best route to ensuring productivity and profitability and thus paid the Future Mining workers R750 p/m with a profit-sharing bonus instead of the traditional R1 000 p/m (Adams, 2008:91).

In 1998, Motsepe once again took the opportunity that South Africa's political economy presented him with (as the gold price was plummeting and the Rand was strengthening and white-owned corporate giants looked to empower black South Africans) and established his second mining company African Rainbow Minerals Gold (Proprietary) Limited (Wild & Cohen, 2013:1). African Rainbow Minerals Gold (Pty) Ltd (hereafter ARMgold) started off mining gold from six low-producing mine shafts Motsepe had acquired from Anglo-

American (Wild & Cohen, 2013:1). Motsepe started the negotiation of the shaft acquisition in 1997 with Bobby M. Godsell, the then Chief Executive of Anglo-American's gold and uranium division. During the time of the negotiations, Anglo-American sought to establish ties with politically connected black South Africans through economic empowerment in order to ensure that they shared their interest in a free-market economy and private property ownership rights (*The Economist*, 2006:44). Godsell not only represented Anglo-American in the negotiations, he was also personally passionate about black economic empowerment since he was one of the people that organised meetings between South African business leaders and ANC officials in the 1980s (Adams, 2008:91). He stated that during the time, he "was seeking to create capitalists out of people who had no capital" (cited in Adams, 2008:91). In the end Godsell found a solution to this predicament through selling the shafts to Motsepe for $8.2 million dollars that he could pay off with a percentage of his future profits (Wild & Cohen, 2013:1). Motsepe was met with criticism over the deal from both Anglo-American and the mineworkers union as neither believed the shafts could be turned profitable. Harry Oppenheimer, a major shareholder in Anglo-American, allegedly said to Motsepe, "What makes you think you are going to make money where Anglo has not?" (cited in Adams, 2008:92). Whilst the president of Mineworkers Union, James Motalatsi, was apparently angry that the deal was for a marginal mine, he said, "[Motsepe] wanted me to support the deal, but I said it will be embarrassing to black people if Patrice cannot make money out of it" (cited in Adams, 2008:92). He did receive some support as Andre Wilkens (an Afrikaner and Anglo-American engineer) left the company to serve as the chief executive of ARMgold (a position he still holds).

Motsepe used the lesson he had learnt during his time at Bowman Gilfillan – that lean and small mines tended to be successful because they did not have corporate overheads as well as the management and employment practices that he had perfected with Future Mining to make the shafts profitable (White, 2011:1). ARMgold kept its operation small and lean through employing 5 000 of the 7 000 workers, halving management, utilising Motsepe's house in Johannesburg as an office and implementing lower wages with a profit-sharing bonus for the workers (Wild & Cohen, 2013:1). Motsepe's system of low-cost mining proved to work as the shafts' productivity rose by 39% and ARMgold made a profit of R30 million in

the first six months, allowing ARMgold to pay off the mines in three years (Poggiolini, 2001:1).

ARMgold's success with these shafts made him a favourite (black) partner among the white-owned mining companies within South Africa, especially Anglo-American. In 1999, Motsepe diversified into platinum mining through a 50:50 joint venture between ARMgold and Anglo Platinum (the platinum division of Anglo American). This venture entailed the establishment of a new platinum mine in Maandagshoek in the Northern Province worth R1.35 billion (Poggiolini, 2001:1). In 2000, the companies furthered their joint venture into platinum mining with the establishment of the Modikwa mine (Adams, 20008:92). ARMgold continued to go from strength to strength and finally listed on the JSE in 2002 with a market capitalisation of R5 billion, the same year that the draft mining charter that required a 26% black ownership of all mining operations in South Africa was promulgated (Adams, 2008:92). ARMgold's successful partnership with Anglo-American acted as a catalyst for other mining companies to partner with it. In 2002, Harmony Gold established a 50:50 joint venture worth $190 million with ARMgold – buying gold shafts from Anglo-American (Adams, 2008:92). Their partnership proved so successful that ARMgold merged with Harmony Gold through acquiring a 16% stake in it (Adams, 2008:93). A year later (in 2003), ARMgold and Harmony Gold acquired a significant stake in Anglovaal Mining (known as Avmin) because the company "wanted to achieve a significant black shareholding" (Wild & Cohen, 2013:1). Anglovaal Mining was started by Slip Menell in 1936 and continued to be a Menell family-controlled mining company until Rick and Brian Menell expressed the desire to sell the company so that it could become the largest South African empowerment-controlled company (Informant 5, 2015). ARMgold was renamed African Rainbow Minerals (ARM) as a result of this transaction. Through this acquisition Motsepe extended his mining operations into the African continent as Avmin owns mining divisions in Namibia, the DRC and Zambia. ARMS's diversification into Africa created the need for a company to be created that could house ARM's non-South African mining portfolio, and thus TEAL Exploration and Mining Incorporated was established and promptly listed on the Toronto Stock Exchange and the JSE in 2005 (ARM website). Motsepe diversified into nickel in 2005 when ARM entered a 50:50 joint venture with LionOre to establish the Nkomati Mine (ARM website).

Motsepe was not completely satisfied with the early growth of ARM as he was driven by the desire to hold his "own against the best in the world" (cited in Mvoko, 2013:1). With the aim to do so, he stated that he wished to double ARM's worth by 2010 and instituted the "2 × 2010 organic growth strategy" that sought to double production in its portfolio commodities by 2010 (ARM website). In 2006, Motsepe became the first black economic empowerment partner to yet another previously white-owned mining corporation, Xstrata PLC, and diversified into coal mining when ARM bought a 26% stake in the company for $360 million (Adams, 2008:93). The next year, ARM was listed in the JSE/FTSE Top 40, with a market capitalisation of R59 billion in 2008, illustrating that ARM was well on its way to achieving its "2×2010 growth" target, which it did indeed achieve in June 2010 (ARM website).

The expansion of the Motsepe empire and his business network

The MEC is at the core of the South African economy. It is thus not surprising that certain of the giant white-owned financial services companies scrambled to acquire black partners through share sales and appointment to their boards. Iheduru (2002:76) states that these black partners needed to be the same people across industries and corporations because South Africa has a "closed corporate culture in which industrial giants incestuously buy into each other's companies… in a maze of share ownership and cross-directorships, which in turn has produced a myriad of confounding subsidiaries with interests in every facet of the economy".

Motsepe has followed this trajectory. The mining businesses that he established and joint ventures that he entered into with established (white-owned) mining companies ensured that he not only had share ownership in these companies, but across the MEC. Motsepe's cross-directorships, in the mining sector, are as follows: chair of Future Mining (since 1995), chair of Naledi Mining (since 1997), president of ARM (since 1998), non-executive chair of Harmony Gold (2003 to current), executive chair of ARM Ltd (2004 to current), chair of TEAL Exploration and Mining Incorporated (2005 to current).

