Moeletsi Mbeki
Entrepreneur and Public Intellectual

Moeletsi Mbeki is a private business entrepreneur. He is a director of several companies, including KMM Investments (Pty) Limited and Endemol South Africa (Pty) Limited.

Mbeki is also the author of Architectures of Poverty: Why African Capitalism Needs Changing and editor of Advocates for Change: How to Overcome Africa’s Challenges. He is Deputy Chairman of the South African Institute for International Affairs, an independent think-tank based at Wits and was until recently a political analyst for Nedbank. He is a member of the council of the London-based International Institute for Strategic Studies.

After returning to South Africa from exile in 1990, he was appointed Head of Communication for COSATU, and Media Consultant to the ANC. During most of the 1980s he was a senior journalist for Zimbabwe Newspapers. As a result of the outstanding work that he did for the Zimbabwe Newspapers Features Department, he was awarded a Nieman Fellowship by Harvard University for the 1988–1989 academic year.


He studied Building, Building Management and Sociology in England, obtaining an MA degree in Sociology from the University of Warwick in 1982. He worked in the construction industry in the UK and in Tanzania during the 1970s.
Moeletsi Mbeki's politicisation began at an early age. He grew up in the Transkei and in Lesotho; his parents, liberation struggle stalwarts, Govan and Epainette Mbeki, sent him and his late younger brother, Jama Mbeki, to school in Lesotho at the time when Bantu Education was being introduced in South Africa.

He refers on several occasions to the general dealer's shop that was owned by his parents, which served the peasant community just outside Dutywa. “There was a grid of dealerships that white shopowners created across the Transkei, with a fixed radius around each shop, giving each shop a three mile catchment area. My parents somehow managed to secure one of these shops. I don't know how they got to own it, because the shops were mostly owned by white people.”

Like other members of his family, Mbeki started working when he was still young and it was during this time that he was exposed to the peasant community of the Transkei and learnt about the migrant labour conditions that rural African people were locked into. His parents’ shop served as a collection point for letters from migrants who worked on the mines in Johannesburg and those who worked in Cape Town, and the Mbeki family often wrote letters for the families of the migrants who were mostly illiterate. The Mbekis would again read the replies the families received from their husbands and sons living away from home. He recalls: “So from quite an early age we got exposed to the difficulties that those communities faced in terms of poverty and social deprivation, as well as the tragedies that happened on the mines.” That was one side of Mbeki's upbringing. The other side was that his parents were both in the SACP from when they were students at Fort Hare University in the 1930s. "At home we had a socialist type of environment and were exposed to the thinking of international socialists. I remember the first novel I tried to read, which I found on the family bookshelf, was by Maxim Gorky. I had no idea who the author was. The book was about boatmen that operated boats along the Volga river. Can you imagine a little boy from Transkei trying to understand the marvels and intricacies of life on the Volga river? Essentially, I had no idea what Gorky was talking about.”

The Mbeki shop also served as a propaganda outlet for the ANC and the SACP. “We were an outlet for the New Age, which we received by post and distributed to the communities. So in a way we were involved as service providers in the community and observed the consequences of the social and political defeat of Africans in the area. Africans lost their autonomy, lost
control over their environment and were subjected to headmen structures imposed on them by the British and, later on, by the NP.”

With a family history embedded in the colonisation of African people and having experienced the harsh realities of apartheid, Mbeki from a young age reflected on this experience from a slightly privileged perspective. It is a perspective that sustains him in his entrepreneurial activities, his independent political views and his concern about the consequences of the majority of South Africans being excluded from the economic benefits of the post-apartheid era.

**Political ferment**

When Mbeki went into exile in the UK in the 1960s, it was at the height of political ferment epitomised by, among other things, an intellectual mobilisation against the Vietnam War, against apartheid in South Africa, against Ian Smith’s Rhodesia and against Portuguese rule in Angola and Mozambique. There were spirited university campus debates on a variety of topical issues. One of the debates that interested Mbeki at the time was on the role of the Soviet Union in the Spanish Civil War. “There was fierce discussion among students in England about the role of the Soviet Union during the Spanish Civil War. I was fascinated because I did not even know that there was a civil war in Spain, let alone what the Soviet Union was doing there. My friends were involved in the discussions on the civil war and I began to do some research into the situation in order to be part of the debate. Compulsory reading on this subject was Thomas Hughes’s *The Spanish Civil War*. Once I had read that, I moved onto other books such as Ernest Hemingway’s *For Whom the Bell Tolls* and George Orwell’s *Homage to Catalonia* as well as works by Spanish writers. The debate centred on the role that was played by the Soviet Union in supporting the Republicans against the Fascists. It became a hot topic of debate and rancour.”

