

HIGH LEVEL PANEL REPORT

Working Group (WG) 3 on Social Cohesion and Nation Building

PUBLIC HEARINGS REPORT: KWAZULU-NATAL

1. BACKGROUND

This is a report of Working Group 3 on Social Cohesion and Nation Building, capturing the most salient points from public hearings held in the KwaZulu-Natal Province. The public hearings session, a combination of invited stakeholders' presentations and general submissions from the public floor, was convened on 20 October 2016, in Durban. The public hearing for KwaZulu-Natal Province was chaired by Mr. Kgalema Motlanthe, the Chairperson of the High Level Panel on the Assessment of Key Legislation and the Acceleration of Fundamental Change. High Level Panel members in attendance were:

- Prof. Relebohile **Moletsane** (Panel member: Working Group 3);
- Rev. Malcolm **Damon** (Panel member: Working Group 2);
- Dr. Yvonne **Muthien** (Panel member: Working Group 3);
- Prof. Olive **Shisana** (Chairperson: Working Group 1);
- Dr. Terrence **Nombembe** (Panel member: Working Group 2);
- Prof. Aninka **Claassens** (Chairperson: Working Group 2); and
- Mr. Thulani **Tshefuta** (Panel member: Working Group 1).

2. OVERVIEW OF ISSUES RAISED

- Social Grants;
- National Health Insurance (NHI);
- Development of rural entrepreneurship;
- Rural-based Women, entrepreneurship and food security;
- Water consumption and legislation improvement;
- Skills, education and unemployment;
- Racism;
- Disabilities and vulnerable groups;
- Foreigners and economic opportunities; and
- Banks and cooperatives.

3. THEMATIC AREAS

Note: due to the predominantly rural nature of KwaZulu-Natal, many social cohesion and nation building challenges (access to resources; skills development; youth employment; social grants; housing, race relations etc.) are tied to and informed by land productivity, land tenure and ownership as well as food security concerns. This provides a distinct difference with concerns emerging from other provinces (Eastern Cape and Northern Cape), but with some resemblance to the Free State Province, whose rural landscape mainly informs social cohesion challenges insofar as how struggling farming and mining small towns shape the welfare of their residents.

- **Social grants:** a major concern is that social grants do not serve their main purpose of reducing poverty. They are open-ended, offering no exit plan for beneficiaries at a certain age. To that effect, social grants create a dependency syndrome for beneficiaries.
- **Recommendation:** social grants should be linked with skills development programmes, particularly for the youth. This is a recurring recommendation that came out of public hearings in the Eastern Cape; Northern Cape; and Free State provinces, where there were added concerns of social grants being opened to abuse by single mothers.
- **Legislation referred to:** *Social Assistance Act*, (needs a review to provide an accurate reflection of socio-economic conditions); *Socio-Economic Act 99 of 1962*; and *Basic Income Grant* (need to be reviewed with the purpose of providing links to skills development, particularly for the youth).
- **National Health Insurance (NHI):** the setting up of the National Health Insurance needs to be hastened. However, much of the concerns projected on the NHI relate to the welfare of general practitioners (GPs), and how the ratio of GPs-patients in public hospitals will negatively affect service delivery for patients, and productivity of GPs. Concerns raised included the following:
 - Standard packages for GPs at public health facilities;
 - Compensation and welfare considerations for work overtime;
 - There should be concerted thinking and planning as to how the private sector should contribute towards the funding of GPs' work in public health facilities; and
 - How will NHI affect rural areas, as many health facilities planned for are located in the urban areas?
- There was one other concern raised on quantitative and qualitative inadequacies on health facilities in the province. This is in contrast to the Eastern Cape and Northern Cape provinces, where health and facilities-related concerns appeared more prominently.
- **Development of Rural Entrepreneurship:** there is a need for the intensification of outreach activities on the development of rural and township-based entrepreneurs.

Many of the small, medium and micro enterprises based in rural and township areas are defunct, due to lack of availability of resources, and entrepreneurial knowledge and skills development. To that effect, youth should be encouraged to take up business skills development courses administered in FETs.