The financial services industry presented itself to Motsepe as the next logical step to "becoming the best" (cited in Mvoko, 2013:1). Shortly after the BEE legislation (that specifically targeted the MEC) was implemented in 2004, he was offered a seat on the board of two financial services corporations: he was made the non-executive director of the

Barclays Africa Group Limited and the Non-Executive Director of ABSA Bank Limited. In the same year, Motsepe decided to start a financial services empowerment company – Ubuntu-Botho Financial Services. He acquired a 55% stake in this company through Sizana-Thusanang-Helpmekaar (his family-controlled investment vehicle) and was named the chairman of Ubunto-Botho (Ndzamela, 2014:23). Motsepe set his sights on SANLAM as the perfect empowerment partner for the company as they were searching for black partners. In 2004, Ubuntu-Botho purchased a 13% stake in SANLAM for R1.3 billion. Motsepe acquired 5% of the 12% stake personally as he contributed R200 million towards the deal. Sanlam appointed Motsepe as the deputy chair in 2004 and as a non-executive director in Sanlam Life Insurance Limited in 2006. During this time, Motsepe's wife was busy changing her career path as she founded the African Fashion International in 2005 and made her husband a director of the company. In 2013, Motsepe nearly entered the media industry within South Africa when he considered acquiring the Irish-owned Independent News Group (Hlongwane, 2013:1). Many journalists were surprised when it was acquired by another South African tycoon, Dr Iqbal Surve, instead.

Motsepe's maze of cross-directorships ensures that he is connected to 19 businesses across eight different industries within South Africa. This type of connectedness is indicative of South Africa's closed corporate culture that ensures that the economic elite is aware of and has interests in everything that happens across the different industries within South Africa.

The corporate leaders of South Africa are further intertwined through the various business associations that they belong to. The Chamber of Commerce and Industry South Africa (CHAMSA) was the first business association to be established in 2003 that unified black and white corporate elites. This association was the amalgamation of four business associations: the Chamber of Mines, the Black Business Counsel, AgriSA and the Banking Council (Degli, 2013:14). Motsepe was made the president of CHAMSA upon its formation and came to represent the black business voice within the organisation as he was also the president of NAFCOC – the organisation that his father co-founded (Du Plessis, 2006:17). He was also appointed the president of Business Unity South Africa (BUSA) when it was established in 2004. Motsepe was always passionate about uniting the business voice within South Africa as he feels that only through unification can the challenges (unemployment and the implementation of BEE) be overcome and an open economy be established within South

Africa (Degli, 2013:14). South African business leaders were praised by the then President of South Africa, Thabo Mbeki, for the establishment of BUSA and CHAMSA. He stated, "[t]he formation…is an indication of the progress our country has made away from its colonial and apartheid past. Not so long ago it was difficult to imagine such a development given the gross material inequalities between black and white business" (cited in Degli, 2013:14).

The unification of the business voice proved to be a road paved with historical obstacles, the biggest being the economic and political strength of white business leaders. Informant (3, 2014) stated that the Afrikaner Broederbond still exists within South Africa, but they are now composed of the white Afrikaner business elite that the apartheid government built. It is still these elites who control business and policy within the country. Calland (2007:51) does not agree with this statement as he posits that it is the English white elites who hold a great deal of power in post-apartheid South Africa as Afrikaner businessmen were largely pushed to the sideline by the new governing party by virtue of their ethnicity. Regardless of the linguistic group among white corporate leaders who hold the most power, numerous black business organisations decided to split from BUSA in June 2011 and reunite under the Black Business Counsel (BBC) (Economist Intelligence Unit, 2011:1). Interestingly, Motsepe was appointed as the interim president of BBC whilst still serving as the president of BUSA (Economist Intelligence Unit, 2011:1). BBC stated that they will consider reuniting with BUSA before the ANC's policy summit in June 2012, but only if the functioning and structure of BUSA is altered in such a way that black business has a greater say within the organisation (Economist Intelligence Unit, 2011:1). In the end, the BBC rejoined BUSA, but to a limited extent as it was decided that it could better represent the narrower interests of black business, whilst BUSA would address the general concerns of South Africa's business environment. Motsepe has shown that he is capable of functioning within the united businesses environment, the black business environment and the historically whites-only business environment. He proved the latter when he was elected the president of the Chamber of Mines of South Africa in 1999. His capacity to function seemingly smoothly within these different business environments is problematic because he becomes the face of black business, white business and racially united business. This poses questions concerning whose interests he truly represents and whether any interests overlap.

Whose interests does Motsepe Serve?

As mentioned earlier, Freund (2007:665) argues that the beginnings of BEE came not from the ANC, but from the white corporate giants Sanlam and Anglo-American. This argument is supported by the political analyst Moeletsi Mbeki who states that these businesses instituted early forms of BEE in order to create a black elite from well-connected members of the ANC who would represent their interests and serve to ensure that the ANC's rhetoric of socialism and nationalisation was squashed (cited in Southall, 2004:313). Marais (2011:139) states that these interests were the introduction of neoliberal capitalism and the protection of private property rights. If one considers Motsepe's business trajectory, it is easy to see how he can be described as a black elite created by white elites to serve their interests – making him a comprador capitalist. (His early business ventures were financed by Anglo-American and he was procured to serve on the board of various financial service corporations; he was also elected the president of the Chambers of Mines of South Africa long before ARM was seen as a significant player within the mining industry.) The question is whether he can still be considered a comprador capitalist or whether he has gained sufficient economic strength and political influence to be considered a patriotic bourgeois.

Motsepe, as many if not most South African tycoons, often makes statements that subordinate national interests to the interests of global capital. In numerous interviews Motsepe has made it clear that he prizes investor confidence and his businesses bottom line above all else. These types of statements bring him closer to being a comprador capitalist or a national bourgeois influenced by the centre bourgeoisie than a patriotic bourgeois due to the interests that he is protecting (Martinussen, 2004:241). In light of what has been termed "the Marikana Massacre" he stated that, "I've got shareholders all over the world and after Marikana… the investment community was extremely uncomfortable. We have to make sure that never happens again" (cited in Lacqua, 2013:1). In an interview with *Mining Weekly* (2013:1) Motsepe went further and said, "We've got to run globally competitive companies and there are times when you've got to look labour in the eye and say we cannot pay you what you want". In another interview with *Mining Weekly* (2012:1) Motsepe stated that occasionally he has to "close the doors and really have frank forthright discussions (with government)… we (business) have a duty to tell them what we see and experience… it is not in government's interests to do the sort of things that are not good for business".

Neoliberalism, historically an agenda pursued by South African tycoons, has terrible consequences for the poor and working classes as labour markets are deregulated, which leads to a rise in indecent work and unemployment rises as businesses cut labour costs in order to remain competitive. Consequences such as these see a greater majority of people being trapped within the poverty cycle. Nattrass and Seekings (2001:471) suggest that South Africa's neoliberal economic policies and the elites' power to ensure that they are implemented has resulted in increases in the level of unemployment and poverty within the country. If the retrenchment of thousands of workers by Motsepe (as mentioned above) is ignored or at least justified as a necessary business practice his pay structures still remain a problem. Through cutting workers basic salaries and supplementing them with production bonuses, their payment to UIF, workmen's compensation and their retirement funds are lowered, and thus when the workers need these funds they are unable to enjoy access to the amount of funds they would have received if their basic salaries were not lowered (Informant 5, 2015). These bonuses are also not ensured as they hinge on performance. One of the qualified, full-time operators at the Modikwa mine reported earning R1 200 a month in 2012, an amount that barely lets him break even (Mckinley & Veriava, 2012:13). Salaries such as this by ARM continue to be reported despite NUM's general secretary Gwede Mantashe encouraging the company to pay their workers a minimum wage of R2 000 per month in 2001 (*Mining Weekly*, 2001:1). Informant (5, 2015) reported that the shop stewards at Motsepe's mines have been co-opted and corrupted to ensure that they protect the interests of the company and not the workers. It was reported that the shop stewards act aggressively towards union officials who come to investigate workers' complaints and successfully stifle unhappiness that the workers display.

