



## Lost and found: the South African transition through a Stellenbosch lens. Willie Esterhuysen, Endgame: secret talks and the end of apartheid. Sampie Terreblanche, Lost in transformation

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## BOOK REVIEWS

### **Lost and found: the South African transition through a Stellenbosch lens**

**Endgame: secret talks and the end of apartheid**, by Willie Esterhuysen. Cape Town: Tafelberg, 2012, 365 pp. R 225 (paperback), ISBN-10 0-624-05427-6

**Lost in transformation**, by Sampie Terreblanche, Johannesburg: KMM Review Publishing Company, 2012, 144 pp. R 175 (paperback), ISBN 978-0-620-53725-4

In April and May 2011 I spent a glorious academic interlude as a Fellow of the Stellenbosch Institute for Advanced Studies. As a black South African, the prospect of working and living in this reputedly beautiful town, the heart of the world famous Cape Winelands district, and the ‘intellectual and cultural mecca of Afrikanerdom’ (Esterhuysen, 19) and the site of the university where six white South African Prime Ministers were educated, was not one I was going to let up on easily. Its significance was greater for me even than the wonderful term I spent at Cambridge University in the mid-1990s. And the reason for this excitement was that the town and university of Stellenbosch, despite being part of the country of my birth, was denied and effectively closed off to me for decades. Now I was going there with all the prestige and status of a STIAS Fellowship attached. What would I find? ‘It’s very beautiful’ a colleague who had spent time at STIAS before me remarked when I enquired about what I would find there. ‘But it’s *not* South Africa’, he observed wryly.

Yet the University of Stellenbosch has produced and nurtured some remarkable South Africans, whose contributions as scientists, analysts, key drivers of change, and trenchant critics of our transformation, both during the transition and in today’s post-apartheid dispensation, are noteworthy. This contribution is even more notable because of the close relationship of many Stellenbosch intellectuals, until the late 1980s, with the secret Afrikaner Broederbond, which provided so much of the support and thinking behind the architecture of apartheid. Many of these leading *verligte* (or enlightened) Afrikaner intellectuals chose not to join the Progressive Party, the political home of the liberal parliamentarian Helen Suzman, because they felt much ‘political discomfort’ there (27), (arguably because it may have been too ‘English’, and/or too close to local ‘English’ capital). Instead they formed the Independent Movement, and fought the 1989 elections under that banner. Some of them were close to Afrikaner capitalists, including the Ruperts, whose luxury good empire (Rembrandt) had its headquarters in Stellenbosch, as well as leading executives in the Sanlam Group of companies, including Metropolitan Life (on whose board Willie Esterhuysen served).

Willie Esterhuysen was for many years a Professor in the Philosophy Department, and Sampie Terreblanche taught in the Department of Economics, both at Stellenbosch, for decades. They continue to live and work in that university town.

In the course of 2012 they each produced books reflecting on the South African transition. Willie Esterhuysen tells the largely 'secret' story of the dialogue between a number of leading, mainly Stellenbosch linked Afrikaner intellectuals, and key ANC exile leaders, including Thabo Mbeki, which occurred over the period 1987 and 1990. It is well known that a number of South African based groups, academic, cultural, sports and anti-apartheid organizations made the trek to other parts of the continent or to Europe, to meet ANC leaders in this time. But the Afrikaner-ANC dialogue that Esterhuysen recalls here was different in that behind the Afrikaner group, more accurately behind Esterhuysen himself, lay Pretoria – the prevailing power that was the National Party government. The Consgold project, as it came to be called was financed by Consolidated Goldfields, the British mining house that had a long and 'profitable' history in South Africa. These talks were initiated by the National Intelligence Services (NIS), seen by some as the most forward-looking of the many intelligence services that operated during the late apartheid period. It was a phone call from an NIS operative to Willie Esterhuysen's home in the leafy suburb of Mostertdrift at the foot of the Jonkershoek mountains in July 1987, that set off the story he tells so compellingly over the course of his 365 page book. Esterhuysen, Willie Breytenbach and Sampie Terreblanche were the ones who attended the first of a series of dialogues with the ANC. The meetings took place against the backdrop of stuttering and largely failed experiments by the National Party, to begin a dialogue and program of meaningful 'reform' with the ANC. These efforts included the secret discussions between some National Party Ministers and Nelson Mandela, which culminated in the meeting between Nelson Mandela and then President PW Botha on 5 July 1989 which, although cordial, failed to break the deadlock. Behind the scenes in both camps a furious battle raged between the securocrats, committed to a military solution and those committed to negotiations and a peaceful settlement. Within the ANC the rivalry between Chris Hani, a popular senior commander of its military wing and Thabo Mbeki, the urbane, Sussex-trained, intellectual, demonstrated this split most clearly. The apartheid regime was also split between reformers and the generals. The Consgold meetings occurred in a number of historic locations, mainly in England, including the Compleat Angler Hotel in Marlow, Buckinghamshire on the banks of the River Thames (where they met for the historic first talks in the basement!), the Eastwell Manor Hotel in Kent, and Mellis Park Estate near the picturesque village of Mellis, within sight of the Roman ruins at Bath.