- Some of the challenges rural and township-based businesses contend with are:
 - Provision of loans are not accessible to small and medium scale businesses;
 - Lack of market provision and access for black businesses; and
 - Provision of land rights, land support from government, and the provision of title deeds especially for farm workers.
- Legislation / laws enquiries: which laws protect rural and township-based SMMEs? References elsewhere made to a need for a review of the *Cooperatives Act* (particularly for rural-based women engaged in small-scale farming); *Skills Development Act 67 of 1997* (in reference also to youth development post-matric).
- **Rural-Based Women, Entrepreneurship and Food Security**: small-scale farmers and gardeners, who are predominantly rural-based women, are acutely affected by land dispossession. This generates, particularly for rural-based women, challenges regarding inequalities and food security. To this effect, one in three rural households go to bed hungry.
- Recommendations:
 - Decolonise productivity in agriculture, forestry and fisheries;
 - Investment in rural economies;
 - Farms need to be sub-divided;
 - Fifty percent of land redistributed should be given to rural-based women, and a moratorium on this should be enforced;
 - No need for small-scale farmers to apply for water licences. Rather, large-scale farmers should be regulated and charged for water use and wastage;
 - Need for the implementation of small-scale fisheries rights;
 - On the implementation of agricultural support, there should be distinction made between small, medium and large-scale farmers;
 - There should be an introduction of import taxes on agricultural products;
 - Need for support of local production for local consumption;
 - Integrate policies into a coherent strategy for a sustainable rural landscape; and
 - Invest and build on the strength of the informal economy.
- **Water Consumption and Legislation Improvement**: concerns and recommendations highlighted are related to land productivity, invariably affecting small-scale farmers and rural-based women. The following concerns and recommendations were highlighted:
 - National Water Act 36 of 1998, affects land reform and land restitution implementation challenges;

- Water use application is crippling infrastructure development;
- Water and Sanitation Department is short-staffed;
- Water use and water registration processes remain elaborate;
- Water registration processes are time-consuming and are duplicated; and
- Water legislation must be reviewed

Note: there are slight similarities on social cohesion concerns informed and shaped by land productivity and food security with those raised in the Northern Cape and Eastern Cape provinces. However, in KwaZulu-Natal there is emphasis placed on the development concerns of rural-based women linked to land productivity, rural entrepreneurship and food security. The emphasis is solely a consequence of some stakeholders' presentations in KwaZulu-Natal, and does not rule out the presence of similar concerns in the rural areas of the Eastern Cape, Northern Cape and Free State provinces.

- Legislation referred: *National Water Act 36 of 1998* (need for a review).
- **Skills, Education and Unemployment:** There are challenges in lack of the effective implementation of laws despite the abundance of progressive laws. The basis for the triple challenges of poverty, unemployment and inequality in South Africa is the 36 per cent long-term unemployment rate. The high unemployment rate in South Africa requires urgent attention, as South Africa is one of the most unequal societies in the world, and is characterised by unsustainable levels of poverty. There are also high levels of alcohol abuse, HIV and TB infections in communities. There is a need for skills development, particularly for the benefit of the youth post-matric, linking skills development with schooling and career development. This is a concern reiterated in the Eastern Cape and Free State provinces.
 - **Recommendations:**
 - Improve / review laws on cooperatives – review Cooperatives Act;
 - Need to attend to graduates' lack of employment opportunities for skills development and work opportunities.
 - Introduce graduate tax, for newly-graduated students;
 - Review Labour Relations Act;
 - Review BBEEE Act, as it benefits only the few;
 - Review the capacity of the Department of Labour in view of retrenchments in view of the high rate of retrenched workers; and
 - Protect vulnerable farm workers.
 - **Legislation referred:** *Labour Relations Act* – particularly for farm workers employed seasonally and in short-term employment in view of their inability to produce payslips required for accessing loans and other bank-related opportunities; *Cooperatives Act*; and *BBEEE Act*.
 - **Note:** these are general concerns that have emerged in the Eastern Cape and Northern Cape provinces, but have appeared more in urban settings in the two

provinces. KwaZulu-Natal and the Free State have these concerns straddling rural, peri-urban and urban areas.