The nationalisation of banks and mines has become a bone of contention within the ANC and certain groups of South African society. If nationalisation of the banks and mines were to occur it would threaten private property rights within South Africa, even though these are protected in the Constitution of South Africa. Motsepe tends to respond ambivalently towards talks of nationalisation. In 2009, Motsepe stated, "My belief has always been, if nationalisation is what is in the best interests of South Africa, I'll support it, whether it's nationalism or whether it's socialism – if the policies are what will improve, uplift and create a better lifestyle" (cited in *Mail & Guardian*, 2009:1). The National Union of Mineworkers

(NUM) praised Motsepe for his stance towards nationalisation – but the question remains whether his statement is misleading. Motsepe stated in an interview with *Forbes* magazine that "nationalised state mines had failed in South America and in Africa. My comrades would call me a black capitalist. But I was saying let's be careful, the Freedom Charter doesn't discourage private enterprise" (Adams, 2008:90). Motsepe also indicated that he had been in talks with the government at the ANC policy conference in 2013 and could now assure investors that the governing party would not institute policies that weren't in the interest of business environment and threatened inventor confidence, such as nationalisation (Lacqua, 2013:1). His changing stance on the nationalisation makes his position on nationalisation ambivalent. It also illustrates that Motsepe is often engaged in a delicate balancing act that involves placating government, South Africans and the business community.

Motsepe's Janus face

Motsepe said in an interview with *YOU* magazine that "as a businessman I have to keep everybody happy" (Matlangu, 2013:1). The manner in which Motsepe tries to keep everyone in South Africa and abroad happy is problematic.

Motsepe speaks about the need for the continuation of BEE on a regular basis, so much so that Poggiolini (2001:1) argues that he is a driving force for greater black empowerment within the mining industry. At the Mining Indaba in 2000, Motsepe, as the president of the Chambers of Mines of South Africa, addressed the constraints facing black empowerment within the mining industry at length. Among these constraints he listed a lack of access to funds and a track record that inspires investment confidence (Poggiolini, 2001:1). Motsepe's statement that black people must have a bankable track record within the industry is problematic because it suggests that in order to be empowered, black individuals must already have proven themselves. This statement bears a striking resemblance to one made by Saki Macomoza when he argued that there are not yet enough black businessmen among whom such empowerment deals can readily be spread, so the only "practical and effective instrument" to reduce white dominance of the economy fast is to move chunks of it into the hands of a few who have the nous to make the most of it (*The Economist*, 2006:44).

BEE has received much criticism regarding the re-empowerment of an elite few – a fact that even the ANC has acknowledged, with President Jacob Zuma recently admitting "a few individuals benefiting a lot" (cited in *The Economist*, 2010:9). This criticism, however, must be understood in light of the condition of the global and domestic economy in early 2000. The deregulation of the South African economy, coupled with the introduction to BEE, was arguably a catalyst for the actions of established (white) business during the time. In an attempt to move their economic interests abroad, due to the perceived economic and political instability within the country, many large corporations (such as Anglo-American and Rembrandt) delisted from the JSE in order to list abroad and unbundled their South African shares whilst other companies took action to ensure that they met the BEE criteria of equity ownership as quickly as possible. The result was that a great deal of shares in these companies was sold at cut-price rates, with the agreement that they would be paid for with profits, as BEE deals. When BEE was first promulgated into law, South Africa's GDP growth rate was rapidly increasing in line with the global trend, however, the economic crash of 2008 changed this. In 2007, there were 111 BEE deals worth R105 billion, but by 2009 there were a mere 13 deals worth R20 billion (*The Economist*, 2010:9). As a result of the crash, many of those who purchased shares found they were unable to pay them back as profits shrank – only a few, such as Tokyo Sexwale, Cyril Ramaphosa and Patrice Motsepe, survived.

What became problematic in public opinion was that the survivors of the economic crash formed part of "the struggle aristocracy"[8] to varying degrees and were involved in numerous questionable deals prior to the crash. Between Motsepe's company, ARM, Sexwale's company, Mvelaphanda Resources, and Ramaphosa's company, Shanduka Group Limited, they made up three of the six companies that benefitted from almost three fourths of the BEE asset transferred in 2003 worth R28.4 billion (Wild & Cohen, 2013:1). In 2006, Sexwale's Batho Bonke consortium and indirectly Motsepe's Ubuntu-Batho consortium purchased a 50.1% stake in ABSA bank for R20 billion (Khan, 2006:102). The deal was viewed by many as elite re-empowerment. Sexwale formed the Batho Bonke trust with Nelson Mandela and Walter Sisulu amongst others in 1992 as the first ANC business that would finance the party and empower broader South Africa (Southall, 2008:288). Motsepe's

[8] A term used to describe those members of the ANC that played a prominent role within the organisation and/or the fight for liberation during the apartheid years.

justification for the establishment of the Ubuntu-Batho consortium in order to facilitate his purchase of shares in Sanlam also contains the rhetoric of empowerment. In the case of both deals, broad-based empowerment arguably did take place as it is said that the ABSA deal benefitted 1.2 million black people as they have received dividends (Ndzamela, 2014:23). Despite this, these deals also aided in increasing the personal wealth of "the struggle aristocracy" with Motsepe's net worth being an estimated $2.2 billion in 2013.

The reasons given by Sanlam and ABSA for selecting these individuals as their equity partners and appointing them to their boards strengthens the critique of BEE as elite enrichment. The CEO of Sanlam during the time of the deal, Johan van Zyl, said that "[w]e needed someone with stature who could be the face and the driving force of a broad-based group that would focus on the business… We had a very long negotiation because Old Mutual, as well as a few other people, wanted him (Motsepe) too and made him offers, but in the end he chose us" (cited in Ndzamela, 2014:23). This indicates that corporations indeed did/do "go shopping" for the most bankable BEE partner and that numerous corporations are interested in the same individuals. What becomes clear in this statement is that the re-enrichment of an elite few might not be the fault of BEE legislation (although the legislation could be amended to state that empowered individuals cannot be deemed empowerment partners), but of white corporations who select partners based on a narrow set of criteria. The justification given by ABSA is a case in point. Laurence (2007:1) states that Sexwale was selected by ABSA because of his political connections and because Batho Bonke is an ANC initiative. This justification does not speak of Sexwale's business acumen; instead it re-enforces Moeletsi Mbeki's view that BEE created "a small class of unproductive but wealthy black crony capitalists" (cited in *The Economist*, 2010:10). Whether this criticism may be levelled against all BEE-llionaires is a debatable point. Motsepe for his part can be deemed an exception to the rule because he started a new productive enterprise, Future Mining, and initially made unproductive mines productive again with his early Anglo-American acquisitions – illustrating his business acumen. These initiatives contributed to the economic growth of the country and job creation. Gerard Kemp, Motsepe's advisor during the 2000s, states that the draft mining charter and BEE Act (promulgated in 2003) "was a huge factor" in Motsepe's early success, but he insists that it was not handed to him on a

platter as it was his early track record that made him “bankable” to the mining companies that wanted to partner with him (Wild & Cohen, 2013:1).

