

The Extent of Affirmative Action in the Real  
Estate industry within the Western Cape.

By

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Supervisor: Prof. A D Slabbert

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## Declaration

I hereby declare that the contents of this thesis represents my own work. This thesis, or any part of this document, has not been previously submitted for academic evaluation towards any qualification.

The views, opinions and conclusions expressed and contained herein belong to those of the author. These views, opinions and conclusions therefore do not necessarily reflect those of the Cape Technikon or any of the Cape Technikon's staff.

Signature: .....

# Dedication

I dedicate this thesis to:

- My loving wife, Heather Colleen, for her sterling support and understanding throughout this study. Also for the back rubs and litres of orange juice during the typing of this document.
- My sons, Geoffrey and Morgan, for their patience and for always asking if they could assist in any way.
- My Lord and Saviour Jesus Christ in Whom all things are possible. For all that I have is not my own but came from Him.

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- The Cape Technikon, as the whole process started there.



# Summary

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The extent of affirmative action in the real estate industry, within the  
Western Cape.

By

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Supervisors : Prof. A D Slabbert  
Faculty : Management  
Degree : Magister Technologiae  
Human Resource Management

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South Africa is a country that encompasses numerous population groups and cultures. The country has been embroiled in controversy since the beginning of the 20<sup>th</sup> century, notably for its human rights violations and abuse of the majority of its people; namely Blacks, Coloureds and Indians. The ruling parties since its inception as the Union of South Africa in 1910, until the demise of the National Party government in 1994, has ensured bias to the White minority population group. This favouritism was brought about politically and legislatively to protect Whites, reserve jobs and ensure segregation for the various population groups that were considered unequal, as it favoured Whites only.

The country's first democratic elections in 1994 brought about a change of political will that warranted appropriate action, in order to address the imbalances of the past, for all those who were historically, previously disadvantaged. Programmes of affirmative action were required to redress these imbalances and provide necessary opportunities. The vast

majority of South Africans, namely Blacks, therefore needed employment, housing and recreational facilities as previously they were not afforded many prospects.

The researcher wanted to establish the state of the Black residential property market in the Western Cape, including the prospects for Black estate agents. Accordingly, an understanding of the political background of the last century was required. In order to implement Affirmative Action programmes in the real estate industry, a basic understanding of Affirmative Action was essential.

The tasks and duties of estate agents had to be clarified and the position of the real estate industry with regards to the various population groups in the Western Cape was also deemed crucial. The researcher accordingly designed a questionnaire in order to conduct a survey to test public perceptions and attitudes. The researcher also conducted interviews with executives and principals representing the real estate industry. A focus group was utilised to discuss the results of the survey and they provided the researcher with qualitative data. The researcher combined this secondary qualitative data with primary quantitative data in order to develop a model which would assist the industry and prospective Black estate agents.

The author believes that this model would be able to substantially benefit all the stakeholders in the real estate industry. Furthermore, the researcher is of the opinion that if this model and the recommendations are implemented, the residential market for the Western Cape would evolve naturally and Black estate agents would be in demand.

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# Chapter One

## Formulation of the research problem and objectives

### 1.1 Introduction

The real estate industry in the Western Cape is not fully representative of the population, as there are few Black estate agents that operate within the province. Research was therefore necessary in order to determine the reasons as to why this situation prevailed.

Consequently data had to be obtained and processed with regards to the political, legislative, social and economic background - in order to understand the depth of the problem.

Research had to be designed and conducted accordingly to facilitate the extracting of factual data and relevant perceptions with regards to the public as well as from leaders in the real estate industry. The data had to be analysed and discussed in order to move towards a solution.

Thereafter once the discussion was completed, the researcher realised that affirmative action in the real estate industry would be required within the Western Cape. The researcher believes that affirmative action should be correctly implemented in order to correct a market that is, in essence, skewed towards a minority base.



## 1.2 Clarification of basic terms and concepts.

For the purposes of this research proposal, the following definitions will apply:

### 1.2.1 Affirmative action

Affirmative action may be defined as a positive strategy aimed at redressing imbalances in the workplace and the disadvantages experienced by Black people, women and disabled people in order to achieve employment equity.