- **Racism**: racism experienced is highlighted in the rural areas, meted out to African farm workers at the hands of their white farm owners / employers. Farm workers complain of the lack of police and justice system in correcting such racist behavioural patterns, which are violent and have led to deaths.
- **Disabilities and Vulnerable Groups**: attacks on albino people are rife, based on myths regarding their alleged supernatural abilities and origins. Often, such attacks lead to deaths. There is also a recommendation that albinism should be treated as a disability, a suggestion reiterated in the Eastern Cape Province. Disabled people, who are mainly unemployed, do not have resources to attend to government departments on disability matters. Again, this is a concern highlighted more prominently in the Eastern Cape, Northern Cape and Free State provinces.
- On disabilities generally, the following recommendations were made:
 - Need to revise concerns affecting disabled people in the Constitution;
 - People with disabilities are participants in the country's transformation, and should
 - People with disabilities should be well-integrated in the educational system; and
 - Need to guard against the abuse of elderly people, particularly in the rural areas.
- **Foreigners and Economic Opportunities**: Chinese in particular dominate opportunities in the running of companies and factories.
- **Review of Banks and Cooperatives**: there is a need to review bank charges, which should be monitored to avoid over-charging.
- Acts should specify how they should empower women.
- There is a need for clear policy on developing under-rated businesses.
- **Legislation referred:**
 - *National Empowerment Act 5 of 1998* – does not benefit majority of South Africans.
 - *Competition Act 89 of 1998* - only benefits big businesses.
 - *Company Act 71 of 1998* - does not adequately support cooperatives.

4. POLICY AND LEGISLATIVE IMPLICATIONS

References and deliberations on the following pieces of legislation were made:

- **Social Assistance Act 13 of 2004**– should undertake an accurate reflection of the socio-economic conditions of South Africa, to avoid the misuse or abuse of social grants. In particular, the review should focus on setting up links between the disbursement of social grants to skills development for beneficiaries (particularly children and youth).
- **National Empowerment Fund Act 105 of 1998** – is generally regarded as benefitting few of the majority of South Africans.
- **Socio-Economic Assistance Act 99 of 1962** – should review mechanisms of socio-economic assistance.
- **Income Tax Act 58 of 1962** – does not positively affect upward mobility.
- **Cooperatives Act 14 of 2005** – should be reviewed to particularly benefit the needs of rural-based women in their entrepreneurial activities.
- **National Water Act 36 of 1998** – should be reviewed in bias of small-scale farmers, who should not apply for water licenses.
- **Labour Relations Act 66 of 1995**– should be reviewed in view of the inability of seasonal and short-term farm employees to receive payslips required to access loans and other bank services.
- **National Education Policy Act 27 of 1996** – should be linked to post-matric career development and skills development of youth.
- **Skills Development Act 67 of 1997** – similar to National Education Policy Act.
- **Land and Agriculture Act** – should assist in the empowerment of rural-based women in land productivity; the management of small-scale farms; food security; the apportionment of land to women-headed rural households.
- **Basic Conditions of Employment Act 112 of 1995**– assist in creating skills-acquisition-employment opportunities.
- **Banks Act 94 of 1990** – monitor the charging rates utilised by major commercial banks.

- **Competition Act 89 of 1998** – protect South African entrepreneurs against domination by foreign entrepreneurs and large-scale construction companies.
- **Company Act 71 of 1998** – reviewed to provide protection and assistance to small, medium and micro-enterprises (SMMEs).
- **Restitution of Land Rights Amendment Act 22 of 1994**– assist in the apportionment of land to women-headed rural households.

6. DISCUSSION AND RECOMMENDATIONS (Roundtables)

- Legacy of apartheid - unfair access to state resources particularly in business and legislation, has compounded the scale of inequities. Many complaints in KwaZulu-Natal on business development concern tender procurement.
- Inequities in the education system.
- There is a challenge on the implementation of legislation, particularly on laws concerning corruption.
- Bantustan systems prevails, which accounts for rural poverty and the social cohesion challenges arising from that;
- R1 billion spent on 100 African owned companies- 30% of all procurement, while 34% was spent on white owned companies, and 33% on companies owned by people of Asian descent in KwaZulu-Natal. Spending on African-owned companies declined but spending on white companies increased;
- There is an artificial racial and ethnic construct of South Africa;
- Challenges on social cohesion and nation building arise when race and ethnicity is linked to resources;
- Part of the problem is lack of accessibility to legislation;
- People in rural areas get no feedback from their representatives on current or new legislation.

7. ISSUES TO REFER TO OTHER WORKING GROUPS

- Water services, land reform, land productivity and food security.
- Land restitution insofar as it affects women-headed rural households.
- Vulnerability of farm workers.
- Lack of beneficiation of commercial developments on rural lands,

- Lack of rural-based residents to the Zulu King / his representatives on development concerns in lands under the administration of the Ingonyama Trust Board.