Motsepe’s ever-changing perspective of race and race-related legislation within South Africa, however, remains problematic. As mentioned earlier, Motsepe is a driving force of BEE within the mining industry, but he has previously said, “[i]t’s politically incorrect and irrelevant in this new South Africa that we are building to talk about a black or white person” (cited in Matlangu, 2003:1). The ARM website has a section on BEE, termed sustainability, where it lists what the company is doing to promote BEE and displays its BEE certificate. Motsepe’s public stance towards BEE, however, differs very much in practice. Informant (3, 2014) stated that the Motsepe’s (Bridgette and Patrice) are known for hiring “young and smart white men to make money for them”. Informant (5, 2015) stated that Motsepe surrounds himself with hard-ball people; he hires conservative, aggressive Afrikaners and politicians. Indeed Motsepe himself has said “[m]y policy is hire the best and pay them well” (Mvoko, 2013:1). This suggests that Motsepe’s employment practices do not hinge on BEE.

Motsepe often plays on the sentiment of South Africans when he names his companies. Informant (2, 2015) stated that “rainbow” in African Rainbow Minerals is meant to conjure up images of the new South Africa with a rainbow nation in Mbeki’s words “at peace with itself and the world”. This would suggest that Motsepe played to the sentiments of the ANC and their hope for a new, united South Africa when he selected the name. The name Ubuntu-Botho Financial Services also plays on sentiments, this time on those of black South Africans. The concept of Ubuntu/Botho is found in various African cultures and refers to human kindness and compassion. Afrikaner sentiments have not been left out of the naming of Motsepe’s businesses as can be seen from his investment vehicle, Sizana-Thusanang-Helpmekaar. “Help mekaar” means help each other in Afrikaans. The term comes from the early 1900s when the Dutch Reformed Church started the Helpmekaar Organisation to look after the growing number of poor (Afrikaans) whites (De Vries, 2013:1). In this manner, Motsepe has managed to represent his business and himself as passionate about building a new united South Africa in which all racial groups have a place. Whether he truly feels this way or it is just good business is a different story.

Chapter analysis

In this chapter, Motsepe's business trajectory which allowed him to acquire economic strength was discussed. The role that his elite position and empowerment legislation played in his early business history was shown.

The development of Rupert and Motsepe's businesses enterprises hold certain similarities as their success was facilitated by the implementation of racially-based empowerment legislation. Both utilised the nationalistic motivation of this legislation in order to appear to be serving government interests whilst employing practices that served their bottom line instead of the upliftment cause. Motsepe has avoided stating blatantly that empowerment legislation is no longer in his interests as Rupert did. It may be that Motsepe does not feel that this legislation has become unnecessary. Rupert and Motsepe became successful through the acquisition of insolvent companies. This suggests that despite the racially-based legislation which aided their early business opportunities it was their business acumen and not their racial identity that led to their (continued) success.

Motsepe's business acumen and economic strength poses problems for classifying him as a patriotic bourgeois or as a comprador capitalist. The importance that he places on the continuation of empowerment legislation suggests that he supports the interests of national development. However, as he was created by the established economic elite of the country it is difficult to ascertain whether he has acquired enough economic strength to break from their interests. Martinussen (2004:250) suggests that when a national bourgeois has acquired sufficient economic strength and political influence they may truly act in the nationalist interest. Motsepe's political connections and influence are the subject of the next chapter.

Chapter 6: Patrice Motsepe's political embeddedness

"You can never build a business dependent on political relationships or patronage. Never, never. My father built a business, a successful business, that was built on hard work, creativity and competitiveness." (Cited in Ndzamela, 2013:23)

South Africa has a historical pattern of "elite pacting" that has not changed since the country's democratic transition in 1994 – instead it has become more prominent with the rise of the "struggle aristocracy". This phenomenon would not be problematic within South Africa was it not that the majority of the population has become disillusioned with BEE because they view it as the "revolving door between politics and business" that allows the politically well connected to become filthy rich.

The majority of the BEE-llionaires have visible connections to the ANC and the liberation struggle, although Motsepe is often claimed to be the exception to this rule. Tokyo Sexwale's political involvement dates back to the 1970s. He was sent to Robben Island in 1977, along with Nelson Mandela, after he was convicted of terrorism in 1976. When he was released from prison, he worked as a public liaison officer for the ANC and later in the special projects division of the ANC's military wing. When the ANC came to power, Sexwale was appointed as the Premier of the Gauteng Province, a position he held until 1998. Sexwale took a brief hiatus from politics in favour of business from 1998 until 2009, when he was appointed the Minister of Human Settlements until 2013. During his hiatus, he remained an active member of the ANC running against Thabo Mbeki for presidency in 2007. Saki Macomoza's political business history shares a similar trajectory to that of Sexwale's. He too spent time on Robben Island and worked for the ANC after he was released. From 1994 to 1996, he was a member of parliament, but decided to leave active political life in order to pursue a business career early on. He remained a member of the ANC and served as the chairman of the President's Big Business Working Group until the removal of President Mbeki from office in 2008, when he broke his affiliation with the ANC. Cyril Ramaphosa is arguably the BEE-llionaire that has maintained the closest ties to the ANC and active political life. He was jailed under the Terriorism Act in 1974 and 1976. Ramaphosa was also a prominent leader of South Africa's trade union movement during the 1980s and he helped to build up the National Union of Mineworkers and form COSATU. He was actively involved with organising meetings between big business leaders and the ANC in

the late 1980s and aided in South Africa's transition negotiations. He has served as the Secretary General of the ANC (1991 to 1997) and as its Deputy President. Ramaphosa is currently the Deputy President of South Africa. From a reading of three of the "Fab Four's" history it becomes clear that Motsepe does not have a similar historical trajectory, arguably because he was simply too young to play an active role in the liberation struggle. However, that is not to say that he does not have hidden ANC connections.

Motsepe's ties to the ANC

In chapter four, Motsepe's early and familial history was overviewed. From this history it becomes clear that Motsepe's family was/is embedded within the ANC and the liberation struggle beyond merely being members of the party. His uncles both fled South Africa in fear of being prosecuted by the NP for speaking out about apartheid, whilst his father relocated his family to a small rural town in order to keep them safe. These are not his only familial connections to the party as two of his sisters are married to ANC officials. Dr Tsepho Motsepe married Cyril Ramaphosa prior to South Africa's democratic transition. Bridgette Motsepe married Jeff Radebe during the same time. Radebe joined the ANC in 1976 while he was a student. In 1977, he was relocated by the ANC to Mozambique and then Tanzania. Radebe was convicted under the Terrorism Act in 1986 and sent to Robben Island until his release in 1990. Since the ANC has come into power, he has been the Minister of Public Works (1994-1999), Minister of Public Enterprise (1999-2004), Minister of Transport (2004-2009), Minister of Justice and Constitutional Development (2009-2014) and he is currently a Minister in the Presidency.

Motsepe has stated on numerous occasions that he has no desire to pursue an active political life, but that that does not mean that he is not an active member of the ANC. Business News (89:10) states that Motsepe is one of the biggest donors of the ANC, SACP and COSATU[9]. This can be seen from his actions at ANC fundraising events. (These are the only public records of Motsepe's donations to the ANC as political parties under South African law are not required to disclose from whom they receive sponsorship.) On the 26th of June 2012, Motsepe was in attendance at the ANC fundraiser that opened the party's four-day-long policy conference. It is said that he paid R500 000 to sit at President Jacob

[9] Between 2009 and 2012, Motsepe donated R1,75 million to COSATU during fundraising events. This was above and beyond his R1 million annual contribution to the union (Paton, 2012:1).