Another leg of those debates was whether or not the Soviet Union was a dependable ally for the Vietnamese in their struggle against the US. This was at the time of the Sino-Soviet dispute when the Soviet Union broached a formula for peaceful coexistence with the US. “The Chinese said that imperialism had to be fought to the finish, so the question was how dependable the Soviet Union was as an ally for parties such as the ANC that were still fighting for freedom – like the Vietnamese who were fighting to get rid of the Americans and the French colonists. These were the topics that were being debated in
the ANC at the time – between the Old Left which was affiliated with the Communist Party, aligned as it was to the Soviet Union, and the New Left which was more aligned with China. I belonged to the New Left. We felt that the bureaucratisation of socialist countries such as the Soviet Union was defeating the objectives of socialism. Mao Zedong came up with the formula of Cultural Revolution and a lot of us supported it.” Mbeki also remembers the widespread condemnation that followed the Soviet Union’s invasion of Hungary and Czechoslovakia. “I was hitchhiking in France when the Soviet army invaded Czechoslovakia and I was told by a lorry driver of what had just happened. Those were the issues that influenced my early political thinking.”

Among the biggest shocks for Mbeki during this time – besides the arrest and sentencing of his father, Nelson Mandela and other Rivonia trialists – were the defeat of Egypt by Israel in 1967, the overthrow of Kwame Nkrumah in Ghana and the crushing of the Communist party in Indonesia. “For us romantic young socialists, these were massive shocks. We thought the Left was winning and that Africa was getting on top of the anti-colonial struggle. We soon learned that reversals were possible so we started to reassess our own struggles. The slaughter of the Left in Indonesia was particularly instructive. Sukarno had been a very prominent leader of the anti-colonial movement and we became familiar with the Bandung Conference and the Non-Aligned Movement. When the army connived at the killing of people who had supported the liberation movement of Indonesia, we started asking ourselves whether the Indonesian scenario could happen in South Africa.”

The convulsions in Indonesia were part of a broader set of trends that influenced political debates within the South African liberation movement, including the overthrow of nationalist governments by the military in Ghana, Nigeria and Algeria, as well as the rise of one-party states in a number of African countries. “We spent a lot of time in the British museum studying our own nationalist movements in order to understand who they were and where they were leading us to. We started to re-examine what a future South Africa would look like and how similar or different the ANC and the PAC were from the parties of the Kenyattas, the Nyereres and the Ben Bellas. We began looking at the history of the ANC, the rise of nationalism in South Africa – where it came from and how it came about.” These heated discussions, Mbeki says, were inspired by the emerging radical literature such as Frantz Fanon’s *The Wretched of the Earth*, by critiques of the capitalist system, by thinkers such as Herbert
Marcuse and Paul Sweezy, by the evolving historiography in the UK by historians such as EP Thompson and Eric Hobsbawm, and by the historiography of slave trade and slave insurrections by authors like CLR James.

**South Africa’s “Tunisia Day”**

How does this history impact on Mbeki’s analysis of the South African situation? He speaks of what he refers to as South Africa’s “Tunisia Day” (when people rebel against their government) arriving in 2020 – the year when he anticipates that China’s minerals-intensive industrialisation phase is expected to reach saturation. This, he argues, will mean that the ANC government will no longer be able to finance social grants to fifteen million people – which he refers to as a “bribe” to mollify the black poor and secure their electoral support. This funding, he argues, is only possible because of the high prices that China is prepared to pay for South African minerals. He maintains that South Africa’s huge mineral endowment has created a “resource curse” that has made it possible for the ANC government not to work harder to find solutions to the country’s myriad social and economic problems. The ANC government, he says, is making the same mistakes as those that were made by the National Liberation Front of Algeria (NLF), who lived off liberation struggle history and mythology, wrongly believing that they could rely on oil and gas revenues to feed and placate a restive underclass. After thirty years of complacency and fiddling, the NLF lost (to the opposition Islamic Salvation Front) and then annulled an election in 1991, triggering a civil war that resulted in the deaths of about 200 000 people.

Mbeki blames both the black political elite and the white business conglomerates (who control what he describes as South Africa’s Minerals-Energy Complex) for mismanaging and wasting South Africa’s natural resource wealth. “Although the black upper class dominates South African politics, it exercises no ownership or control over the country’s economy; its role has been restricted to that of presiding over the redistribution of wealth in favour of consumption. For their part, the conglomerates have structured the South African economy in ways that entrench the status quo, with detrimental consequences for the broader economy.” The conglomerates, Mbeki contends, have reinforced the South African economy’s weaknesses: its reliance on cheap labour; its inherent dependence on the exploitation of primary resources; its unresponsiveness to the development of skills in the general population; its heavy bias towards importing technology and
economic solutions; and its fostering of social inequality by producing a huge and neglected underclass.

