

Transcript of an interview with Tito Mboweni, Johannesburg, 11 September 2014

Contents

Delegation and intervention	1
Basic Conditions of Employment Act.....	2
Labour Market Commission	2
Keeping abreast.....	3
Preoccupations.....	3
ANC	3
Reconciliation project.....	3
International work.....	3
Reconciliation: magnanimity or strategy?	4
Economic policy.....	5
Nationalisation	6
World Economic Forum: Davos	6
Ready to govern.....	7
Reconstruction and development program	8
Was the ANC deflected.....	9
Sectoral engagement.....	9
IMF Loan.....	9

Delegation and intervention

TT There is a view that Madiba left the running of government mostly to Thabo, and did not take a hands-on approach – how did you experience it?

TM That's my view. As you know the burden of leading the government during that time fell on Thabo Mbeki although he had to make sure that he kept Madiba informed. But Madiba did leave quite a lot of the government thing to Mbeki. He left the running of Cabinet meetings as well to mostly to Thabo Mbeki and before that to Mbeki and De Klerk.

Personally, as a minister, in Cabinet I mostly experienced the presence of Thabo Mbeki. What do I mean by that? Preparation of bills, planning memoranda and so on would be submitted to him; he would go through it and then it will go to the cabinet committee on economic affairs and so on.

Two occasions were symbolically very important.

Basic Conditions of Employment Act

One was when a few of the ministers opposed the Basic Conditions of Employment Act. This is a long subject for my own memoirs!

After eighteen months of them opposing this thing I got tired. So I went to Madiba and said to him, 'At the next Cabinet meeting I will be re-submitting the Basic Conditions of Employment Act. Two things are going to happen in that Cabinet meeting. One is that they pass the bill, which would be good. If they don't I'm resigning.' He asked, 'Who are they?' I told him and he said, 'Okay leave it to me.'

At the next meeting when the time came for me to make a presentation the usual suspects opposed it. So I looked at him, and he winked and asked Thabo Mbeki to adjourn so that he could have a discussion with those ministers and myself. Well there wasn't a discussion actually, because we just went to his office, it was quite a tiny office, and he said, 'The minister here has briefed me about his difficulties in getting this bill passed in Cabinet and that if today this bill is not passed by the Cabinet he is resigning. I don't want this young man to resign so when we go back to the Cabinet now, you guys must go and support the bill.' Trevor tried to explain but Madiba said, 'No there is no discussion, just go back and support the bill.' We went back, I continued my presentation of the bill and then the guys who were opposing all along suddenly were the ones that supported me.

TT Did he act in the light of the bill's content, or just to make sure it went through

TM No, he had read the bill but he didn't argue the contents. He just said, 'I read the bill; this young man says that if he doesn't have the bill passed, he's leaving and I don't want him to leave, so you guys go back and support him.'

Labour Market Commission

The second occasion was when we instituted a labour market commission with Dave Lewis and some guys from the ILO. We needed his support for that, which he provided and it was good for the commission to have that. When we were finished with the work we went to submit to him at Tuynhuys and he gave them time to make a presentation. They were very pleased, he was pleased.

TT There were other things like political violence which absorbed a lot of his attention. So the question is about what he regarded as priorities for him as president.

TM It was definitely not cabinet management. Effectively, many people have commented on this, Thabo Mbeki was the de facto Prime Minister. Madiba gave him the space to do that, to run the government, while he was doing the reconciliation things. He probably focused quite a lot on the armed forces and the police, but I was a little bit removed from that. Certainly he showed an interest in structural arrangements for the judiciary, and Chapter Nine Institutions

TT And NEDLAC?

TM No, the bill to establish NEDLAC was already drafted before the government started. Halton Cheadle had already drafted it as part of our preparation, because we didn't know who the minister of labour was going to be and the draft was just sitting there waiting for the activator. Madiba didn't play any role in the conceptualisation.

Keeping abreast

TT Did you get a sense that he kept briefed and abreast of things?