Zuma's table. In 2013, Motsepe was at yet another ANC fundraising dinner and auction held in Durban. Malefane (2013:1) reported that Motsepe paid R1.5 million to be seated at the President's table for this event. Additionally, his bids for R700 000 on a photograph of Nelson Mandela and for R400 000 on a photograph of the ANC National Executive Committee top six taken during the party's Mangaung conference won (Mambandu, 2013:1). During these events, Motsepe therefore contributed an estimated R2.6 million to the ANC. The ANC states that it hosts these functions in order to allow party members to interact with business leaders from South Africa and other BRICS countries (Malefane, 2013:1). Zuma has often made clear at these conferences the benefits that business receives when they contribute to the ANC. At the fundraiser in 2012, he stated that it allows business leaders to "participate in the policies that must guide us" (Du Plessis, 2012:1). During the fundraiser in 2013, he posited that "supporting the ANC means you're investing very well in your business… it is very cold out there. If you leave the ANC you die" (cited in Govender, Mthethwa, Pillay & Savides, 2013:1). If the words of President Zuma are to be believed, then Motsepe is investing very well in his business through staying tightly within the ANC fold. This can be seen from the lucrative contract ARM received from the parastatal Eskom to provide 3.5 million tonnes per annum to Eskom's Majuba coal-fired power station in 2009.

Motsepe's contributions do not end at ANC fundraisers as he often donates to various charitable foundations that have been set up by ANC leaders. According to the Nelson Mandela Foundation website, Motsepe is a long-standing contributor to the foundation. He has also made donations to the Thabo Mbeki foundation and is the biggest contributor to the Zuma Foundation (Erasmus, 2012:1). In 2010, he donated R10 million to the Zuma Foundation to aid the establishment of the Masibambisane Rural Development Initiative in Nkandla and stood alongside President Zuma at its launch in 2011 (Erasmus, 2012:1). The following year, President Zuma approached Motsepe to build a church in Nkandla (the President's village) as it did not have one. Motsepe obliged and handed over a church to the First Lady Mrs Sizakele Makhumalo Zuma on the 3rd of June 2012 (ARM website, 2012). Zuma was in attendance at the handover ceremony and stated that he praised this kind of "commitment to respond to the needs of the people" (cited on ARM website, 2012).

The charitable and political contributions that Motsepe has made to the ANC over the years, coupled with his membership to the party, has resulted in him building strong relationships

with the later ANC presidents of South Africa. Motsepe was a guest at many of Nelson Mandela's birthday parties. Ngcobo (2010:1) argues that Motsepe had a relationship of trust with President Mbeki that allowed him unfettered access to the President. This relationship is said to have benefitted the relationship between business and government especially in the form of President's Big Business Working Group that was largely facilitated by Mbeki and Motsepe. Calland (2007:51) states that Motsepe is "in" with the President and the ANC leadership and often used to accompany President Mbeki on his travels. The relationship between Mbeki and Motsepe is said by Smith (2012:1) to have lasted until the ANC sought to remove him from office, which resulted in Motsepe turning his back on Mbeki and backing Zuma. Motsepe's relationship to Zuma has been well documented on occasions other than ANC fundraisers and charity launches. He was a guest at Zuma's 70th birthday party and at his wedding to his fourth wife Gloria Bongekile Ngema (Mthethwa & Naidoo, 2012:1). Motsepe has stated that when he is unhappy with the actions of government, he often "close[s] the doors and really has frank forthright discussions" with President Zuma, as was the case when the ANC introduced a document outlining the implementation of new mining tax (cited in *MiningWeekly*, 2012:87). Zuma accompanied Motsepe to Davos in 2013 for the negotiation of the purchase of the Independent Media Group. He was also in attendance at the wedding of Zimbabwean President Robert Mugabe's daughter, Bona, with Zuma (Phiri, 2014:1).

Motsepe's policy of international elite pacting

Motsepe's pacting with the political elite is not confined to South Africa as can be seen from his presence at President Mugabe's daughter's wedding. Motsepe's attendance coincided with his negotiations with Mugabe for mining concession rights in Zimbabwe. ARM has partnered with the Brazilian mining company, Vale, to form the company ARM-Zimbabwe for its US$300 million dollar investment in platinum mining in Zimbabwe (theafricanmillionaire, 2014:1). This deal is controversial given Zimbabweans newly implemented empowerment laws that seek to transfer control of foreign mining firms to locals. Motsepe has stated that he had "frank discussions" with the Zimbabwean mining authorities in order to "encourage the government of Zimbabwe, [and] the mining industry in Zimbabwe to work together with the private sector to create an environment that is globally competitive" (*MiningWeekly*, 2013:1). ARM first partnered with Vale on a 50:50

joint venture in Zambia, the Konkola North Copper Project, in 2010. The partnership's investment was facilitated by the ZCCM-IH (Zambia Consolidated Copper Mines Investment Holdings) that is a privatised parastatal of Zambia that among other things facilitates the privatisation of other parastatals. In attendance at the launch of the project were the late President of Zambia Rupiah Bwezani Banda, the Zambian Minister of Mines and Mineral Development Maxwell Mwale, the Chairman of ZCCM-IH Alfred J. Lungu, Vale President Roger Agnelli and Motsepe (ARM website, 2010:1). Motsepe said at the launch, "We would like the ARM, Vale and ZCCM-IH partnership to be a role model investor whose track record reflects genuine and significant commitment to the communities who live near the mine, the workers, entrepreneurs and other stakeholders" (cited on ARM website, 2010:99). On the 26th of April 2013, Motsepe met with the President of Guinea Alpho Conde in order to discuss his desire to start mining iron ore in the country (Reuters, 2013:1). The mining concession was granted later that year. On the 28th of October 2014, Motsepe donated US$1 million to Guinea's Ebola Fund and stated that he plans to continue to contribute and assist the fight against Ebola in the country, thus illustrating his commitment to ensuring that his investments remain lucrative and that he cares about the needs of the communities in which he invests (Mulligan, 2014:1).

The importance of public-private partnerships

Motsepe stresses the need for public-private partnerships in economic and social development, within South Africa as well. In an interview for eTV Sunrise, Motsepe stated that "the single most important issue for us in business is this long-term partnership (with government)… of course our obligation is to make profits and to run world-class companies but also to build a partnership that reflects a concern towards improving people's living conditions". This sentiment is reflective of the public-private partnerships that Motsepe has entered into with the South African government. He worked closely with Tokyo Sexwale whilst he was the Minister of Human Settlements on housing delivery for a community in Mantheding. The Mantheding human settlements project was devised in terms of the United Nation's 1976 conceptualisation of the term human settlements that entails providing not just housing, but a place to work, play and pray as well. The government provided the land and housing necessary for the development of the community, whilst

Motsepe provided the funds necessary for building churches, schools, shops and playgrounds.

The intimate relationship that Motsepe has with the ANC leaders at a personal and professional level has garnered him public praise from the party and opened new business doors for him. One of my sources stated that Motsepe is viewed as the poster boy of BEE and the patriotic bourgeoisie, and that "he is more clean that the rest, he just got out and did what he had to do; no shocking deals like you hear about the others". MiningMX (2012:1) states that the ANC expects Motsepe to be the lead spokesperson for the South African business community and the key intermediary between business and government. This is so because Motsepe conducts himself in quiet, smoke-filled backrooms or he states occasionally, "I have to engage my government and sometimes not so friendly and sometimes behind closed doors be excessively more aggressive that I appear in the public domain" (cited in *MiningWeekly*, 2012:1). Despite Motsepe's suggested frankness with the government, he keeps these conversations to himself, especially when he is around the media. A source stated that Motsepe only grants media interviews if he has approval from the political and business elite of the country.

