

IN BRIEF

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*Season's
Greetings*

**ENABLING
COMMUNITIES**

Investing in Education

B-BBEE
Beyond the Façade

Civil Society
Extraordinary Summit



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OUR IDENTITY

OUR VISION

A prosperous, peaceful, equitable and just society

OUR VALUES

- Integrity
- Accountability
- Passion for Development
- Hands On, Bottom Up Approach

OUR MISSION

To contribute to development through sustainable funding, with like-minded partnerships and innovative scalable development models

OUR PROGRAMMES

- **EDUCATION DEVELOPMENT PILLAR**
To extend educational development programmes
- **SOCIO-ECONOMIC DEVELOPMENT PILLAR**
To promote and support socio- economic development
- **INSTITUTIONAL CAPACITY BUILDING PILLAR**
To support strategic institutional capability development for sustainability
- **FINANCIAL SUSTAINABILITY PILLAR**
To ensure financial sustainability of Kagiso Charitable Trust



KAGISO
T R U S T
Overcoming poverty

MESSAGE FROM THE HEAD OF COMMUNICATIONS & MARKETING

Dear Kagiso Trust Stakeholders,

I am pleased to extend warm-season greetings to you at this joyous time of year, as we reflect on the collective achievements and milestones we have reached together.

The past year has been one of tremendous growth and impact for Kagiso Trust. We are incredibly proud of the progress we have made in serving our communities and achieving our goals. From youth development to community upliftment and empowerment, our dedicated efforts have continued to make a meaningful difference in the lives of many.

Furthermore, we cannot overlook the incredible triumph of the Springboks, whose historic Rugby World Cup victory has uplifted the spirits of our nation and instilled a sense of pride and unity. As South Africans, we celebrate this achievement as a true testament to the power of teamwork, resilience and unwavering determination.

As we approach the holiday season, amidst the celebration of achievements and milestones, we also take this opportunity, on behalf of the Board of Trustees and Management, to express our sincere gratitude to all our stakeholders. Your continued support, collaboration, and commitment have been instrumental in driving our shared vision of positive change and sustainable development.

Looking ahead, we are inspired by the momentum of progress and the opportunities that lie before us. The coming year holds the promise of new initiatives, partnerships, and impactful projects that will further contribute to the betterment of our communities and the advancement of our nation.

I wish you and your loved ones a joyous holiday season filled with warmth, happiness, and cherished moments. May this time of celebration and reflection rejuvenate and inspire you for the year ahead.

From youth development to community upliftment and empowerment, our dedicated efforts have continued to make a meaningful difference in the lives of many.



Mandisa Tselane.

EDUCATION CONTINUES TO DELIVER KAGISO TRUST'S **HIGHEST RETURN ON INVESTMENT**



As part of their continued investment in schools, in the ongoing quest to enable every child across the country to have access to quality education, Kagiso Trust hosted a Community Engagement Event at Mosebu Primary School in Ga Mashamothane, Limpopo Province on November 14, 2023.

First published in Sekhukhune Times 07 December

In 2019, Kagiso Trust partnered with the Limpopo Department of Education to launch the Beyers Naude Schools Development Programme, an initiative Kagiso Trust first launched in 2004 with the aim of improving maths and science performance in disadvantaged schools across South Africa.

The success of the programme is evident in the results, where many of the schools have gone on to achieve record pass rates and many have continued to achieve and uphold the rate of success independently, proving the sustainability of the model, for which sustainability was a major objective from the outset.

Recognising how crucial an enabling environment is for engendering a love of learning and enabling it to thrive and play a pivotal role in uplifting the surrounding community, the event sought to engage and include the students' parents and primary caregivers. Previous programmes have proven the extent of parents' influence as the first line of moulding their children's achievements and attitudes, which they carry into their adulthood. It was fitting therefore that an essay writing competition for secondary school pupils formed part of the event line-up, around the theme of *The Importance of Parental Involvement in Education*.



Parents of learners in Sekhukhune pledging their dedication towards their children's education.



Sizakele Mphatso, Kagiso Trust Education Development Head.

Engaging pupils and parents from local schools in Sekhukhune, the event was attended by School Management Teams from Sekhukhune and the management and board of Kagiso Trust. Kagiso Trust CEO Mankodi Moitse led the proceedings with a keynote address, imparting wisdom and encouragement to the pupils of Mosebu Primary School, before a variety of educational plays were staged along with other recreational activities.

