

SA corporations and recolonisation

Look at the desert from the mountains and you see no life at all. Walk through it, though, and you will find places where life holds its own, even patches where it prospers. (The Economist, 12 Aug 1995)

Despite the overall decline, a new scramble is underway in Africa. Having now shed their pariah status as apartheid emissaries, South African companies have seized the political opening presented by democracy and forged upstream, opening up new hotels, buying up old mines, transforming old breweries, building new supermarkets and clothing stores. While the mining sector accounts for more than 35% of the planned investment projects, retail and wholesale are the second largest. Commerce and the hotel and leisure sectors are also prevalent.

Some people have claimed that a recolonisation of Africa is happening through privatisation, pervasive as African economies liberalise. Southern African countries are privatising and liberalising with far more conviction than the tentative structural adjustment of the 1980s. South African companies have aggressively stepped into the markets opened up by these changes. While for many of these companies investment outside South Africa is nothing new, what is different is the sheer scale and voracity of this 'new scramble'. Its terrain extends beyond historical Southern African

Darlene Miller argues that South African companies investing in Southern Africa are recolonising the region and are exporting unacceptable labour practices and management hierarchies. The result may be heightened tensions in the region.

economic partners into sub-Saharan Africa and further north. Some of the new investments are also very large. (Anglo American invested \$7-800m in Zambia; the IDC invested \$590m and R1400m respectively in Mozambique; McCarthy Retail invested R420m in Namibia.)

Tales of White Africanness

To fit in with the change of events, words, too, had to change their usual meanings. (Thucydides, History of the Peloponnesian War in Schoenberger, 1997:211)

New language creates new ways of doing things. President Mbeki has declared the era of an African Renaissance, of economic and political renewal that will uplift Africa's peoples. In line with the new ways of doing things, South African capital has mutated and grown another

head – an African one.

'In spite of the accent, I am a child of Africa. It is because I have Africa in my brains and because I care about things here, that I came back. Much of what I learnt, I learnt at the knee of my caregiver in the shade of the tree in Zimbabwe. Gold Fields has its roots firmly in the soil of this country'. (*Chris Thompson, Gold Fields of South Africa Ltd., Africa Infrastructure Conference, 1-2 September, 1999, Jbb*)

In post-apartheid South Africa, South African business has discovered its African roots. African identity and ubuntu pervade the post-apartheid language of these mainly white male businessmen and financiers. With this new identity South African capital is staking a claim to the African Renaissance. When Pepkor, one of the major South African investors in Africa, expands its African operations, it declares that it does this with the objective of African revitalisation.

Pepkor's vision is 'to be an African giant'. 'Those people feel that their roots are here. Their history is here.' (*Ex-Minister of Information, FRELMO, Shoprite Investment Advisor, Interview September 1999*)

In recent oil discoveries in Angola, Egypt, Algeria, Gabon and Congo-Brazzaville, Sasol claimed their investment activities were a 'rebirth' for African exploration.

'This could be the African renaissance in petroleum exploration.' (*General manager, Sasol, Business Day, 15 October, 1999*)

South African capital today expands into the region with the political authority of a democratic government. Investment is no longer coming into the region from a pariah state. The political responsibility attached to democratisation is that South Africa will be a leading force for the economic revitalisation of the whole

continent. In short, one meaning attached to South African companies is that they are the economic bearers of the African Renaissance.

Exporting apartheid

But the new-found Africanness of South African capital is up against a different reality in post-apartheid Southern Africa. Expansion, especially into Africa, entails risk and often involves huge capital outlays. The perception of trade unionists is that companies reserve senior white male management for this challenge. In interviews with general secretaries from nine trade union federations in six Southern African countries, the impression amongst unionists is that there are racialised hierarchies in management structures. (The gendered nature of these management hierarchies – that they are all male – seems to be of less concern to the trade unionists.) White male South Africans monopolise top managerial positions, with local black managers in middle management positions.

'At the top echelons management is South African, but middle and below is local.' (*Zimbabwe Congress of Trade Unions, Interview, June 1998*)

The lack of power at middle management level is suggested by unionists who see these local black managers as 'rubber-stamps'.