Chapter analysis

This chapter illustrates Motsepe's continued political embeddedness. It has been shown that his relationship with the ruling (political) elite of South Africa affords him the opportunity to make his opinions heard and provides him with the opportunity to use his influence to further his own interests. Motsepe has arguably ensured that he becomes embedded within the ruling elite of the countries in which he operates and his political embeddedness within South Africa has aided him in achieving this.

Rupert also embedded himself within the ruling elite in such a manner. He and Motsepe often showcase these relationships publicly through inviting the ruling elite to be present at important moments. These relationships and the economic power that their business success granted them endowed them with the potential to influence state policy. Mills (1956:361) stated that the power elite utilise this influence to make state decisions that were in their interests whilst not necessarily being in national interests. This suggests that the power elite within a contry can be comprised

of comprador capitalists, patriotic bourgeoisie and bourgeoisie who may all have a different set of interests. Whose interests they are acting in can be clearly seen in Rupert's case, whilst it is more opaque in Motsepe's case.

The impact that his actions have on South Africa's socio-environmental landscape is the subject of the next chapter.

Chapter 7: Patrice Motsepe's social consciousness

> "The problems that face our beautiful country and her people are immense and far reaching, our government has done a great deal since our independence and there is still much to be done, our humble contribution as a family is a drop in the ocean of what is required to fully achieve a better life for all the people of South Africa" (cited on *The Motsepe Foundation* website, 2012:1).

South Africa's sociopolitical history of exploitation and discrimination has resulted in large-scale inequality along racial lines. The ANC inherited a country that was (is) plagued by extreme poverty among the majority of South Africa's African population who barely have access to the resources necessary to fulfil their basic needs. Various reasons have been put forth as to why there has been so little change in South Africa's racial-economic landscape, but the one quoted most frequently is the ANC's ideological shift to free market capitalism that took place as a result of the "purchased" nature of the country's democratic revolution. This sentiment is most accurately portrayed by the words of an ex-ANC veteran who stated that "South Africans went to the brink of full-out civil war in the 1980s but decided to go shopping instead" (cited in Rostron, 1996:16). The continuation of poverty and deprivation, however, makes for a precarious social and political situation.

The avoidance of a civil war within the country is attributed by Motsepe to the African culture of love and compassion (Ubuntu) as he posits "[o]nly in South Africa could you have a change in government without civil war. If there wasn't the depth of love and caring among our people, this would not have happened" (cited in White, 2011:1). Motsepe argues that his early exposure to the spirit of Ubuntu from his parents, culture and tradition has inspired him to care for and assist the marginalised and less fortunate people within South Africa (The Motsepe Foundation website, 2012:1). He states that his success can be contributed to the charity "of various people, black and white, in South Africa and the US who educated, trained, mentored and inspired me and whose faith and belief in me contributed to my success" (cited on The Motsepe Foundation website, 2012:1). Motsepe states that as a result of Ubuntu and the charity that he has received, he feels a huge responsibility to aid in uniting the different racial groups in South Africa, nation building and making the country a better place (The Motsepe Foundation website, 2012:1). His statements regarding philanthropy reflect the hopes with which the ANC set out to create a

patriotic bourgeoisie. Ubuntu has arguably become a part of Motsepe's ethic of capital accumulation, but what remains to be seen is the motivation underlying its integration.

The actions of a true patriotic bourgeoisie?

These statements have not been empty words in the case of Motsepe. In 1999, he established The Motsepe Foundation as a vehicle to oversee and undertake his family's philanthropic activities. The foundation contributes towards: education and health; churches; rural and urban upliftment; the development and upliftment of workers, youth, women and the disabled; music; the development of entrepreneurs and social entrepreneurs and to other foundations and charities (The Motsepe Foundation website, 2012:1). In 2005, Motsepe extended his philanthropic work to his business interests through the establishment of ARM Broad Based Economic Empowerment Trust (ARM BBEE Trust) (Adams, 2008:94). The trust was established to distribute 10% of ARM shares to a range of organisations. This is accomplished through the numerous trusts which form a part of it, namely the: Eastern Cape Rural Development Trust, Kwa-Zulu Natal Rural Development Trust, Limpopo Rural Development Trust, Mpumalanga Rural Dvelopment Trust, North West Rural Development Trust, National Women's Upliftment Trust, ZCC Church Trust, South African Democratic Teachers Union Trust, National Education, Health and Allied Workers Union Trust, as well as the 150 respected provincial and community leaders (ARM website, 2005:1). In the years since its development it has distributed upwards of R100 million in cash and built various schools, churches and community centres.

South Africa's tax laws make charitable contributions tax deductible and incentivise corporations to take on acts deemed to be in the interest of broader South Africa, termed Corporate Social Responsibility. CSR refers to mostly voluntary investment or involvement of companies in social projects that advance South African society broadly and more narrowly the specific communities in which they operate (Consultancy Africa Intelligence, 2011:1). Although these actions are voluntary, the cost to company of these projects is tax deductible and participation in projects increase companies BEE scores.

ARM has taken CRS seriously over the course of its development. In 2000, Motsepe started two section 21 (developmental) companies in order to give the Modikwa villagers an 8.5% stake in the Modikwa mine on an interest free loan which they could pay back with

dividends received (Informant 5:2015). Additionally he promised to develop the village in terms of building schools, hospitals, roads and homes (Wild & Cohen, 2013:1). Thirteen years later, the villagers still owe R158 million on the shares and according to a resident, Prudence Moime, none of the promised developments aside from roads have been delivered on. The roads have indeed been built, but they all lead to the mine whilst the explosions from mining have cracked the villager's houses (Mckinley & Veriava, 2012:13). Villagers still owe a significant amount of money due to irregularities in the section 21 companies. Managers of these companies started numerous businesses on behalf of the companies and these businesses were started with money lent from Motsepe using the shares as security (Informant 5, 2015). The community was not informed about these deals and did not benefit from them. The businesses have subsequently failed due to maladministration and corruption and the villagers have been saddled with the debt that they incurred (Informant 5, 2015). This is in sharp contrast to a statement made by Mokgosi Nkona, the general manager of Modikwa mines, who states that R110 million has been spent on community development of which R65 million went to the building of roads. He went on to argue that 78% of the mines workforce comes from the local village and that they have earned an estimated R4.2 million in wages since the mine's establishment. The Modikwa miners illustrated their dissatisfaction regarding ARM's wage structure and lack of community development through embarking on a three-week long strike in March/April 2012 that was resolved when ARM signed a two-year wage agreement with the National Union of Mineworkers (ARM website, 2012:1). ARM's Modikwa platinum mine was the only one of it's mines to be affected by the wave of strikes in the platinum sector in 2012 (Lacqua, 2013:1). In light of the strike Motsepe stated that, "I'm confident that we will come to an agreement that will allow our businesses to create value for our shareholders" (cited in Lacqua, 2013:1). This is in sharp contrast to a statement he made to *MiningWeekly* (2012:1) during the same time, "the mining industry doesn't always get the recognition it deserves for the lot of good work we do… our commitment to communities, to labour, to shareholders is without question".