TM He was briefed. You could tell that he had been briefed. I think that for the four years I was minister I probably went into his office not more than four times. The traffic was going to President Mbeki's office or if we really needed the president's attention we would go to Jakes. Because we knew Jakes would have a record of the issues and follow-up meticulously

TT There was the issue of the lockout in the Labour Relations Act did he intervene with business and trying to resolve the issue?

TM No, I negotiated the law. On the labour relations issues, despite the reservations which the colleagues had, they were not as vociferous as they were with the Basic Conditions of Employment Act. I didn't have to seek the old man's intervention.

Preoccupations

I think that you might find that he was principally absorbed perhaps by three things:

ANC

One, the ANC. He came with this model that every Monday he was going to be in the ANC office, and they have continued with that. It was a difficult thing. Whether some of us were in the private sector or not we were expected to put Monday for ANC work: 'On Monday I'm in a board meeting so what am I expected to do?' So, he focused on the ANC

Reconciliation project

Two, I think he focused heavily on the reconciliation project in its various forms, whether it was sport, or tea with wives of former presidents or meeting the generals or Constand Viljoen, I think he paid a lot of attention to that.

International work

Thirdly, I think he supported Alfred Nzo quite a lot on the international work. He had a huge amount of influence internationally, so he could pick up the phone and speak to Clinton, or speak to Mugabe or speak to anybody you know. He always had a phone next to him, he was always talking to people around the world, and I think he saw himself more as a global statesman who could intervene anywhere. I remember him lambasting Tony Blair over Iraq in a speech that he gave in Stellenbosch: he called him 'the foreign minister of the United

States'. He saw himself as influencing international diplomacy in one way or another.

I think he was very passionate about these projects around children. The Nelson Mandela Children's Fund, in a sense, represents that passion and commitment for children. I don't know where this thing about children's projects comes from. Is it because children's issues tied up with pet subjects or people or was there something connecting him to the need to do something for South Africa's children? I don't know.

Reconciliation: magnanimity or strategy?

TT Taking one of those things, reconciliation: did it seem to you like something that came out of a set of values or was it a means to an end?

TM I've asked this question many times through the prism of my limited struggle experience. How possible is it for somebody who was humiliated, in leg irons, gone to prison and court in leg irons, put in prison age about 40, to be a prisoner for so many years, is it really possible that you can have such a magnanimous heart? Or indeed, was it a case of, 'Look, I'm already over seventy, there's not much I can do, and maybe I can do something which might influence people's thinking'. In one of his books, maybe in *Conversations with Myself*, he does indicate how difficult it was for him. But he had reached the point at which he couldn't be bitter and had concluded that if he went on being bitter it would mean that the enemy had succeeded, so he had to try and win the struggle against bitterness to be able to survive and live – that's plausible.

TT There is also thought that South Africa couldn't progress unless you found a way of bringing those who had benefited from the past and responsible for it into the present

TM Yes, but at the personal level, I've often asked myself that question, was Madiba pretending, was he being an actor on stage or what? What was it that made him to forgive so much? One of the reasons that made me ask these questions, was that his statement at CODESA against De Klerk was bitter. And I think it brought out all the angry feelings that he had against his captors. You could see the anger and venom of somebody who feels wronged not just by what De Klerk said about MK at CODESA. You could see this was about the ANC; the man of integrity thing, and so on, 'These are the people who incarcerated me'. That must have been going on in his head.

The second instance was when we were at a function at Gencor in Johannesburg, at the Gencor head office next to the Chamber of Mines. I don't know what De Klerk had said to him. He was pointing fingers at De Klerk and some photographer from the *Star* had a night camera and captured a wonderful picture. But again, De Klerk complained later, the old man was talking to him like a small boy and chastising him for I don't remember what.

And in the Cabinet, when he attended the Cabinet meetings, you could feel the very strong animosity towards De Klerk, very strong. I think it was because he looked at him as a representative of the apartheid system, the jailer. He was far

more warm towards Roelf Meyer and Chris Fisser, but very hostile towards De Klerk.