Esterhuysen was hugely influenced, by various 'theories' of conflict resolution and the politics of negotiations including Roger Fischer (see Fischer and Ury 1981) at the heart of which lay the notion of a 'two track' path to negotiations: track one being the formal open processes of dialogue, accords and agreements between opposing parties, and Track Two being the informal, and largely secret talks between representatives or agents of the parties. Track Two talks have as their key objective the aim of deconstructing the notion of 'enemies' and introducing the notion of partners working in trust towards an agreed goal or set of goals. Esterhuysen devotes a whole chapter in his book to developing these theoretical principles, especially the idea of Track Two talks, which characterized the Consgold Afrikaner-ANC dialogue. Within these talks, which involved about four to six regular participants on each side, lay a largely private and personal relationship and set of discussions between Willie Esterhuysen and Thabo Mbeki, and as made plain by the cover picture, this is a narrative of the unfolding relationship between these

two key individuals as they tried to find one another and to find the keys to moving formal negotiations (above them) to a more equal and productive footing. It would seem that it was Esterhuysen's direct link to the NIS and Pretoria and to the source of Afrikaner power that led Mbeki to give such high priority to his private talks with Esterhuysen, above all the others that the ANC was talking to at the same time. Thus, Esterhuysen notes 'to the ANC, Alex Boraine was a typical liberal. And Mbeki was really seeking contact with the inner circle of the NP and the Afrikaners. He did not find these contact points at Dakar' (where the ANC had met about 60 prominent South Africans including Frederick van Zyl Slabbert, Alex Boraine and Breyten Breytenbach in Dakar (Senegal) between 9–12 July 1987). Later he observes: 'Mbeki and I "clicked" from the start even though we are different personality types. We shared similar philosophical and literary interests, as we would later discover in more depth. I had no aspirations or capabilities to play any leadership role in the new dispensation that would make me vie with him or anyone else. And he had no desire to become a philosophy professor in Stellenbosch...' (140). But also in common was high quality South African wine, the finest scotch whisky, music, philosophy, cozy fires and a common love for their motherland ('God's own country', as Denis Thatcher once described South Africa).

The Esterhuysen–Mbeki private discussions reach their zenith on 31 May 1989 in London, when following an NIS directive, Esterhuysen is asked to convey the message to the ANC, via Mbeki, that 'We (the NIS) want to start talking officially to the ANC' (195). Thus was ended the role of the Track Two (informal and secret) negotiations and the start of the formal discussions between the ANC and the South African government. Mandela met PW Botha at Tuynhuys on 5 July 1989, representatives from both sides then met in Switzerland on 12 September 1989, then followed the 'surprise' announcement by new President FW de Klerk of the unbanning of the liberation movements, including the ANC and PAC, Mandela's release from a 27 year imprisonment on 11 February 1990, the Codesa 1, 2 talks and the Kempton Park negotiations, the interim constitution and the historic April 27 democratic elections. For Esterhuysen, the Afrikaner-ANC or Consgold discussions that were held in secret largely in Britain were therefore the critical catalyst that delivered to the country and to the world the 'miracle' of the triumph over apartheid.

This was the one aspect of his compelling narrative that I found somewhat unconvincing: Esterhuysen clearly makes the case that Mbeki placed *the* highest priority on his meetings with the Stellenbosch Afrikaner academics, seeing them as being the ones most able to deliver the goods, i.e. to get to the point of direct talks with Pretoria. For Esterhuysen, Mbeki did this virtually to the exclusion of other groups (the local English 'liberals', South African conglomerate capital, etc). While he does concede that Mbeki and the ANC met many other groupings, I find it strange, even unnecessary for him to project his group, and especially himself personally, to the very top of the ANC's agenda. I would maintain that this was not a Mbeki–Esterhuysen show above all else, although as Esterhuysen reveals in this book for the very first time, no one can any longer doubt the significance of the Consgold talks. It is far more likely though that Mbeki and the ANC would have strategically and tactically played off one group against another, and would have also seen significant value and importance in talks with internationally mobile South African capital, and with local English liberals amongst other groups who had made the trek to meet them in the second half of the 1980s. After all when the