Motsepe's philanthropy and its discontent

Glen Ashton said of philanthropy, it "is a strange beast: readily defined more difficult to ring-fence and impossible to control. Founded upon altruism, it invariably becomes

entangled with ideology, politics and ego, all tied up with differing degrees of alienation" (cited in Nxumalo, 2013:1). The entanglement of the capitalist ideology in philanthropy has given rise to philanthropic-capitalism, where the emphasis of giving, moves from charity into providing for basic needs to enable individuals and communities to become self-sufficient. The philanthropic work that Motsepe has undertaken through his trust and foundation has been widely documented and praised in the public arena. However, it was only with his signing of "The Giving Pledge" in 2013 that he became heralded as a shining example of the patriotic bourgeoisie. Jackson Mthembu, a spokesperson for the ANC, described his action as an "unprecedented act of goodwill in South Africa gives expression to our view of patriotic bourgeoisie, whose outlook reflects a deep understanding of development challenges and limitations facing South Africa and its people" (cited in Verasamy, 2013:1).

The Giving Pledge is an initiative by Warren Buffet and Bill Gates which entails giving away half the wealth that an individual has accrued over their lifetime to charity. Motsepe gave half of his wealth to The Motsepe Foundation; this investment will pay out upwards of R283 million annually to be distributed through the foundation (Nxumalo, 2013:1). Motsepe has stated that he will not determine towards which organisations the money will be distributed. The foundation embarked on a roadshow throughout South Africa to establish the needs of all South Africans. Additionally, he has appointed an advisory council comprised of church and traditional leaders in order to determine who the beneficiaries will be. Motsepe's donation is not without benefit to him aside from the positive publicity he has received that may impact the manner in which the poor and working class view his wealth; there are also tax incentives for his actions. Cobbett and Friesen (2014:2-6) argues that this is exactly why philanthropic capitalism has become so popular. They argue that the capitalistic pattern of wealth accumulation has increased the economic disparities within society. In South Africa's case, the wealthiest 20% now control 72% of the national income whilst the poorest 40% only control 6%. Cobbett and Friesen (2014:10) argues that philanthropic activity by capitalists gives capitalism a more humane face, justifies extreme wealth and poverty and allows the rich to be seen as good people working for the good of society. They state that it was at World Economic Forum meetings where philanthropic capitalism became popular because the personal identity of business people (in terms of

what good they have done) became more important than corporate identity. This trend allows capitalism to appear to be kinder and gentler.

Motsepe has stated that he undertakes initiatives through his foundation that will aid the beneficiaries in becoming "self-sustaining and independent" (cited on The Motsepe Foundation website, 2012:1). In terms of this desire, Motsepe often undertakes initiatives that will see the beneficiaries becoming "self-sufficient and independent" through facilitating their path to becoming capitalists. One such initiative is the plans to build a shopping mall in Mmakau (the community from which he comes). Mmakau is a small, impoverished community with a high rate of unemployment. As a result, many of the community members run small business initiatives, such as grocery shops, from their homes or the pavement. One of my informants stated that the community is worried about the development of a shopping mall because although it will create jobs, the competition that it poses for small business owners will see many people losing their livelihoods.

The ANC stated that it hoped the patriotic bourgeoisie would help uplift the communities from which they came; in terms of Mmakau it is doubtful whether Motsepe is fulfilling this duty. Nicholas Moledi, a resident of Mmmaku, stated that, "[t]hey say charity begins at home, but for him it's something else. He's only doing things for Mamelodi people" (cited in Masungwini, 2014:1). Another community member, Paul Segobane, argues that it is not what Motsepe does with his money that bothers the community, it is the empty promises, that he would build a community hall, sports complex and clinic, he has made to them. Unhappiness is also felt towards Motsepe regarding the state of the property and businesses that were/are owned by his family. His mother's large grocery store and the Motsepe house which is attached to it stand empty because no one can afford to rent it. The Motsepe funeral home, which was once Dr. Tshepo Motsepe's medical practices, also stands boarded up and empty. The only property that is still operational but in a severally run down state is the boarding rooms owned by the family. Motsepe's father started building a community hall, but its building has stopped since his death. Motsepe has attempted to distance himself from the situation in Mmakau through stating that he has a "duty not only to the area but to the upliftment of the country as a whole" (cited in Masungwini, 2014:1). One of my informants stated that Motsepe has performed his duty towards Mmakau as he sponsors gifted children's schooling until tertiary level. He has also

promised R5 million to the improvement of Mmakau's schools, although, they are still waiting for the money. The resident's unhappiness towards Motsepe may have some basis as he gave R10 million rand to Nelson Mandela Bay for the eradication of inequality, unemployment and poverty in 2013 whilst he has not done the same for Mmakau (Nelson Mandela Nay Muncipality website, 2013:1).

Who will protect the environment?

The foundation and trust owned by Motsepe gives freely to social upliftment projects within South Africa as long as it is "done in a way that protects the interests and retains the confidence of the shareholders and investors", according to Motsepe (cited in Nxumalo, 2013:1). In this regard, shareholder interests are put above those of social upliftment whilst environmental protection is hardly mentioned. Under the section "sustainability" on the ARM website BBBEE is discussed and the companies listing on the Nedbank Green Index. It is curious that BBBEE is discussed under sustainability as it suggests that social upliftment will make the company sustainable. Motsepe has stated that without a decrease in inequality, poverty and unemployment the continuation of democracy and capitalism within South Africa will become impossible. This suggests that his philanthropic activities may be the result of attempting to keep the sociopolitical situation within the country stable.

In light of the growing global awareness of climate change, it is strange that a mining company, such as ARM, whose operations give off massive amounts of CO^2 emissions, does not give funding to causes that protect the environment (Bond & Sharife, 2011: 1). There is only one incident that can be found of Motsepe contributing towards environmental protection, albeit on a global scale. Motsepe purchased a drawing by Picasso for $1 million at a charity gala in Saint Tropez hosted by Leonardo di Caprio on the 23 July 2014 (Nsehe, 2014:1). The gala was held to raise funds for the Di Caprio Foundation's cause of the protection of endangered species and the environment. Motsepe is aware of the impact that CO^2 emissions has on the global climate and states, "I'm aware that there are various initiatives, various projects that are under way and in some cases various studies… as an industry and as a company we are committed to make our contribution" (cited in SABC interview). In light of this statement it is strange that ARM is yet to fund any of these projects especially as its manganese alloy smelting facility Assmang at Cato Ridge uses a third of Durban's electricity (Bond & Sharife, 2011:1).

Assmang has been taken to court recently by ten workers from the plant who were diagnosed with manganism[10] and more workers have come forward to join the lawsuit (Comins & Sanpath, 2013:1). Due to Motsepe's pay structures, these workers have received minimal Workman's Compensation and many have lost their jobs as they are unable to continue working at the plant due to their condition (Informant, 5:2015). The company has refused to take responsibility for these workers' condition. Dumisani Sibeko (one of the affected workers) stated that "we have been forgotten", whilst Motsepe gives away half of his wealth (Comins & Sanpath, 2013:1). In 1999, six workers were killed at the plant due to a furnace explosion, in 2008 another eight workers were killed for the same reason despite the mine being investigated for questionable health and safety regulations after the first explosion (Comins & Sanpath, 2013:1). These workers' families received minimum benefits after they lost their love ones, who in many cases were the sole breadwinners (Informant 5, 2015). ARM also owns manganese alloy smelters in Malaysia and Machadodorp (Arm website, 2010:1). ARM has also been taken to court in a class action law suit against mining companies in South Africa whose workers have contracted silicosis[11]. ARM has so far responded aggressively and has refused to take responsibility for their workers who have come to suffer from this disease (Informant, 5:2015).