One of the public displays, in a sense, of that hostility towards De Klerk was when he literally frogmarched him out of what was then Libertas, now Mahlambandlopfu. Marike De Klerk didn't want to leave, she wanted them to stay there. The President said, 'No, this is the Presidency,' even though he never stayed there. Really, he stayed here in Houghton. That was another thing, by the way, I picked up from Madiba: he didn't really want to stay in that house. I think psychologically for him it was a house occupied by oppressors; he didn't want to stay there. He preferred to stay at his own house which also for me was indicative of something deep down in him that was, not haunting him, but making him upset and he didn't want the emotion of it to come out.

But he made some spectacular mistakes, when it came to government. One of them was when the workers at PicknPay went on strike nationwide, and I as minister of labour got involved in trying to resolve the dispute. During that process Raymond Ackerman called Madiba and said, 'Can you speak to the COSATU guys about this, it's damaging the business.' So Madiba called me and said that Raymond Ackerman had called him about the strike. So I said, 'No, Madiba, don't worry, I'm dealing with the matter anyway, you don't need to get involved, leave it to me. I don't want to do anything that may sound like we are taking orders from Raymond Ackerman, I'm already dealing with the issue.'

And then I think somehow Madiba always thought that if he makes a call the world will respond positively, which was actually not the case. Sometimes people would say, 'Yes, we will,' just to wait for him to put down the phone and after that they proceed irrespective. I think he had that sense that he could make things happen by calling people. But on Iraq he noticed that actually the world is different, it's not like that, and I think that's when he hit the roof.

There were other things in government he focused on a lot. He thought he had to keep a close eye on the generals – I think he relied a bit on Constand Viljoen for advice on the military, he respected him very much; relied a bit on Joe Nhlanhla, not a lot, as deputy minister of intelligence. On the courts, the law, and so on, where he felt more comfortable, he relied a lot on Dullah Omar.

Economic policy

TT There is a now-familiar narrative about a 'U-turn' in ANC economic policy, in which the WEF has a pivotal place. You were with him at the WEF. To what extent do you think this narrative holds, of the ANC going through a trajectory from left to right?

TM It was always centre, centre-left, it was always social democratic. My view, the way I worked with the old man just before the elections and after 1999, is that he knew that he didn't command a lot of knowledge on economic affairs and finance, he knew that. He knew that his area of expertise was law and politics but he would represent any position of the ANC on economic policy that would have been decided.

Nationalisation

And his view until 1992 was that the Freedom Charter talks about nationalisation: banks, mines, and control over monopoly industries. He didn't know any other party line. Unfortunately things had been moving a little bit. On the one hand was the party line he knew, but since 1985 we had been developing something else, from the 1985 Policy Guidelines for the Future of South Africa. So we had been developing something that was moving and the thing that moved us away from the kind of hard-core nationalisation was our experience living in countries with nationalised industries where we knew that things were not working. So we had to try, in a sense, to investigate and find another social democratic way of achieving a better life, but not through nationalisation. We had seen the nationalisation route in Zambia, in Tanzania. We had seen it all over the place. We had seen it in Ethiopia. We didn't talk so publicly about it, but we had seen it in Eastern Europe. In England we had seen that nationalised industry doesn't necessarily mean a good life for people - the Coal Board was not quite an example of a better life for people. And the whole international socialist movement, in a sense, except maybe the Socialist Workers Party and other such people, was moving away from nationalisation. Vietnam, China, were introducing new reforms, market reforms. So it was a challenge for us.