In return for protecting the fundamental interests of big business, he insists that the black political elite have been rewarded with the BEE “bribe.” “BEE was invented by large business conglomerates such as Sanlam and Anglo American with the aim of creating a black political elite that would not only partner big business but which would also protect business’s interests and maintain the manner in which our economy is operated,” he says. Mbeki argues that the conglomerates’ strategy has been to neutralise the ANC’s economic aspirations – including its call for nationalisation of mines – by buying off and corrupting black politicians with business deals that turned them into instant millionaires. To reciprocate the conglomerates’ favours, he says, the political elite have eased access for them to the ANC government’s economic decision-making structures, provided them access to government contracts, granted their wishes to move their primary listings and headquarters from South Africa to the UK, and in other situations the government shielded industry from the chills of international competition. “BEE has produced a class of politicians who are beholden to big business and whose usefulness stems from their acting as conduits for big business’s interests in government structures,” he emphasises. Mbeki sees the coalescence of the interests of the political elite with those of the conglomerates (both of whom he labels “architects of poverty”) as having occurred at the expense of other social groups in South Africa and at enormous social and economic costs to the country.

Mbeki states that BEE has prevented a culture of entrepreneurship from developing among the black middle class and encouraged an entitlement mentality. By giving assets freely to political leaders and politically connected people – who have neither the knowledge nor the expertise to manage these assets – conglomerates have contributed to the creation of a culture of entitlement, as opposed to a culture of entrepreneurship, that damages the South African economy. “BEE has been largely responsible for the de-industrialisation that our economy has experienced in recent years,” he says. In Mbeki’s opinion, affirmative action, a constituent part of BEE, has engendered pervasive incompetence and corruption in the public service as appointments have been made on the basis of ruling party allegiance and political connections and not on objective professional criteria. He argues that the implementation by the ANC government of the BEE model within
the state apparatus has stymied the development of a professional and meritocratic public sector. “It is therefore not surprising that there has been a surge in service delivery protests across the country,” he proclaims.

**Culture, religion and ethical values**

Mbeki links this economic decay to what he sees as the collapse of the cultural identities of African and coloured people, stressing the importance of understanding the history of underdevelopment that took place in the process. “You have to look at the conditions and context of the African people who were completely overwhelmed by imperialism and colonialism. When I say ‘completely overwhelmed’, I mean that Africans essentially lost their religion, their culture and any sense of pride under the onslaught of nineteenth century missionary religion, aligned as it was to mercantile capitalism. In the process, they lost a core part of their being, which was the source of their ethics and of their identity as a people. The coloureds were in a similar position. They lost a significant part of their ancestral heritage from the Khoi and San peoples and their Asian and other identities as slaves. They were essentially stripped of their language and, in many instances, they surrendered their religious and cultural identities. They lived in a vacuum between two identities and two sets of values – those of their past and those imposed on them by Dutch and British colonialism, and ultimately by apartheid.”

African religion is multiple and complex, as is any other religion. At heart, however, the essential ingredients of African religion are community, ancestors and tradition. In ultimate form, the African person is a person through other people. Christian religions, not least in their nineteenth century Protestant missionary forms, although also multiple and complex, focus on the individual before God, an obligation to proselytise if not subdue others, and the rejection of sangomas, ancestors, and an African sense of spiritual sources that permeate the world. Nuances aside, Mbeki sees African religions as a communal reality, whereas Western forms of missionary Christianity are essentially individualistic. For him, global capitalism is grossly individualistic, “with a morsel of charity for one’s neighbour”. In surrendering their sense of belonging, he maintains, Africans lost their capacity to build on past achievements, to be self-sufficient within the communities of which they were a part and to share what they had with others in the community.

This crisis, Mbeki explains, has resulted in a dearth of skills among African people. He elucidates: “When the British came to South Africa they
encountered an iron age. Africans were extracting iron from rock and had acquired technological skills for the smelting of the iron ore into ornaments, tools and weapons. When the quality of these products was tested, it was found that the iron content was as good as that found in the steel produced in Sheffield, the bastion of the world’s iron and steel industry. Africans had developed leather and ceramic industries. They had developed medicines and other healing skills, as well as veterinary skills for treating livestock. In brief, there was a comprehensive African industrial and technical civilisation that was destroyed by settlers.”

