

HIGH LEVEL PANEL REPORT

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

PUBLIC HEARINGS REPORT: WESTERN CAPE

1. BACKGROUND

This is a report of Working Group 3 on Social Cohesion and Nation Building. It is a record of the challenges, concerns and opportunities on social cohesion and nation building, and on the broader theme of the triple challenges of poverty, inequality and unemployment. Key in these public hearings is assessing the impact of key legislation and policies, or lack thereof, in advancing social cohesion and nation building. The public hearings sessions, a combination of a platform for invited stakeholders and general submissions from the public floor, were convened on 05 and 06 December 2016 in Cape Town. Chaired by the overall Chairperson of the High Level Panel on the Assessment of Key Legislation and the Acceleration of Fundamental Change, Mr. Kgalema Motlanthe, panel members in attendance were:

- Mr. Kgalema **Motlanthe**;
- Prof. Aninka **Claassens**, (Chairperson of Working Group 2);
- Rev. Malcolm **Damon**, (Panel member of Working Group 2);
- Dr. Olive **Shisana**, (Chairperson of Working Group 1);
- Dr. Yvonne **Muthien**, (Panel member of Working Group 3);
- Prof. Vivienne **Taylor**, (Panel member of Working Group 3);
- Prof. Alan **Hirsch**, (Panel member of Working Group 1);
- Mr. Thulani **Tshefuta**, (Master of Ceremonies & Panel member of Working Group 1);
- Ms. Bridgette **Mabandla**, (Panel member of Working Group 3);
- Mr. Paul **Harris**, (Panel member of Working Group 1);
- Ms. Sharna **Fernandez**, Speaker of the Western Cape Provincial Legislature; and
- Mr. Piet **Pretorius**, Deputy Speaker of the Western Cape Provincial Legislature.

2. OVERVIEW OF ISSUES RAISED

- Wage inequalities based on race.
- Regressive economic empowerment for black South Africans.
- Ban labour brokers.
- No proper sanitation and electricity services in certain public services.
- Transform the fishing industry for the benefit of the historically disadvantaged people.
- Close 'loan shark' businesses.

- Review tender procurement policies and procedures.
- Unemployment in the mining economy.
- Inadequate land redistribution.
- Inadequate irrigation (water resources and facilities).
- Cheap farm labour exploitation.
- Drug abuse and the cycle of poverty.
- Positive relationship between police and drug lords which perpetuates drug abuse.
- Corrupt and ineffective policing in disadvantaged communities.
- Teenage pregnancy.
- Need for SMME skills development.
- Need for the construction of skills centres in disadvantaged communities.
- Link the disbursement of social grants with youth skills development.
- Need for the development of artisanal skills development.
- Create more Expanded Public Works Programmes (EPWPs) learnerships.
- EPWPs should be run by NGOs.
- Develop advocacy campaigns on legislation education for disadvantaged communities and rural areas.
- Inadequate number of sports fields in disadvantaged communities.
- Local councillors seldom consult with communities.
- Need to drive advocacy campaign domestic workers' rights (e.g. registration for Unemployment Insurance Fund – UIFs).
- Need to attend to the needs and priorities of Khoi-San communities.
- RDP housing delivery challenges.
- People receive low-quality houses.
- No laws protecting the laws of Khoi-San people.
- Need to drive advocacy campaign for the rights and interests of sex workers.
- Government should interact closely with Khoi-San communities.
- Address the abuse of teachers by learners in disadvantaged communities.
- Need for access to participation in the drafting of environmental legislation.
- Gender-change registration challenges experienced.
- Discrimination against the Lesbian, Gay, Bisexual, Trans-sexual and Intersexual (LGBTI) communities.
- Increasing levels of gender-based violence.
- Arbitrary eviction of farm workers.
- Lack of proper school facilities in farm areas.
- Fight against poverty through recycling, skills acquisition and development, and through agricultural programmes.
- Need for youth development centres in marginalised and disadvantaged communities.
- Prioritise knowledge-management for disadvantaged communities in teaching them about legislation.
- Challenges experienced by people with disabilities.
- Scarce land given to developers, rather than prioritising it for the construction of RDP houses.