World Economic Forum: Davos

In 1992 we decided to invite Madiba to come to Davos with us and he agreed. He left Johannesburg with a speech drafted by somebody somewhere, I think in London, given to Pallo and Gill Marcus, and they gave it to Madiba. They didn't show me, and yet Saki Macozoma and I were the ones travelling with Madiba. We arrived in Davos and as is usually the case with the ANC, we get together to discuss the program which was how you involve the President, work out his program and clean it up, reduce the number of meetings because there were too many. We cut it down, two in the morning, two in the afternoon, that's it and if there's a dinner that's fine. He didn't like it because he wanted to meet people all the time. Then he was due to appear in a panel with De Klerk and Buthelezi and his assistant, Thoko, said, 'Here is the draft of the speech that the old man is going to present.' So I said, 'There are no speeches here, it's a panel. Let me have a look.' I said, 'There is no way in which the old man is going to read this thing here: you are going to nationalise this, you going to nationalise that, you are going to nationalise the Reserve Bank and put it under the Treasury. Interest rates will be determined by the minister of finance. In this day and age you are going to do that!' I said, 'No, we can't allow the old man to make a fool of himself and we have a responsibility to protect his dignity.' The mistake I made was that I tore the speech apart and put it in the dust bin. That's bad historical behaviour! You don't destroy documents, you keep them.

I then outlined to the old man what happens in Davos: who is at Davos to start off with, how it goes – because I had been going to at Davos before--what then happens, what procedures, what approach, who is in attendance. I said, 'It's not a mass meeting. It's not FNB Stadium. What will be expected of you, the key

issue for you, is not to pronounce on the economy. It's a political question and that's why you are in a panel with De Klerk and Buthelezi. How are you handling the transition as the ANC, what do you hope to achieve after the elections, what are you going to do? You are not here as an ideologue for economic policy. That is my programme, not your programme, yours is a political programme.' And he says, 'Quite right, I agree.'

That's when I went to draft a new speech altogether for him which I have seen somewhere on the website. The one that they drafted was about 12 to 13 pages, but he only had five minutes. So I drafted a kind of four or five page note for him. He was well received, and he was surprised that he was so well received.

The rest of the story you know. He met the Premier of China, the Premier of Vietnam. Their basic message to him, which dovetailed with what my thinking had been, was, 'You are a liberation movement not a socialist party, how can you be talking about nationalisation when we leaders of the Communist Parties of Vietnam and China are talking privatisation, it doesn't work.' The Vietnamese fellow said, 'Look, we have worked a lot with the ANC people over the years, they would know that in Vietnam we have a new economic policy and that means shifting away from state centred economic policies towards a mixture of state and private, and that we are moving towards market reforms and the role of the private sector.'

I think after that Madiba said 'Nah!' From Davos we went to Denmark, Sweden and Finland. When we were in Sweden he said, 'When we go back home you guys must write a report to the officials, we must forget this nationalisation thing, but we must focus on the basic needs of our people.' Immediately we arrived back he called a meeting and we met at the Cachalias' house.

Ready to govern

And so that's what happened: when we came back we presented our report, we had long conversations which then led to the Nasrec conference which came out with *Ready to Govern*.

TT Was there a lot of discussion at the conference commission?

TM Yes, over eight hours, with Walter Sisulu, Joe Slovo, and Madiba himself. Alec Erwin came at some stage, Thabo Mbeki didn't come there. Eventually, I think it was Walter who said, 'It looks like we can't agree on both the words "nationalisation" and "privatisation". Why don't we remove the words?' That's what happened. So I redrafted it to say 'increase or decrease'.

TT In his manuscript, Madiba describes *Ready to Govern* as the blueprint.

TM The advantage of *Ready to Govern* is that it was adopted at an ANC conference. The RDP was not – it was too big to adopt anyway but *Ready to Govern* was. It was in that sense, I would say, for Madiba his transition from the hard-core Freedom Charter to *Ready to Govern* under new conditions.