### 1.2.2 Apartheid

A legal policy of segregation applied to racial groups that was formed and utilised within the South African judicial, political and social systems.

### 1.2.3 "Black people"

This is a generic term that means Africans, Coloureds and Indians according to the EMPLOYMENT EQUITY ACT NO. 55 OF 1998. However, for the purposes of this study, Black people represent themselves only and exclude Coloureds and Indians. All population groups of South Africa including Whites are, in fact, Africans.

#### 1.2.4 Board

The institution that is formally known as the Estate Agency Affairs Board.

#### 1.2.5 Western Cape

A geographical area pertaining to a province within the confines of the country of South Africa. In terms of this study it includes the sum total of all races, cultures, genders and ethnic groups within the above mentioned borders.

#### 1.2.6 Estate agent

An estate agent is someone, be it a person or a firm, who for the acquisition of gain, directly or indirectly advertises that on behalf of another person he or she will negotiate, buy, sell or hire immovable property or business undertakings. An important function is to collect monies payable by purchasers, shareholders, landlords and tenants.

#### 1.2.7 Immovable property

Houses, land and sectional title units.

#### 1.2.8 Institute

The organisation that is formally known as the Institute of Estate Agents. It exists primarily to look after the interests of its members.

### 1.2.9 Management

This would be defined as the decision-makers, leaders and executives of a real estate company that dictate the direction and goals of the particular enterprise.

### 1.2.10 Mandate

This is an instruction to perform an estate agency service, or to have the power of attorney to render and perform the service.

### 1.2.11 Real estate industry

The real estate industry is divided into a number of sectors. Residential sales of land and/ or houses are the largest of the sectors. Other sectors include commercial sales, industrial sales, property development and the letting of all the aforementioned.

### 1.2.12 Sole mandate

An undertaking on the person giving the mandate to ensure that an estate agent or agency is given the sole right to perform an estate agency service, or to have the power of attorney to render and perform the service.

### 1.3 Statement of the research problem

*The Extent of Affirmative Action in the Real Estate industry within the Western Cape. Why are there are few Black estate agents within this industry? In view of present labour legislation, it appears as if there are not representative numbers of Black estate agents within this industry. This creates particular problems for operations within the industry.*

The problem as stated, is a researchable one that meets the criteria set concerning problems.

- The variables in this problem express a relationship;
- The problem is presented in the form of a question;
- By the nature of the question possibilities of empirical testing are implied.

### 1.4 Background and Theoretical overview

Until 1991, apartheid laws reserved most of the land in South Africa for White people. Those laws took away the rights of Blacks, Coloureds, and Indians to own, rent and live in areas designated for Whites. The Group Areas Act of 1966 divided towns and cities (apart from the townships) into group areas for Whites, Coloureds and Indians. If the police caught Coloured people living in the wrong area, those Coloured persons could be charged in a criminal court. Therefore Black people would certainly not have been able to own property in exclusive White areas.

Before 1986 there were 'influx control laws' or 'pass laws'. These laws stopped Blacks from owning or living on land in the towns and cities outside the 'homelands' within the greater boundaries of South Africa. This was in order to give South African Blacks political rights in the 'homelands' and to force them out of the rest of South Africa.

In 1986 the government scrapped the influx control laws. Many Blacks moved to the cities, struggled to find land and therefore lived in shacks.

- A percentage of opponents of affirmative action see it as a process of window-dressing or fulfilling quota systems. Other detractors label it as "reverse discrimination" and believe it is demeaning for Black people.
- Detractors also believe that there are fundamental differences that cause friction between White and Black employers. They also believe that Blacks who are trained and qualified by the employer, will use the employer as a stepping stone to another company. This is seen as a cost to the company.
- Companies that see the increased purchasing power of Blacks as an opportunity must adapt their organisations hierarchy, structure and approach in order to gain access to their markets.
- Advocates also believe that the country must not ignore or waste the talents of the Black population. They also maintain

that by spending on the training of Blacks the company or organisation will be competitive.