Mbeki’s concern is that this destruction of African skills – together with their military defeat, which included the destruction of a communal culture by the individualistic and heaven-oriented religion of missionaries – resulted in the imposition of Western ways on African people. “This left them without the essential inner resources either to defend their traditional ways or to integrate European skills into these traditions.” This, he argues, has resulted in the loss of a communal ethic and the emasculation of a civilisation that had enabled their ancestors to create and master the world in which they lived. Compounding the problem was an inferior colonial education and limited skills development for Africans, followed later by job reservation measures introduced during the apartheid era that prevented Africans from acquiring “the white man’s skills”. This, Mbeki concludes, is why there is a paucity of African people to meet the need for skilled workers in South Africa today.

Mbeki emphatically suggests that the South African economy functions today largely thanks to whites and Indians. “If you want to take an honest look at the situation go look at the company that makes the bread that you buy in the morning and you will find that it is run by an Indian or a white person. It was white people who built the stadiums for the 2010 World Cup – the South African government provided money but, because South Africa did not have the supervisory capacity, FIFA had to supply 800 project managers.” He points out that South Africa is getting closer to becoming the next Nigeria because it is getting to a point where it cannot operate state-owned enterprises, partly because of corruption but also because of a shortage of skills. “When the British left Nigeria there were 3 500 kilometres of railway running while today trains are simply no longer operating with any sense of efficiency in Nigeria. What is happening in South Africa is that the state-owned enterprises are collapsing but they are being stopped from collapsing totally by white and Indian people who run these enterprises and report to
the Africans at the top. This is what distinguishes South Africa from Nigeria: in Nigeria they did not have white people who could step in and cover up the inadequacies of unskilled black managers. What this does is destroy the self-confidence of black people and, if things continue like this, in the next twenty or thirty years blacks will be marginal players who are living off the state but without skills and businesses of their own.”

According to Mbeki, the collapse of the African people’s ethics has been aggravated by a brand of nationalism that has bred a sense of deprivation and victimisation, as exemplified by BEE’s entitlement culture. He says that, although Mandela comes from a strong aristocratic value system, he accepted BEE because, as a nationalist, he thought there needed to be a redressing of past social and economic imbalances. “What Mandela and others did not realise was that BEE would undermine the real economic independence of Africans. It may relieve the economic hardship of some but it makes them dependent on white-owned companies.”

For Mbeki, therefore, when it comes to addressing South Africa’s economic and ethical challenges, priority must be given to renewing the civilisation of the African and coloured people. This means rebuilding their skills by investing in education so that South Africa can have a well-trained workforce that can compete with those of advanced industrial nations and with those of emerging powers such as China and India. “We need to rebuild our skills so we can master the western management systems and technologies of the world, and not just be content with being restricted to the role of junior managers in the global division of labour. We need to have a different horizon to the one we currently have. Of course, I am mindful that education is a long-term project, and that there are pressing social and economic needs that require immediate attention. We need serious service delivery, but it is only the recovery of a defeated culture that can produce a secure and sustainable future for our country. Both service delivery and cultural rediscovery and renewal are necessary to rebuild this country.”

**South Africa’s future**

Mbeki argues that the political future of South Africa does not reside with the ANC. “Not only has the ANC become stagnant, it is bereft of ideas about how to take this country forward. The current ANC leadership is not capable of tackling our country’s structural challenges or transforming its fortunes.” He states that the ANC leadership is interested primarily.
in material consumption and not in building a productive and globally competitive economy. “Instead of being obsessed with and squabbling over the consumption of existing products and resources it does not produce, the ANC government should encourage the development of new entrepreneurs and support existing entrepreneurs. That is how we will make South Africa a success story.”

If the ANC is not the future, who is then? Mbeki replies that South Africa’s salvation will come from a strong, vibrant and functional multi-party democracy. “The ANC government is clueless about how to extricate us from our current stasis,” he says. “We need dynamic opposition parties that will offer fresh ideas and solutions,” he insists. He criticises the ANC for becoming “increasingly arrogant, complacent, corrupt and unresponsive to the needs of the electorate, including its supporters”. He also condemns the ANC government’s intolerance of opposing views, despite its overwhelming dominance of South African politics. He cites Mauritius as an example of a country – which he thinks South Africa should emulate – that has used a multi-party political system for the benefit of its economy and society. Looking ahead, Mbeki envisages several new political parties emerging in the future. Apart from the DA, he foresees the formation of new class-based parties that will take advantage of the class stratification that has been taking place in the post-apartheid era. From these parties, he says, there will spring new ideas and options for South Africa.