ANC held its first National Executive Committee meeting in South Africa after it was unbanned in February 1990 it was at Vergelegen Estate, on the outskirts of Stellenbosch, a wine farm owned by Anglo-American Corporation, where they were hosted, wined and dined in the very finest South African tradition! And as Sampie Terreblanche informs us in his book (see below) it was at the Anglo-American Corporation's Brenthurst Estate in Johannesburg that Nelson Mandela regularly dined with the Anglo Chairman Harry Oppenheimer after his release.

The book covers many more issues worthy of much more serious interrogation than possible here: I found intriguing Esterhuysen's speculation that Nelson Mandela may not have trusted Thabo Mbeki, given that he did not know Mbeki and because Thabo was 'a very loyal Tambo supporter' (219). I would characterize this as an example of Esterhuysen over-reaching himself. In the wake of the appalling and endemic levels of state and private sector corruption in post-apartheid South Africa, his reference to Mbeki's view on corruption is of interest: 'Liberation from dictatorship inevitably entails corruption ... self-enrichment and corruption will be a betrayal of what the ANC has struggled for' (165). This reviewer was struck with the way in which the Stellenbosch Afrikaner intellectuals raised the issue of violence and the armed struggle during the early phases of the Consgold talks. Clearly the armed struggle had made a far greater impact on Afrikaners than many would have thought. Their pre-occupation with the 'violence' embodied in ANC strategy was surprising given the acknowledged power of the South African military at that time. Despite its limited military impact, there is little doubt, judging by Esterhuysen's account that the ANC's armed struggle had indeed succeeded in having the unnerving, unsettling psychological impact on the followers of the regime that Nelson Mandela may have envisaged when he boldly led the change in ANC strategy in the early 1960s.

Yet the book is a welcome addition to the small number of insider stories of the South African transition. It is only when more even personalized accounts of the transition become public (especially from a very reluctant and coy group of leading ANC actors) that we will be able to get a more rounded and balanced view of what really happened in the critical period from the mid-1980s and the mid-1990s, and whether or not the 'South African' miracle was indeed the exemplar of the power and value of negotiations over revolutionary change, that it is now made out to be.

The book makes reference to issues of the economy and economic policy (the impact of sanctions on the economy, nationalization, and the land question, amongst others), but this is not Esterhuysen's terrain or expertise. It was another regular participant in the ANC-Afrikaner dialogue who was more vocal on the matter of the economy, and it is to Sampie Terreblanche's somewhat differently constructed book ('Lost in Transformation') that we now turn. Although an integral part of the Consgold talks over the first six meetings, Terreblanche was scandalously excluded from the very final meeting of the two groups in the UK, arguably because of his more outspoken views on the direction of future economic policy.

In this book, Sampie Terreblanche has added a relatively short, supplementary argument, to his epic 700 page *A History of Inequality in South Africa, 1652-2002* (2002). He argues that some of the observations he made there about the success or otherwise of the transition are in need of some revision, viewed from the perspective of 2012. In 2002 he had described the transition as being in progress and incomplete. Here he now describes the post-1994 transition on both political and economic fronts as 'complete' but wrong and dysfunctional. He makes the case, in

particular through his claims about what really went on in the secret negotiations over economic policy in the late 1980s and early 1990s. His narrative about the way in which American-led and local pressure groups outwitted the leadership of the ANC to arrive at the elite economic compromise of 1993, and which appear to have hamstrung the new government's policy options, lies at the core of this book. What Terreblanche claims here is that the ANC, or sections of it, were in fact willing participants in this compromise over post-apartheid economic policy.

Many of the preliminary arguments restate those made in his *A History of Inequality in South Africa*. I refer to his periodization of South Africa from 1652 to 1994 – Dutch East Indian Company rule from 1652 to 1795, British colonialism from then to 1910, and at least two versions of the so-called Minerals Energy Complex since then. He speaks of the shift, in the post-World War era, from an American-led social democratic empire to an American led neo-liberal empire (after about 1973).