Education has tentacles which stretch beyond the confines of a classroom.

Announcing The Importance of Parental Involvement in Education essay-writing competition winners proved to be a highlight of the event.

In first place was Lebohang Ahmed, earning well-deserved recognition and an avalanche of prizes. Runners up were Beverly Malatji (Tshabelang Dinoko High School), Jessica Cwera (Lehlabile High School), and Kgotso Mailwane (Leolo Technical School).



Parents playing their part in being involved with their children's education matters.



CEO of Kagiso Trust, Mankodi Moitse motivating learners.



Mr Makola, Sekhukhune East, District Director.

Learners from participating schools expressed their gratitude to Kagiso Trust for its positive impact on education in the Fetakgomo Tubatse Local Municipality and the Sekhukhune District Municipality. Essay-writing competition winner, Lebohang Ahmed conveyed her excitement about Kagiso Trust's support and encouraged their continued investment in local education.

Dean Zwoitwaho Nevhutalu from Kagiso Trust expressed his appreciation for the parental support observed in Sekhukhune and encouraged parents to motivate their children to excel in mathematics. He emphasised the collective responsibility of the community in nurturing

educated individuals, stating, *It takes a village to educate a child*. Nevhutalu stressed the importance of investing in education for the economic mobility and upward progression of the community, drawing parallels with his recent experience in the USA, where he witnessed the expansion of possibilities and influence of Advanced Technology and Artificial Intelligence in contemporary education.

Concluding his remarks, Nevhutalu appealed to parents and the broader community to support education initiatives, emphasising the preparation of learners for a brighter future.



Essay Writing Competition Winners with Kagiso Trust Management.

BEYOND THE FAÇADE

THE BITTERSWEET REALITY OF BROAD-BASED BLACK ECONOMIC EMPOWERMENT

Kagiso Capital, in collaboration with Kagiso Trust and the FirstRand Empowerment Foundation, hosted a one-day hybrid seminar in October 2023 that presented a no-holds-barred, honest and reflective discussion on the issue of Broad-Based Black Economic Empowerment (B-BBEE) as a policy instrument to address historical inequalities and economic transformation.

By Mandisa Tselane, Communications and Marketing Head

“Confronting inherited injustice against black people is a big deal, it is not an afterthought.”

– Tshediso Matona

The keynote speech of the seminar titled “Beyond the Façade – The Bittersweet Reality of Broad-Based Black Economic Empowerment” was delivered by Tshediso Matona, the B-BBEE Commissioner. Considering that the constitution demands confronting inherited injustice, Matona stated that it is integral to the identity and viability of the kind of society we ideally want to become.

The gathering explored B-BBEE as an economic transformation tool, examining whether there has been a shift in economic ownership patterns and in which areas these shifts have occurred, as B-BBEE has played a critical role in correcting historical injustices and transforming black ownership and involvement in the economy.

The main issue of the seminar was reviewing the impact of B-BBEE progress, and prospective improvements, as these topics continue to divide the nation.

Furthermore, the role of broad-based trusts and the emergence of black industrialists in the development of an inclusive economy was highlighted.