The company has made a large area of farming land around its Modikwa mine, which is uncultivable after it added a new drilling rig without consulting (subsistence and commercial) farmers about the impact on their livelihoods that it would have (Wild, 2014:1). Mckinley & Veriava (2012) conducted extensive research in Modikwa and what they found suggests that Modikwa is far from the progressive developmental hub that it promised to be. The pollution that the mine gives off has infiltrated into the farming land that surrounds it, making it uncultivable due to the continued environmental degradation (Mckinley & Veriave, 2012:12). Local inhabitants have also suffered, as the only water they have access to is a stream that runs near the village. This stream has been polluted by mining activity, yet the people and animals in the area have no other choice but to drink from it (Mckinley & Veriava, 2012:13).

[10] Manganism is sometimes referred to as manganese poisoning. It is a condition caused by inhaling large amounts of manganese over an extended period of time and results in psychiatric and motor disturbances.
[11] Silicosis is a painful lung disease that is caused by inhaling silica, a by-product of gold mining.

ARM has been listed on Nedbank's Green Index since 2013. This index is based on the World Bank's Green Index which promotes investment in companies that limit their carbon foot print. Companies are selected for listing on the Green Index based on their performance on, and commitment to, responding to climate change and their level of disclosure concerning their activities (Nedbank website). They are also ranked according to their climate impact, chemicals used and type of resources used. On ARM's website it states that it has a financial incentive to decrease its electricity usage due to the proposed carbon tax and the rising price of electricity. It also states that it is committed to engaging in mining and smelting activity that is environmentally aware so as to uphold its "zero harm" policy. This rhetoric as well as its listing on the Green Index is problematic due to the nature of mining that exploits the environment and produces large-scale land and air pollution. Companies such as ARM have also benefitted for years from Eskom's production of cheap electricity for local corporations and exportation whilst South Africa's poor and working class struggles to pay ever-increasing commercial prices for electricity (Bond & Sharife, 2011:1).

Chapter analysis

In this chapter, Motsepe's embeddedness within the global economic elite and his actions in keeping up with their trend of philanthropic capitalism was shown. The problematic nature of philanthropic capitalism and its consequences was illustrated. That is not to say that Motsepe does not engage in philanthropic work selflessly because it is ingrained within his ethic of capital accumulation. Motsepe is looked at to shoulder a great deal of the developmental burden within South Africa due to the ANC's conceptualisation of the patriotic bourgeoisie. His victories and failures in this regard are often made public and result in people forming various opinions of him (ranging from him being a patriotc bourgeois, to him not caring about his own people). In terms of these opinions the conceptualisation of development becomes important as various stakeholders within South Africa may define it differently. It is unclear whether any stakeholders would define development holistically as encompassing social, economic and environmentally-sustainable development. Motsepe's actions suggest that he is focused on economic and certain aspects of social development whilst environmentally-sustainable development seems to be neglected.

Rupert also took on developmental acts due the pressure placed on him by the NP government and later for the sake of sociopolitical stability. Both Rupert and Motsepe have various stakeholders that they need to keep placated, as is the nature of conducting business. Rupert focused on environmental causes more than Motsepe and the reasons for this are varied. The most preliminary reason could be that a love for the environment was more firmly embedded within Rupert's ethic of capital accumulation from an early age or that Motsepe views South Africa's social problems as more pressing than its environmental problems. It is, however, significant that Rupert and Motsepe focus so little on the socio-environmental impact that their business enterprises have on South Africa. Bakan (2005) suggests that it is the corporations that inflict harm and not their owners or managers, but when there is one significant owner and manager of a corporation it becomes more difficult to absolve them from fault.

The manner in which Motsepe's social, economic and environmental worlds have impacted on his ethic of capital accumulation will be dealt with more directly in the next chapter.

Chapter 8: Conclusion

Patrice Motsepe built his business empire during an epoch in South African history when the systematic injustices of decades of racially-based capitalism and oppression were being addressed by the democratically elected governing party, the ANC. The manner in which the country's social, political and economic history shaped the ANC's policies of affirmative action and the motivation therefore, as well as Motsepe's economic ideology, is intimately connected. The ANC's motivation for wanting to create a black economic elite has placed certain responsibilities on Motsepe because he is South Africa's wealthiest black capitalist, whether he wants these responsibilities or not. An understanding of the manner in which the political and economic elite interact and are connected in this regard is crucial to understanding capitalism in post-apartheid South Africa. It is in light of this that I set out to answer my research question: What is Patrice Motsepe's ethic of capital accumulation and how does it influence and structure the social, economic and political world in which he operates?

As a result of this history, Motsepe is caught in a precarious position of having to be seen as acting in various interests. His relationship with the ruling elite, the ANC, requires of him to act as a patriotic bourgeois, furthering the developmental interests of South Africa. This is in juxtaposition to his status as an economic elite that requires him to act in the interests of global capital. His philanthropic-capitalist activity can be seen as an attempt to bridge these two roles.

Motsepe was embedded within South Africa's ruling elite from an early age and his success in business saw him swiftly being embedded within the domestic (and later global) economic elite. His entry into these various elite groups illustrates the closed nature of elite groups. As Mills (1956:78) states, "the people of these higher circles are involved in a set of overlapping 'crowds' and intricately connected 'cliques'". This also allows questions to be asked concerning the nature of the power elite within South Africa because this group is not unified. It is comprised of an old economic elite, a ruling elite and a new economic elite and it is debateable whether these group's interests overlap. How effectively the old economic elite managed to ensure that the new economic elite (continues to) share their interests is a topic that needs to be explored further. In terms of Hart's (2013) assertion regarding de-

nationalisation during South Africa's purchased, passive revolution all three elite groups can be said to share the interests of global capital.

Martinussen (2004:251) stated that when a national bourgeoisie garnered enough economic strength and political influence they could become a powerful force in furthering national developmental interests. Motsepe has the economic strength, political influence and ingrained spirit of Ubuntu, but his actions and statements regarding global and domestic interests remain ambivalent. In considering Rupert's progression from a national bourgeois to a bourgeois when his economic ambitions became stifled by South Africa's small domestic economy, it becomes questionable whether Motsepe will follow a different trajectory. Especially considering that the opportunities for his success were created by a strange mixture between racial-empowerment legislation and white capital's attempts to protect their own economic interests.

Motsepe's aggressive refusal to take responsibility for the harm to the health of some of his mine workers brings into question the extent to which he is willing to break away from the pattern of philanthropic capitalism. Bakan (2005) suggests that it is the corporation, and not their owners or managers, that starts to display psychopathic characteristics. In the case of Motsepe's attitude towards his sick mineworkers it becomes questionable whether the actions of a corporation can be removed from that of its almost sole owner.

Suggested future research

Motsepe's entire ethic of capital accumulation could in no way be fully explored in this study due to limited time, space and funding. It was further hampered by Motsepe's reluctance to grant interviews. This study and some of its findings can be built upon by future research. Research into the environmental impact and mitigation of this impact by ARM will be helpful to more fully understanding the manner in which Motsepe views his responsibility towards environmental sustainability. Additionally a more thorough exploration of the manner in which ARM workers are treated and their relationship to trade unions will greatly aid in understanding the manner in which the patriotic bourgeoisie view social upliftment regarding their workers.

Motsepe's true ethic of capital accumulation is greatly obscured by the various roles that he is required to play. Although some aspects of his ethic can be said to be ingrained, many

aspects can also be said to be fluid depending on the situation and company he finds himself in.

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