The economic development of the modern South African economy is interpreted as largely being driven by the interests and actions of the Minerals Energy Complex, which he uses directly from the Fine and Rustomjee (1996) and Ashman, Fine, and Newman (2011) definitions and analyses. 'A system of accumulation [that] develops through the historically contingent linkages which develop between different sections of capital – including finance – and their interaction with the state. The core industries [in mining and energy] influenced the development of other sectors and so indicated a specific form of industrial development...' (47). I found this rather disappointing, for while I acknowledge the power and insights of the MEC arguments (à la Fine) to understand the structure of the South African economy since the mining revolution, the MEC is not without its critics, and an economic historian of the capability and caliber of Sampie Terreblanche could well have enriched our understanding of how the MEC has actually operated in South Africa, using the techniques and traditions of a trained economic historian. Rather, he simply and rather functionally asserts that the MEC was the driving force behind the formation of Union in 1910, the 1913 Land Act, as well as economic developments and policy even after the National Party electoral victory of 1948. He is far better and more original on what went on in the period of the transition after the mid-1980s, and his account complements Esterhuysen's political narrative as well as bringing the story of secret negotiations into South Africa itself and onto the economic terrain. Also, by situating the Afrikaner-ANC dialogue within a global geo-political context we see more clearly than from Esterhuysen's account how and why Gorbachev's Soviet Union pulled the plug on the ANC, and why Reagan and Thatcher did the same to PW Botha and the apartheid regime, so forcing on both the compromises that led to the negotiated settlement. In so doing, the significance of the secret and private Esterhuysen-Mbeki chats are placed in a more appropriate global geo-political context.

For me, Chapter 4 lies at the heart of Terreblanche's new book project. It is here that he makes his most compelling but frustratingly incomplete argument: that in the mid-1980s and especially after PW Botha's so-called Rubicon Speech in Durban (where Botha turned his back on announcing a far-reaching program of political and economic reform) the captains of industry led by the Anglo-American corporation (in his words, 'the MEC') decided to get more actively involved in the political process. This development more or less coincided with the organization and mobilization of the *verligte* Stellenbosch intellectuals, which Esterhuysen talks

about in his book. Together with geo-political realignments as the Cold War wound to an end, these local developments came to exert a powerful influence on the ANC's economic policy thinking, he argues. They combined to shift ANC economic thinking, over the first half of the 1990s, a change in thinking that Terreblanche describes as 'breathtaking, even revolutionary' (63). But how exactly did this happen? Terreblanche refers to the regular meetings between Mandela and Anglo-American Chairman Harry Oppenheimer at the corporation's headquarters, 'Brenthurst', after Mandela's release, at which it would seem the limits of the ANC's policy of redistribution were laid out squarely before the great man. This private meeting between two powerful South Africans was gradually expanded to include other leadership figures from both business and the ANC. These 'secret negotiations over the future of the economic policy of South Africa' also involved American and British ambassadorial staff, the National Party, the IMF and the World Bank and were then shifted to larger and less visible premises at the Development Bank of South Africa (DBSA) where the 'meetings took place at night' (63). These negotiations culminated in some sort of agreement among the parties by September 1992 that a future ANC government would not pursue its previously stated policy of 'growth through redistribution' and would toe the line of the 'Washington Consensus'. That new consensus, argues Terreblanche was encapsulated in the ANC's 'Ready to Govern' document adopted as official ANC policy late in 1992.

If this is true, as Terreblanche forcibly maintains, it offers some explanation for why the ANC economic leadership, notably Trevor Manuel who was the Head of the ANC's Department of Economic Policy, so confidently and contemptuously rejected the recommendations of the Macroeconomic Research Group (MERG), the group of international and local economists, set up by the ANC alliance and funded by Scandinavian, American and European governments through ANC structures. MERG had recommended a public sector led investment program that was directed at redistribution and poverty alleviation along what might be termed a 'left-social democratic' tradition. The notorious event at which the Merg Report, ironically a product of the ANC's very own economic policy think-tank, was dumped took place at the Rosebank Hotel on 3 December 1993, a few days before all parties at the just established Transitional Executive Council signed off on an IMF loan to South Africa. The TEC was set up at the formal negotiations to level the playing fields of governance in the run up to April 1994 elections, and included both NP government and ANC representatives. It is of interest to point out that the letter of intent that is a prerequisite to all IMF loans, and that is typically drawn up by the IMF, but signed off by the borrowing government, was left unchanged, despite suggestions made by MERG officials on behalf of the ANC, that some of more objectionable neo-liberal policy recommendations, be revised or dropped. It is not clear whether the ANC actually made a strong case for these revisions and changes or simply succumbed for one reason or other to the views of the NP and/or the IMF. The letter of intent, as Terreblanche observed to me in a recent private conversation, bore an uncanny resemblance to the 1996 ANC-led government's Growth, Employment and Redistribution Strategy (GEAR), which has been labeled by Patrick Bond and others, as 'neo-liberal' (Bond 2000). The loan was ostensibly to support a balance of payments crisis brought on by the South African drought. The loan was not drawn on, leaving little doubt that it was no more than an IMF stamp

of approval for the political negotiations after agreement over the path of future economic policy had been resolved in secret.