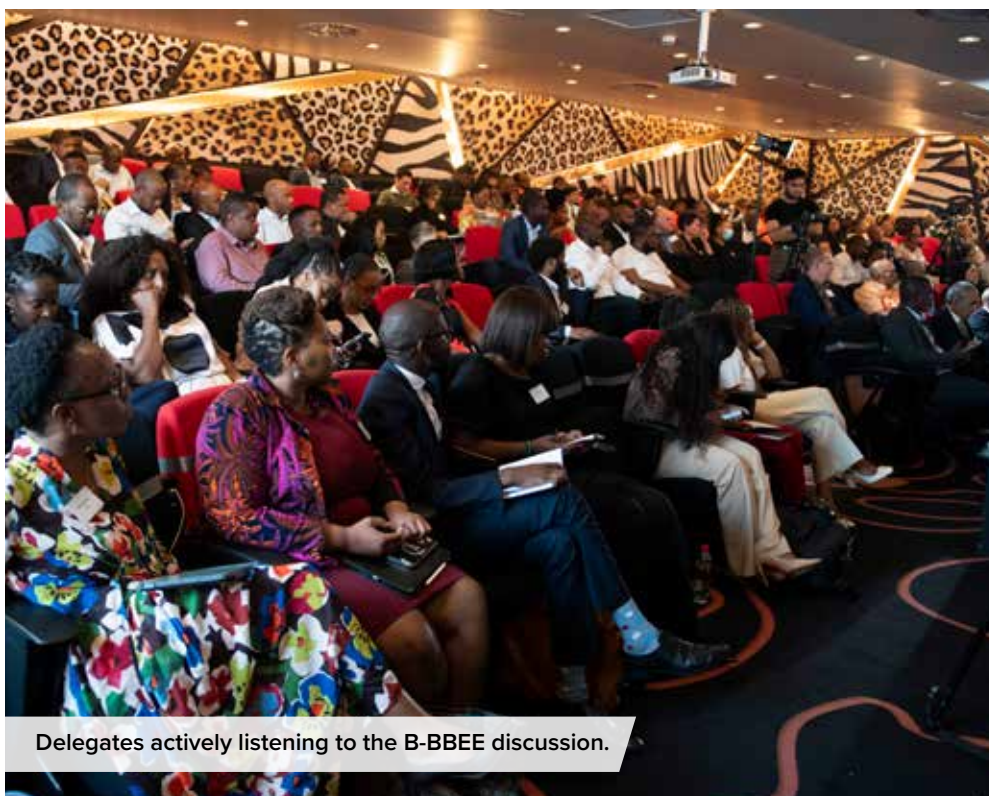
Matona stated that if the economy must be based on the rule of law, there cannot be an exception when it concerns B-BBEE law. The reason is the brutal reality that 20 years after the B-BBEE Act, 70% of the economy is owned and controlled by 7.9% percent of the population who are White, while Black people who make up 92% of the population still do not participate in the economy in any significant and meaningful way. Black ownership accounts for about 30% of the economy, while white ownership amounts to 70%.

NON-REPORTING MUST FALL

Non-compliance and low levels of B-BBEE reporting must therefore be fiercely combatted to create a shared evidence base to measure the ongoing progress of transformation and weed out the existence of



Tshediso Matona – Keynote speaker on B-BBEE being a procurement policy in favour of the previously disadvantaged.



Delegates actively listening to the B-BBEE discussion.

“Economic transformation entails addressing our society’s imbalance through true empowerment rather than simply supporting the country’s black elite.”

– Tshediso Matona

fronting and window dressing, as the regime has become a huge administrative accounting exercise also known as box-ticking, which makes it prone to being rigged.

In South Africa business must be purpose-driven and socially responsible and focus on creating jobs, developing skills, and providing financial opportunities to millions, by creating a sustainable economic participation model. Massive action is needed to remedy the fact that millions of South Africans are living in squalor and disturbingly, the numbers keep growing.

However, the increased numbers of the black middle class, the steady growth of black business in supply chain and the increasing numbers of black industrialists are evidence of positive change due to B-BBEE. It is also important to recognise that B-BBEE is evolving, from its early phase of deals featuring celebrity black personalities, to the current phase involving increasing participation by workers and communities.

Panellist Ernst van Zyl, AfriForum’s Head of Public Relations, addressed critiques of racially discriminatory policies in relation to the practical and moral inadequacies of BEE, as well as long-term solutions to the country’s challenges that do not rely on racial legislation.

IDENTIFYING LOOPHOLES

Over and above the debate, participants agreed that it is currently too easy for big firms to undermine B-BBEE Codes

governing ownership, management control, employment equity, skills development, preferential procurement, company development, and overall development.

Finally, the seminar foreshadowed what a third wave of B-BBEE transactions would look like, as well as the lessons learned from the manner in which deals are structured by funding institutions, and how this contributes to economic growth.

The Commission, whose mandate includes among other things, supervising and encouraging adherence to the B-BBEE Act in the public interest, estimates that black people hold approximately 30% of the economy. Matona acknowledged that just one-third of JSE-listed corporations and 95% of South Africa’s hundreds of public institutions submit mandatory reports on broad-based black economic performance to the B-BBEE Commission, making it difficult to track progress. He related that measurement issues were due to the fact that, *we don’t read from the same evidentiary base; we don’t have a shared view of progress or lack thereof.*

Financial analyst and one of the event’s key presenters, Duma Gqubule took a firm stance in favour of B-BBEE, pushing for an inclusive economy that intentionally supports black businesses. Gqubule questioned the data, claiming that it is impossible for black people to possess R6 trillion of the JSE’s assets, if the figure as reported is 30%, or R4 trillion if it is 20%.

