**TRANSFORMATION**

**02 MAY 2017 - 06:06 CAROL PATON**

Last Tuesday, I was invited to sit on a panel discussion hosted by the Society, Work and Development Institute on the mining industry and transformation.

To draw the crowds the organisers titled the event, White monopoly capitalism vs radical economic transformation: the case of the mining industry.

The session was intended to give researcher Duma Gqubule the opportunity to present his work evaluating the Mining Charter and his vision for a transformed mining industry. The organisers added another drawcard: along with myself from Business Day, the EFF’s national spokesman, Mbuyiseni Ndlozi (also known as the People’s Bae), was asked to respond. The crowds came. The venue was packed. The stage was set for WMC vs RET.

Gqubule’s work is interesting and worth further discussion. He analyses black ownership of the mining industry and finds that after stripping from black economic empowerment (BEE) transactions, the "non-BEE shareholders", black ownership stood at 9.6% at the end of 2014. This is in stark contrast to the Chamber of Mines, which says that by 2014, all major mining companies had achieved the target of 26%.

Gqubule’s proposal for a fairer, more equitable mining industry is that each enterprise be compelled to provide a 50% "free carry" divided between the state or public ownership (25%), communities (7.5%) and workers (7.5%), with 10% for traditional BEE companies.

In my response, I argued that this would have to be balanced against the need to attract investment. I agreed, though, that the Mining Charter model had not been transformative and that a free carry would have been a better option than the 26% black ownership model, particularly if the object was to share the country’s mineral resources among all its people. I was not there to represent WMC, I bravely told the audience, but I did favour a capitalist development model in which private investment and the profit motive provided the key drivers to exploit mineral resources.

Ndlozi’s solution was wholesale nationalisation, for which he made the case through the successes of state-led capitalism of the Asian tigers and the success of western Europe’s postwar state-owned public utilities.

Then came the more interesting part to me personally. Was I, by virtue of my whiteness and my support for private investment and enterprise, the epitome of WMC?

Ndlozi answered this question for me: you are, Carol, (by virtue of your defence of capitalism). You say you are not white monopoly capital, but you are. Yes, it is an oligarchy rather than a monopoly, but it behaves as a monopoly anyway. You are white oligarchical capital and the important thing is that it is white; its colour is important.

I took it on the chin, partly because the organisers wrapped up the discussion right there, but mostly because this is a debate we all must have, no matter how personally uncomfortable. SA’s brand of capitalism — based on white colonial conquest and a cheap black labour model — has discredited itself.

While nationalisation, theoretically, offers an attractive political alternative to the disaffected, the advocates of capitalism do not have an attractive alternative to offer. Inclusive growth remains a mirage. While acknowledging that the inclusive growth vision requires structural reforms that the government has not had the political will to do, it is just too slow, is too much about trickle down and is also discredited.

Change and a new vision for politics and economics have become inevitable and urgent.

Carol Paton

Deputy Editor