'Some bring their own management teams from South Africa and some employ locals here who would be used as rubber-stamps.' (*Botswana Federation of Trade Unions, Interview, June 1998*)

Zambian trade unionists suggested that South African companies are exporting racism from South Africa into African countries that have been independent for a long time.

'At the top they prefer South African management. They live in Zambia. The

middle management is Zambian. This creates problems. Zambia has been independent for a long time. We are not afraid of the white race. These South Africans are white. When they come here, they want to treat us like South African Africans. They are abusive.' (*Alec Chirwa, general secretary, Zambian Congress of Trade Unions, personal interview, June 1998*)

A more detailed case-study of Shoprite in Maputo, Mozambique demonstrated similar patterns of white top and black middle management that follow the dominant pattern in South African managerial systems.

Top management at Shoprite-Maputo are two white Portuguese-South Africans (now living in Maputo) overseen by two white male South Africans, resident in South Africa (Nelspruit and Pretoria). Six younger, black managers are in training to take over future stores that are being opened by Shoprite in other provinces of Mozambique. Racist attitudes seem to persist. The patronising tone of the white branch manager to the black trainee managers was unmistakable.

'These boys are my brothers. We don't only work together. When I was sick and there was no one to help me, they were my only friends.' (*Interview, Shoprite branch manager, September 1999*)

With characteristic paternalism, he expressed concern that his trainee managers were being relocated in two to three weeks' time with no information or consultation. He expressed sadness at having two black trainee managers taken away from his branch.

'They don't even know where they are going to stay or what they are going to earn. That's not right. That's not right.' (*Joint interview, branch manager and trainee manager, September 1999*)

The two black trainee managers

interviewed were cynical of the lack of faith expressed in black management by the continued use of white branch and regional managers. Shrugging their shoulders and exchanging knowing glances, they suggested, in veiled terms, continued racial prejudice.

'When they come to Mozambique, they say they are opening up stores in Africa. Is South Africa not in Africa?' (*Interview, Shoprite trainee managers, September 1999*)

This comment suggests a geographic racial demarcation by white managers: South Africa as the white First World, and 'the rest' as black Africa. New patterns of management migration patterns could be opened up by South African investment, creating a flow of white transnational migrants in Southern Africa.

'The (fishing) companies are mostly managed by South Africans. Managers are based in South Africa. The deep sea vessels work on a rotating shift; they work one month on the sea and one month out. The South Africans have transport arranged for them to come for one month and then go back. There are a few Namibian directors, but these people are being used to get a licence. These companies don't have offices in Namibia. Their offices are based in Cape Town.' (*Mineworkers Union of Namibia, interview, June 1998*)

Informal accounts from other African countries echo this impression that 'the South Africans are coming'. But the South Africans referred to are neither black, working class nor foreign tourists. They are from the white South African moneyed classes - mostly male company executives but also rich, middle class whites such as those buying up the Mozambican coastline. These perceptions raise the question as to whether South African companies are exporting apartheid into the region.

'Since its inception TCL has been run

by apartheid managers, which history shows are generally incompetent and corrupt. In the case of TCL-Gold Fields we have seen them ... only hiring their sons-in-law, brothers-in-law, wives and husbands who had no qualifications rather than being whites.' (*Mineworkers Union of Namibia, The Namibian, 22 May 1998*)

Racialised practices in the employment of top managers are a potential area of conflict that will give South Africa's Renaissance a different meaning in the African countries that are hosts to its foreign investment.

Flexible despotism

With high levels of unemployment, African workers would presumably be flexibility personified. Such assumptions do not capture the changing patterns of internal segmentation of these workforces. Many countries followed a pattern of transition from temporary migrant workers to more permanent urban workforces. While labour standards in mining and manufacturing were often very low, these labour systems were based on manual workers having the same employment status.

With new management strategies such as numerical flexibility, workers within the same broad skill band are divided into permanents and temporaries/casuals, as is the trend in South Africa. This creates a despotic work regime, where the second-class status of temporaries/casuals opens up new kinds of worker exploitation.