According to Gqubule, Intellidex looked at real ownership rather than scores, and discovered that black people held 7.9% of the JSE.

“Transformation is a long-term pursuit, and we cannot take our eyes off the ball.” Gqubule expressed concern that certain corporations, such as a leading grocery retailing behemoth had never done a BEE transaction but yet had 18 points on its B-BBEE scorecard, while a banking giant still has 12.8 points on its scorecard for a BEE deal completed in 2012.

BLACK OWNERSHIP COMPRISES ONLY 3% OF JSE SHARES

Gqubule affirmed that Black ownership equals only 7.7% of all shares - 75% of which are non-SA assets; and of SA assets, 6.5%, meaning that net Black ownership comprises only 3% of JSE shares. Gqubule then questioned the technique for analysing annual reports, pointing out anomalies in some organisations’ scorecards and calling for a reform of the code and empowerment laws, implying that empowerment has become far too easy to bypass.

DELVE DEEPER TO REVEAL THE TRUTH BEHIND THE FRONTING

The significance of seeing beyond superficial appearances and delving deeper into the realities of black economic empowerment was emphasised by Mankone Ntsaba, Kagiso Trust Chairperson, who underlined the importance of addressing issues such as high living costs, unemployment, and inequality. Referencing the World

Economic Forum’s latest Global Risk Report 2023, which cites threats to economies around the world including South Africa, the goal of supporting sustainable growth and inclusivity is seen as a vital factor in creating stability and long-term development. Ntsaba added that the high cost of living places a burden on citizens’ quality of life. Additionally, it can deter foreign direct investments and hinder economic growth. Addressing these issues therefore, becomes crucial for South Africa to ensure stability, reduce inequality, and foster sustainable development in a world where inclusivity and equal opportunities remain at the forefront of our collective goals.

“The value we bring to communities serves as a stepping stone for those communities to participate at a higher level in the economy.”

– Amanda Tandi Nzimande

CEO of Kagiso Trust, Mankodi Moitse stressed the value of education and highlighted the need for rural learners to have equal access to education, emphasising that long-term interventions must begin with early childhood development and progress through the subsequent education pipeline, along with systemic reforms, such as: creating a district development plan; supporting leadership;

“... The public is confused by a tangle of contradictory facts about black ownership.”

– Duma Gqubule



“South Africa, come on. We can do better, and we can fix this. So, the more partners we have, the better... how do we ensure that civil society is reactivated?”

– Mankodi Moitse



and providing teachers with curriculum support. With agriculture and property as the least transformed sectors in the country, Moitse referenced as support for the aforementioned statement how the systemic intervention staged in the Free State schools education system since 2007, has resulted in above 80% pass rates for the past three years, ahead of other well-resourced provinces. She cautioned however, that it took concerted effort to ensure the model functioned and stated: *“Unless South Africa invests in civil society organisations, it will be unable to maximise the value of development or even stop the degradation that is now taking place. Previously, prior to 1994, civil society was a thriving sector. To be honest, we’re talking about the government and the private sector right now. We ignore civil society at our peril. So, we had to go back and ask ourselves, how do we ensure that civil society is reactivated? Secondly, ensure that they are meaningfully coordinated. We are pleased to report that we currently have over 500 organisations that are thought to be dealing with concerns.”*

A trustee of the FirstRand Empowerment Foundation, which at its inception had intended to be active in education, and has since evolved and expanded to include health, climate change, GBV and agriculture, as well as the advancement

of youth and youth employment, Amanda Tandi Nzimande underlined the foundation’s mission of eradicating poverty through education and increasing educational outcomes.

“I don’t believe it was realistic to expect a really rapid revolution in the economy, and I still don’t think it is feasible. So, in order to address that, you have to have programmes that will support each of these people” she said. *“We once had foreign funding; we no longer have foreign funding. But B-BBEE is here. B-BBEE provides an opportunity not just for entrepreneurs and businesses to flourish, which is critical, but also for grassroots organisations to advance in terms of the level at which they function.”*

The overall objective of the foundation is to correct the chronic hangover of decades of marginalisation, stemming from being denied quality education and opportunities to be self-sustaining later in life.

SOUTH AFRICA HAS REGRESSED AND SLUMPED INTO A STATE OF NON-VIABILITY

Overall South Africa has delivered a dismal performance and has regressed and devolved into an unviable society. After 29 years government has not become conversant with growing the economy or creating jobs. South Africa’s GDP per capita growth has been only 22%, relative to five

other developing countries, India, Vietnam, China, Ethiopia and Poland ranging from 216% to 783% in GDP growth per capita. By 2025, GDP per capita would have shrunk to a level lower than it was in 2007.