Ready to Govern had a huge impact in terms of the policy programme of the new government. In a sense it provided the framework. The RDP provided a contested consensus because COSATU and the Communist Party did not have anything like *Ready to Govern* and going to the election they were very keen to have what they called a negotiated agreement with the ANC about what the ANC is going to implement. So they wanted to negotiate with the ANC. I had at some stage written about something I called the 'reconstruction levy' and that began a debate about reconstruction. COSATU began to talk about the need for a reconstruction programme which would arise out of an agreement. So when I saw this document coming through from Alec Erwin proposing a Reconstruction Programme I wrote in big words Reconstruction and Development. So that's how the RDP thing came about, in anger, and throwing back the message at Alec Erwin!

Reconstruction and development program

That's when we began working on the RDP, but it was an irritating time because we kept on saying to COSATU and the Communist Party, but we have *Ready to Govern*. But they were so determined to write things into the programme for the ANC. Eventually they said that Max Sisulu must lead the process of writing the final document – because we had not adopted the MERG report in full they didn't trust that the DEP would push for the Reconstruction and Development Programme, and said that maybe Max Sisulu should run it from outside.

TT What were the issues on which the White Paper differed from the original RDP document?

TM There was a whole range of issues. You will need to consult the documents. This contested consensus as I call it was a really huge problem. So for example, Trevor and I were not really comfortable with serving a minister in the presidency called 'responsible for the RDP'. So there was tension, and he would behave as if he was there in the negotiating chamber representing COSATU all the time and we had to keep reminding him that this is an ANC government, not an ANC/COSATU/Communist Party government. There's a political alliance, that alliance as well is led by the ANC. It was really difficult. Remember, the unbanning happens in 1990. The period 1990 to 1994 doesn't give sufficient time for these new forces to get to know one another and debate and thrash out issues and there were far too many issues: the peace movement; violence in the townships; trying to design a program; negotiating the constitution. There were too many things. It was a really difficult time and schizophrenic at times.

Madiba gave Jay Naidoo quite a lot of space to operate. But I'm not quite sure that the way they had organised the government system found total support from among the ministers. If you're a minister and you're not in support of something that the president is supporting, you don't like it, you keep quiet, just stay away from it. So I think that we didn't provide sufficient support may be to Jay Naidoo and his RDP office. Maybe in retrospect we could have done better. Given the personalities, they were not gelling on well, we didn't know each other.

Was the ANC deflected

TT Another aspect of the narrative is that there were meetings with business that deflected the ANC, and reference to an IMF loan

Sectoral engagement

TM I have written about that that somewhere, I've written a rebuttal of it. The fact of the matter, and I say it in one of these articles, is that we met many people. In that article I say, we met many people, we met ambassadors, we met high commissioners, we met journalists, we met academics, we met businesspeople, we met labour people, and I said we met bankers, including investment bankers too. We met the whole range of people. This notion that there was a secret agreement between the Brenthurst Foundation and the ANC and money exchanged hands, is rubbish, it is a Sampie Terreblanche creation. Did we speak to the Oppenheimer's and the Brenthurst Group? Yes, we did.

IMF Loan

The loan is a different matter. In the TEC sub-Council on Finance, we learn South Africa faces a huge balance of payments problem. There was a drought as well. The external account is about to collapse. Derek Keys was the minister of finance. He comes to us in the sub-Council on Finance, remember when we created the TEC, it was now joint government. So he comes to the sub-Council on Finance and discusses the state of the balance of payments and he says that if the TEC is in agreement he would like to approach the IMF for a facility to support the balance of payments, and we agree. Facilities like that are normally accompanied by a letter of intent. For governments which are functioning already it's a proper agreement, but this was not a proper government, so it's a policy statement. The draft came through and I edited it because I was on the sub-Council on Finance and it was agreed upon by the TEC. It was not a secret document: it was adopted by the TEC whose proceedings were open. That was a facility of \$850 million, in November or December 1993 or thereabouts. The facility is called the CCFF (Compensatory and Contingency Financing Facility). It was a soft loan in terms of IMF rules, a facility to support the balance of payments [in the case of temporary problems beyond government control like drought]. There is no way that a small loan like that for a big economy like this could have any significance. As it turns out it's the only thing we have ever borrowed from the IMF, but it's small.