3. THEMATIC AREAS

- **Wage Inequalities:** wage inequalities based on race persist and are widening. Research¹ shows that there are wide skills and wage gaps between white and black African skilled professionals. Tenure, qualifications and skills shortages are key variables informing these wage inequalities. Tenured professionals are paid largely more, and white professionals have more tenured jobs compared to black African professionals.

On skills shortages between white and black professionals, this is partly attributable to education levels, as there are more white people attending universities than black people. Many of these assertions are corroborated by Statistics South Africa², which points out that between 1994 and 2014, the skills acquisition percentage went from 14 to 18 per cent, while among white people; it shot from 42 to 61 per cent.

- **Legislation associated:**

- *Competition Act No. 89 of 1998:* for intervention in the entrepreneurial spaces.
- *Broad-Based Black Economic Empowerment Act No. 53 of 2003.*
- *Basic Conditions of Employment Act No. 75 of 1997.*
- *Employment Equity Act No. 55 of 1998.*
- *Skills Development Act No. 97 of 1998.*
- *Skills Development Levies Act No. 9 of 1999.*

- **Regressive Economic Empowerment for black South Africans:** Research³ indicates that there is negligible transformation on the ownership of the economy in South Africa post-1994. As reflected in the Johannesburg Stock Exchange (JSE), 40 per cent of businesses are owned by non-South Africans, and another 40 per cent is owned by institutional investors, and 20 per cent is owned by ordinary South Africans. Of these, only 13 per cent is owned by black South Africans. Ownership component: economic interests; there has been a bit of transformation. JSE: 40 per cent owned by non-South Africans, 40 per cent by institutional investors, and 20 per cent by ordinary South Africans. Of Institutional investors, 13 per cent is owned by black people.

- Government employees receive economic benefits from pension funds upon retirement.
- BBEEE & Pension Fund Act: there's an opportunity for people to find a voice through these.

- **Farm cheap labour exploitation:** the exploitation of cheap farm labour in the farm areas of the Western Cape is portrayed as rife and cyclical, persisting through

¹ Research conclusions of Analytico, as presented at the Western Cape provincial public hearing sessions of the High Level Panel on the Assessment of Key Legislation and the Acceleration of Fundamental Change, 05 – 06 December 2016, Cape Town.

² Dr Pali Lehohla, Statistician-General, Statistics South Africa (SSA): The RDP Promise: Conversations on a Better Life: Community Survey 2016.

³ Research conclusions of Analytico.

generations of families. Lack of educational facilities in these farm areas, particularly high schools, contributes to the perpetuation of cheap farm labour exploitation. On average, farm labourers are paid R500 per week, which is far inadequate in meeting basic living conditions. The presence of drug lords in these communities, who often seem the only means of additional financial support in these areas, worsens the socio-economic situation of farm labourers. All these factors dampen the prospects of upward mobility for farm labourers.

- Legislation associated:
 - *Basic Conditions of Employment Act No. 75 of 1997*
 - *Labour Relations Act No. 66 of 1995*
 - *National Economic Development and Council Act No. 35 of 1994*
 - *Co-Operatives Act No. 14 of 2005*

- **Drug abuse and the cycle of poverty:** drug abuse is cyclically endemic in the Western Cape, and is central in the generation of poverty. Drug lords are allegedly treated with impunity by police officers, who seem to have generated a positive relationship with the drug lords based on corruption and patronage. As a result, it is difficult to get rid of drug abuse, drug lords and drug houses in many Western Cape areas, particularly in marginalised areas.

- **Positive relationships between police officers and drug lords:** this is a theme closely tied to drug abuse. This is a theme reverberating in all the provincial public hearings, in different forms. Police officers are generally seen as central in sustaining the high rates of crime due to the positive relationships based on corruption and patronage they have cultivated with criminals in townships and other marginalised communities.

- **Ineffective and corrupt policing:** this is mainly related to the positive relationships police officers have cultivated with criminals. Policing is also considered ineffective due to their lack of visibility and their unwillingness to avail their services when called to do so. This, again, is a theme expressed in other provincial public hearings.

- **Need for SMME skills development:** in the Western Cape, this is particularly applicable to the SMMEs in the fishing industry, wherein there are calls for transformation to benefit the historically disadvantaged in an industry predominantly remaining in the hands of white South Africans.