WE NEED OPEN DIALOGUE AND UNDERSTANDING TO ACHIEVE GOALS

RECOMMENDATIONS FOR MOVING FORWARD – IMPROVE LIVES AND CREATE ECONOMIC CHANGE

Panellists were led by Gugulethu Mfuphi of KayaBizz on Kaya 95.9, as they examined the success and problems of B-BBEE legislation implementation in South Africa. Some of the observations included:

- The emphasis should shift from obtaining minority holdings in white-owned enterprises to assisting black-owned businesses in establishing themselves and growing.
- To prevent leakage, being operationally involved in a business is important. Financial alternatives are needed for black entrepreneurs and for investor-business synergy.
- Banks face difficulties in funding start ups and therefore venture capital needs more focus as an alternative option.
- Banks also have slots on their scorecards for participating in enterprise and supplier development, which can help black-owned businesses, to channel resources towards black fund managers and additionally, should address

negative risk stereotypes, while acknowledging the importance of accountability in the implementation of B-BBEE policies.

- Foreign shareholders should not be barred from engaging in B-BBEE activities.

One speaker also stressed the need of regulatory lending guidelines and decentralising entrepreneurship.

Prescribed assets were considered as a policy alternative, but they must be carefully implemented to minimise undesirable repercussions such as capital flight or corruption.

The importance of making sound policy decisions to attract international investment and prevent capital outflows was emphasised, along with formulating and setting clear goals, such as economic growth, job creation, and income equality.

To eliminate inequality, more investment for black industrialists and black entrepreneurs is being sought, as is increased intention of bankers to provide meaningful assistance for these activities.

The conversation touched on impact investing, capital allocation, process refinement, and unlocking funds at the micro level.

TO CONCLUDE

The panel emphasised the importance of comprehensive policies and implementation initiatives that improve lives and create economic change.



Delegates having a picture moment with Kagiso Capital(KC) CEO Kgotso Schoeman, KC Trustee Andrew Maralack and Duma Gqubule.

“It is in the character of growth that we should learn from both pleasant and unpleasant experiences.”
– Former President of South Africa, Nelson Mandela

CIVIL SOCIETY EXTRAORDINARY SUMMIT

*TIME TO ACT – Arresting a national crisis,
finding urgent solutions.*

By Boichoko Dithlake, Civil Society Support Programme Manager

Civil Society Coalition and Social Justice Assembly was established with the aim of developing a new national social compact that advances social and economic justice for South Africa's citizens.

It also aims to develop an electoral compact for Civil Society's strategic engagement towards 2024 national elections and beyond.

The summit, held at Birchwood Conference Centre, Gauteng, and in other locations across five provinces was attended by over 350 delegates from all nine provinces and national sectors. The engagement was initiated to provide a platform for consolidating multiple consultations that have been undertaken in the sector, to address our national developmental and political challenges by enhancing the social and electoral impact of active citizens according to agreed priorities.

As a rallying point for collective action, to urge the government, private sector, and all stakeholders the summit was created to enable members of the compact to join forces in prioritising and agreeing a course of action to bring about the well-being of our nation and its people.



Captive audience on Day 1 of the Extraordinary Summit.

THE SUMMIT FOLLOWED A CALL BY KAGISO TRUST

“We invite progressive South African civil society formations to collaborate and coordinate in convening an extra-ordinary and urgent civil society consultative conference that would agree and find common ground on key interventions, as well as what is to be done! (and identify action required).

The foundations of a social compact and contract need to be re-negotiated with other social partners such as labour, business, and government towards extricating South Africa out of the current crisis: to re-set and re-imagine a transformation agenda – towards growing social cohesion, economic expansion, and a renewed spirit of constitutionalism and getting our country going”. Kagiso Trust Organisational Statement, July 2023.

Against the background of unbridled decadence and depravity resulting from the escalating socio-economic and political crisis afflicting South Africa, the summit was set up to define and identify issues that demand immediate and concerted action.

These include corruption, service-delivery failures, poor leadership, infrastructure-neglect, and the pervasive lack of accountability that have rolled back gains, destroyed hope and increased marginalisation for millions of people across the country.