Self-confidence and economic independence

Given his strident, some would say too harsh, criticisms of the ANC government and policies, Mbeki has come under frequent attack from ANC leaders, who have variously described him as reactionary, right-wing, vengeful and even a sell-out. Asked how he summons courage to take on the powerful political machine of the ANC, Mbeki answers that it boils down to his self-confidence and economic independence. He explains that he has a lot of advantages over many black South Africans. Firstly, he comes from a black middle-class family that sustained itself amidst the harsh realities of apartheid and gave him a level of self-confidence that many others lack. Secondly, he was born and grew up in the Eastern Cape which was at the forefront of the emergence of this middle class in the nineteenth century, grounded in its history of struggle against the Dutch and British occupiers. “All that was part of my normal upbringing,” he says. “Sure there were others, some close
to me, with a similar background who see and act differently. But this is my background and this is who I am.”

Mbeki suggests his self-confidence also derives from the fact that his parents were both prominent members of the liberation struggle and economically independent people. “My parents set up a shop in 1941 and the reason they did this is that they knew that, in order to wage a struggle against the white regime at the time, they had to have economic independence. That was one of the most important things I learnt from them.” He adds: “When others went off to study History, English and Economics, I decided to study Building and Building Management. I learnt to be economically independent very early on in my life because my livelihood came from normal commercial operations. There was no one who could cut off my livelihood for political or any other reasons. The British capitalists in the construction industry would never have listened to anyone from the ANC or any other political faction saying ‘don’t employ this person’ – they would have laughed at them. I established my economic independence and continue to cherish and protect this.”

Mbeki says his experience of working for the Tanzanian government between 1972 and 1975 reinforced his belief in the importance of economic self-sufficiency. “Working for the Tanzanian government gave me a first-hand experience of how African governments and the new bureaucratic bourgeoisie operated. I had spirited discussions in Tanzania at the time with people like Issa Shivji, Mahmood Mamdani and Dani Nabudere. The discussions were about the nature of the post-colonial state in Africa. I learned a lot from them and, again, one of the most crucial things I learned was that one’s financial autonomy was primary if one wanted to maintain one’s voice.” Subsequently Mbeki was asked by former ANC President, Oliver Tambo, to work for the ANC’s Research Department. “I felt like even though I worked for the Research Department of the ANC I was still not a full-time employee of the organisation because I would work in the construction industry during the day and then work for the ANC after my day job. So I could say whatever I wanted to say, without anyone being able to threaten my livelihood.”

Mbeki is quick to point out that even today he gets nothing from the South African government. “Among my businesses I have one company, with three partners, that raises beef cattle on a completely commercial basis. We buy calves from the private sector, fatten them and then sell them in the private sector so there is absolutely no government involvement in that. We also have a company that makes armoured vehicles and this company maintains some
equipment for the South African National Defence Force and for the police, but our primary markets are those of the US, Ireland and the Gulf countries. Therefore, the government has no leverage over us; instead we have leverage over the government because we maintain the bullet-proof vehicles of the police and the army. In preparation for the 2010 Soccer World Cup, for example, we had a huge fleet of police vehicles that had to be revamped and modified so they could control crowds.” In addition, one of Mbeki’s media businesses published a book by Sampie Terreblanche, _A History of Inequality in South Africa_, which is very critical of the ANC. “The ANC was furious with us for publishing that book but there is nothing they could do about it and the book is still selling.”

Even with the protection provided by his self-confidence and financial independence, Mbeki maintains it is not easy to criticise the ANC publicly. “When you are outspoken like me you take a lot of bruises because the people you criticise fight back, so you have to be able to both absorb and give the punches. Remember there are Stalinists within the ANC and when they decide to act against someone they perceive as an enemy they go for the jugular. So, yes, it is hard and, given my background, it is hurtful to take on the ANC.”

Is Mbeki optimistic about South Africa’s future? Yes, but only because he fundamentally believes that the pending upheavals to which he refers are both necessary and inevitable, likening the present growing confidence amongst young and unemployed in South Africa to the “Arab Spring”. “It is clear which way the wind is blowing,” he says, while insisting that the ANCYL and Julius Malema are failing to provide the kind of leadership that the alienated poor in the country so desperately need. “It’s such a pity that we seem doomed to another round of confrontational politics, but yes, I am very hopeful about the future. I’ve always been hopeful, but even more so now that I can see that people are recovering their confidence.”

It was Ayi Kwei Armah, the Ghanaian writer who in 1968 wrote the novel, _The Beautiful Ones Are Not Yet Born_. Mbeki makes no reference to this novel. In an eerie way, however, the theme of the novel reflects Mbeki’s sharp critique of the times in which we live.