- Legislation associated:
 - *National Empowerment Fund Act No. 105 of 1998.*
 - *Companies Act No. 71 of 2008.*
 - *Co-Operatives Act No. 14 of 2005.*
 - *Broad-Based Black Economic Empowerment Act No. 53 of 2003.*
 - *National Small Business Act No. 102 of 1996.*

- *Industrial Development Act No. 9 of 1995.*

- **Need for skills centres in disadvantaged communities**: this is a theme expressed in all the provincial public hearings, and is often associated with setting up or advancing skills programmes for post-matric youth. In other settings, it is associated with calibrating the career choices and needs of post-matric youth with resource and curriculum availability in TVETs and FETs. This is a suggestion made to advance the availability of artisanal skills among the youth.

- **Legislation associated:**
 - *Employment Services Act No. 4 of 2012.*
 - *Further Education and Training Colleges Act No. 56 of 1999.*
 - *Skills Development Act No. 97 of 1998.*
 - *Skills Development Levies Act No. 9 of 1999.*

- **Link the disbursement of social grants with youth skills development**: this is another theme raised in all the public provincial hearings. An additional objective to this suggestion is to undercut the misuse or the misappropriation of social grants.

- **Legislation associated:**
 - *Social Assistance Act No. 59 of 1992.*
 - *Skills Development Act No. 97 of 1998.*
 - *Skills Development Levies Act No. 9 of 1999.*

- **Create more EPWP learnerships**: there is a call for more EPWP learnerships, with additional calls for the extension of remuneration from it to cover school fees and other school-related costs.

- **Inadequate sports fields in marginalised areas**: sports activities are considered a pillar in deepening social cohesion in communities, and this is also a call made repeatedly in the Gauteng provincial public hearings.

- **Develop advocacy campaigns on legislation education for disadvantaged communities and rural areas**: this is mainly geared towards developing systems knowledge production and knowledge management systems on legislation education, not only in the rural areas, but also in the marginalised urban communities.

- **Local councillors seldom consult with communities**: this is a theme that comes out in other provincial public hearings.

- **Need to drive advocacy campaign domestic workers' rights**: (e.g. registration for Unemployment Insurance Fund – UIFs).
- **Need to attend to the needs and priorities of Khoi-San communities**: government authorities and institutions are urged to interact closely with Khoi-San communities in order to learn of their needs and priorities.
- **RDP housing delivery challenges**: the quality of RDP houses delivered is considered very low, and the beneficiaries are unable to financially maintain them.
- **Discrimination against the Lesbian, Gay, Bisexual, Trans-sexual and Intersexual (LGBTI) communities**: this is another theme that was raised in all the provincial public hearings and specifically relates to the discrimination of the LGBTI community in delivery of public goods and services.
- **Increasing levels of gender-based violence**: this is also closely tied to the increasing and sustained levels of domestic violence, expressed in all the provincial public hearings.
- **Arbitrary eviction of farm workers**.
- **Challenges experienced by people with disabilities**: this is another theme expressed in all the other provincial public hearings.

4. POLICY AND LEGISLATIVE IMPLICATIONS

- Competition Act No. 89 of 1998.
- Broad-Based Black Economic Empowerment Act No. 53 of 2003.
- Basic Conditions of Employment Act No. 75 of 1997.
- Employment Equity Act No. 55 of 1998.
- Skills Development Act No. 97 of 1998.
- Skills Development Levies Act No. 9 of 1999.
- National Economic Development and Labour Council Act No. 35 of 1994.
- Co-Operatives Act No. 14 of 2005.
- National Empowerment Fund Act No. 105 of 1996.
- National Small Business Act No. 102 of 1996
- Industrial Development Act No. 9 of 1995

- Employment Services Act No. 4 of 2012
- Further Education and Training Colleges Act No. 56 of 1999
- Skills Development Act No. 97 of 1998
- Skills Development Levies Act No. 9 of 1999

6. DISCUSSION AND RECOMMENDATIONS (Roundtables)

- No recommendations.

7. ISSUES TO REFER TO OTHER WORKING GROUPS

- Inadequate land redistribution.
- Inadequate irrigation (water resources and facilities).
- Lack of proper school facilities in farm areas.
- Fight against poverty through recycling, skills acquisition and development, and through agricultural programmes.
- Scarce land given to developers, rather than prioritising it for the construction of RDP houses.