Civil society leaders, activists, and concerned citizens convened to address these pressing challenges facing our nation in the spirit of collaboration and in a coordinated manner, to agree on key interventions, as well as what action is to be taken.

The foundations of a new social contract needed to be re-negotiated towards extricating South Africa out of the current crisis, to re-set and re-imagine a transformation

agenda – towards growing social cohesion, economic expansion, and a renewed spirit of constitutionalism and to capacitate and getting our country going.

Participants in the summit recognised that government and the political order have failed to lead our society towards the future all our children deserve, but acknowledged that civil society as custodians of democracy, has also failed to hold those in power accountable, and must hold itself accountable for acquiescing to the abuse of power, for its complicity in degrading institutions and processes of democracy: recognising that civil society has not been immune to the corrosive and pervasive undermining by expedience over principle, greed over public service, self-interest over ethical conduct and behaviour.

It is against this backdrop of a weakening democracy and the continued failure of our political order to lead the country in the direction of justice for all, economic inclusion and social cohesion, that the summit came to the following resolution:

- That a new developmental social contract is urgently needed, not only for the moral regeneration of society but as a foundational touchstone for economic and social justice.
- That the social compact must represent a convergence between civil society, business, labour, and government.
- That a shared agenda and common value-based realignment within civil society is required which prioritises and is focused on the immediate challenges and underlines a new sense of urgency, triggered by our moment of crisis and the opportunity it presents.
- To call for electoral reform that will increase the faith of young people and disenchanted voters in the voting system, and to campaign for and encourage the missing



Discussions held in breakaway rooms.



No shortage of presentation as women from around the country were present to have their say in the summit.

28 million voters, including youth, to register and in this way to strengthen democracy.

- To engage political parties on a range of issues including commitment to electoral reform, ethical leadership, greater accountability to constituencies.
- To further engage them on critical questions around how public representatives can be and are held accountable for performance or lack thereof (e.g., lack of delivery and lack of consequence for service-delivery failure) and proper conduct or lack thereof (e.g., corruption). And to further engage with NEDLAC, National Electoral Commission, Private Sector and Labour towards contributing in fundamental ways to the resolution of the national crisis. Acknowledge that structures such as NEDLAC and Social Sector Summit have so far been inadequate and need to be reconfigured to be representative and outcome driven.
- To push for safety and security, an effective criminal justice system as well as a policing and justice system that works promptly and effectively. That South Africans must campaign to reverse the erosion, on many fronts, of the rule of law. As well as the demand from all walks of life, including women who are subjected to high levels of GBV, for an effective system of policing, prosecution, and justice. A more effective criminal justice system that is more decisively in addressing the escalating citizen anger about stock theft, the violence linked to illegal mining, political killings in provinces such as Kwa-Zulu Natal and Mpumalanga, organised economic crimes and sabotage surrounding construction, such as Construction Mafia, as well as the plundering of critical infrastructure.
- The summit further recognised the crucial role played by civil society organisations, and resolved to strengthen the activism, voice, and leadership within civil society

and to continue working on urgent developmental priorities and community development with Traditional Leaders. To rally civil society in a coordinated campaign around the Elections, focusing on elements such as mobilising the discouraged voters to register and vote, encourage communities and community-based organisations to demand information on candidates for electoral office and to evaluate the qualities and track record of such candidates.

The summit adopted a social and electoral compact and agreed to invoke these elements as part of the demands for a new national covenant to end the crisis, and put South Africa back on the path of inclusive democracy and social justice for all.

KEY FEATURES WHICH STRENGTHENED THE DELIBERATIONS WERE RECORDED AS FOLLOWS:

- The summit implemented the innovative use of technology (via cellphone) during the conference, to share and disseminate the programme and poll participants.
- Delegates provincially discussed the key agenda items beforehand and worked together throughout the proceedings.
- Space was made for youth and women to meet as a caucus, to deepen their inputs and discuss issues faced by their sectors.

This Extraordinary Summit represents a step towards coordinating and activating civil society in defence and advancement of our constitutional democracy. Now is the time for unity, resilience, and unwavering commitment to a better future for the South Africa we want.

All concerned citizens are invited to stand in solidarity as we embark on this crucial journey towards a more just, equitable, and prosperous nation.



Captivated audience on Day 2 of the Summit.



Dean Zwoitaho Nevhutalu, Kagiso Trust Trustee.



Boichoko Ditlhake, Kagiso Trust CSSP Manager.

OUR FOOTPRINT