While it is difficult to get information



Will the African Renaissance improve the lives of all?

on flexibility amongst African workforces, some research shows that African workplaces in the formal sector do have such kinds of worker segmentation. The World Economic Forum and Harvard Institute for International Development conducted a survey on the practices of 650 companies in 24 African countries. Table 1 (on p18) sets out some of their findings on employment flexibility for six of the countries in the region. For hiring and firing practices, companies regard only Zambia as very flexible. Companies think that their freedom to expand or retrench their workforce is restricted in South Africa and Zimbabwe. Botswana and Zambia both show fairly flexible practices on working hours, but companies perceive

Table 1

| Countries | Hiring Practices Hiring and firing practices are flexibly determined by employers (1=Strongly Disagree, 7=Strongly Agree) |
|--------------|---|
| Zambia | 4,71 |
| Mozambique | 3,68 |
| Botswana | 3,67 |
| Namibia | 3,43 |
| Zimbabwe | 2,96 |
| South Africa | 2,61 |
| Swaziland | N/A |

Source: Africa Competitiveness Report 1997-98:214

South Africa to be inflexible around working hours. Mozambique shows flexibility in hiring and firing practices, but with less flexibility in working hours. On the whole, companies tend to agree that hiring/firing practices are flexible, and that elastic working hours prevail.

The article on Shoprite in Maputo in this issue of the *Bulletin* shows that Shoprite management has structured its workforce into a small core of permanents with the rest as eventuals (temporaries) who have no leave, no job security or any other kinds of benefits. Unionists in the region also report that South African companies practice this kind of flexibility in their regional workforces, especially in the retail sector.

While the picture is still a patchy one,

new forms of managerial despotism await African workers if numerical flexibility becomes the dominant practice at South African companies expanding into the region.

Tales and trust

'The decisions of firms and the version of capitalism and the cultural apparatus they deploy is crucial since the fate of so many people and places are caught up in what happens to firms.' (Schoenberger, 1997, 220)

The African identification that comes with the post-apartheid opening up of Africa creates different strategic

Table 2

| Countries | Working Hours Labour regulations facilitate adjustment of working hours to meet unexpected changes in demand (1=Strongly Disagree, 7=Strongly Agree) |
|--------------|--|
| Zambia | 5,25 |
| Botswana | 4,89 |
| Zimbabwe | 4,07 |
| Namibia | 3,57 |
| Mozambique | 3,41 |
| South Africa | 2,69 |
| Swaziland | N/A |

Source: Africa Competitiveness Report 1997-98:214

| Country | Type of temp | Max period | Typical examples |
|---------------------------------------|-------------------|----------------------|-------------------------------|
| Botswana | Permanent temps | 5 years, then sacked | Shoprite-Checkers De Beers |
| Mozambique | Some companies do | | |
| Namibia NUNW NAFAU Municipal | Permanent temps | | |
| Swaziland | Casuals | Few months at a time | Service sector |
| Zambia | Casuals | | |
| Satucc | Casuals | | |
| ZIMBABWE | Casuals | | |

(Interviews, 1998)



What impact will South African investment have on the poor in the region?

possibilities: a different political configuration for firms, managers, workers and trade unions even while technical and environmental conditions may remain the same. But South African companies may not be compelled to take their own rhetoric seriously. The new South Africa entailed purported shared, non-racial, democratic values, the promise of economic growth and prosperity and a set of universals that apply to Africans – as consumers, people and workers. If taken seriously it implies a paradigmatic and indeed a cultural shift. A new culture should affect workplace organisation, technological organisation and market orientation since arguably corporate culture is not merely ‘an overlay on an existing organisational and technological substrate’.

Flexible despotism at workplaces will, however, replicate old relations of apartheid subimperialism, where South Africa and other foreign investors raid the region. When South African corporations

extend their reach into the region, their social and political practices are also transported into this local environment. Flexible and discriminatory work practices under white South African and expatriate managers will renew tensions within the region.

With the claims of an African Renaissance and global integration, such practices will create distrust and cynicism about South Africa's capacity to bring an African renewal. The African Renaissance will become an ideal cover for a new recolonisation of our region. ★

References

- BusinessMap South Africa (1999) South Africa Investment 1999. The millennium challenge. BusinessMap SA, Johannesburg*
Schoenberger, Erica (1997) The Cultural Crises of the Firm Blackwell, Massachusetts Oxford.

Darlene Miller is a doctoral student at Johns Hopkins University in the US and a research associate at SWOP, Wits University.