The problem for those who, like me, are sympathetic to this argument, is that Terreblanche baulks at the very moment when we would expect him to provide the evidence for his claims about these late night and secret meetings, which stitched up the economic policy options of the democratic government since the 1994 elections. Although unnamed, Terreblanche clearly had close contacts at the DBSA at that time. There was a connection, he claims about what was going on in formal negotiations (at Codesa) and these secret meetings over economic policy. Thus, he is able to claim: 'In September 1992, the MEC was satisfied that the ANC was boxed in sufficiently on economic issues in the secret negotiations, and so informed the NP on 26 September 1992 that it could accept the 'sunset clauses' (the concessions made by the ANC to break the logjam at the formal negotiations). So precise, but what did happen on 26 September 1992, Professor?

For Sampie Terreblanche, part of the economic and political deal was the decision about Black Economic Empowerment, which (following Moeletsi Mbeki's argument, 2009) represented an elite compromise invented by 'white South African oligarchs to co-opt leaders of the black resistance movement by literally buying them off with what looked like a transfer to them of massive assets at no cost' (Mbeki, cited in Terreblanche, 70). The result was the slippage into sleazy corruption, nepotism and rampant and conspicuous consumption in a movement long revered globally as a champion of human rights and all things noble and virtuous.

The outcome of this stitched up secret deal for the South African economy is laid out in later chapters – slow growth, growing unemployment, especially among the country's black youth, the collapse in the delivery of even basic social and economic infrastructural services in impoverished regions, the crisis in basic education as textbooks cannot be delivered to schools even eight months after the beginning of the school term in some parts of the country in 2012, the widening income and wealth inequalities, largely accounted for by the frightening growth in intra-black income disparities, and so the list goes on. Terreblanche points out that the country's Gini coefficient now measures 0.70 compared with the 0.66 at the dawn of democracy, making South Africa the most unequal country by this measure in the world! 'The richest 10 million South Africans received almost 70 per cent of total income in 2008, while the poorest 25 million received less than 8 per cent' (110).

The Terreblanche book was launched in the same week as the Marikana massacre on the Lonmin mine in North West province – an area that supplies over 80% of the world's platinum needs, and where frightening police action (captured by national TV stations and broadcast to the world) resulted in the deaths of some 34 miners. Many have attributed the problems there and in the mining industry in general to the persistence, 18 years into democracy, of a rather primitive form of accumulation and a highly conflictual labor-relations system reminiscent of a much earlier phase in the development of South African capitalism. In what must rank as one of the most bizarre actions of the democratic government (following this most brutal instance of state violence in post-1994 South Africa), the country's so-called independent prosecuting agency (the NPA) invoked an old apartheid era law based on 'common purpose' to charge 250 of the remaining miners engaged in the 'illegal strike' with murder. The charges have been 'provisionally' dropped (at the time of



writing) after it created a public outrage. The Marikana massacre and its aftermath starkly and tragically highlights many of the deep, continuing structural problems and inequalities in the nature of South African capitalist accumulation which Terreblanche boldly sets out in this book.

Sampie Terreblanche takes a long and periodized view of the emergence and development of South African capitalism; he understands its changing varieties in both a local and global context, and he brings a fascinating insider account to the complex and only partially told story of the South African transition with a focus on economic policy debates and options. The fact that he appears reluctant to bare all at this stage should not detract from the significance of his evocative narrative.

Together, these books by two of Stellenbosch University's finest thinkers and critics open up more parts of the story of how South Africans *found* themselves under circumstances many thought impossible even in the mid-1980s, as the country was locked in a State of Emergency and poised on the cusp of imaginable violence and civil war. And they also in part tell us why and how we have come to *lose* our way in so many respects over the past 18 years following the much heralded negotiated settlement and peaceful transition. Hence the title of this review 'Lost and found'. As I imply, there is still a lot more to be learnt about the transition, both the triumph over apartheid and the subsequent collapse into corruption and despair since democracy.

### Note on the Author

Vishnu Padayachee is Professor Extraordinaire in the Institute for Social and Economic Research at Rhodes University, Grahamstown, and Professor Emeritus in Development Studies at the University of KwaZulu-Natal, Durban.

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