- There are advocates who believe that for South Africa to be truly democratic employers need to use affirmative action as part of a continuous transformation.
- Research by Ian Emsley (1996) claims that the affirmative action programme in Malaysia has been extensive and successful. His findings were that economic growth was indispensable to successful affirmative action. The study also states that growth is essential for providing resources to reduce backlogs.
- Boston (1999) found that Black-owned firms in the United States are eight times more likely to employ Blacks than firms owned by non-Blacks. His findings were that economic status of minorities, Blacks, as well as women had not improved.

## 1.5 Research question

*Why are there so few Black estate agents in the Western Cape?*

- There are a number of questions that needed to be answered in conjunction with the research question. These questions are sub-problems.
- The first sub-problem was to determine if there is a Black real estate market in the Western Cape;

- The second sub-problem was to determine to what extent affirmative action has an impact on this market;
- The third sub-problem was to determine how the lack, if any, of a Black real estate market has impacted on the real estate industry;
- The fourth sub-problem was to determine whether and how management, can assist in establishing a normal real estate industry in which all South Africans can participate.

## 1.6 The study objectives

- To determine why there are few Black estate agents.
- To develop guidelines for induction and mentoring of Black estate agents.
- To develop a model for recruiting Black estate agents.

## 1.7 Research design and methodology

The research approach was quantitative and qualitative by approach and was conducted in the natural work environment.

The four sub-problems were treated independently and each was dealt with through the use of a focus group. The focus group was limited to six members of the general public. It consisted of Blacks, Whites and

Coloureds. There were no Indians, as this is too small a minority group for the purposes of this study.

### 1.7.1 The data collection

The data will have been collected by means of a questionnaire. This questionnaire focused on data required to solve the four sub-problems and approximately 100 sample questionnaires were utilised in this research. The samples were taken from members of the public as well as from the industry. The focus group also completed questionnaires but these were not part of the actual sample.

Structured interviews with principals of Real Estate Agencies were conducted to determine management attitudes towards:

- The Black real estate market
- Implementing affirmative action
- Remedies

### 1.7.2 Focus group

The results of the focus group, interviews and questionnaires will have been used in this study.

## 1.8 Delineation of the study

The study focused only on the real estate industry within the Western Cape.



## 1.9 Results

The results of the research were analysed and discussed. Thereafter a model was developed that contained a number of components in order to address the problem. The model places emphasis on education and communication between the target market and the role players.

The author believes that the correct implementation and active participation between the various stakeholders i.e. the Board, financial institutions, real estate agencies and the State, with regards to the model, will ensure that the property industry is rectified in the Western Cape.

Therefore the status of Black estate agents will improve as will the perceptions of the general public with regards to the industry. The author discovered, during the course of the research, that the public was largely ignorant with regards to Black estate agents.

## 1.10 The significance of the study

Considering the fact that the majority of current texts provide information on affirmative action in Malaysia, the United States and Latin America this study will be of significance to the Real Estate industry within the Western Cape.

The private sector is still undergoing major transformation since the new democratic government was elected in 1994. Whilst some companies have elected an affirmative action policy and

implementation thereof in the late 1980's, affirmative action under the new dispensation is still in the formative stage. It is virtually non-existent in the Real Estate industry.

Under the previous regime affirmative action regarding Blacks was largely ignored and therefore only a small sector of the population was able to benefit from such programmes. This study will be an asset to real estate firms who would want to implement affirmative action effectively and efficiently.

### 1.11 Expected outcomes of the study

This study aimed to bring together the collective thoughts and feelings of a representative sample of Black, White and Coloured South African estate agents on the effective implementation of affirmative action within the real estate industry.

A model for recruiting Black estate agents was presented which should serve as a tool to encourage and stimulate Black real estate growth. Such growth would be of significant value in encouraging the development of a Black middle class. This growth would also ensure a relatively discrimination free attitude developing in the property market in the Western Cape.

# Chapter Two

## Literature Review

### 2.1 Introduction

In order to understand the necessity for affirmative action in the South African context, it is essential to review the political landscape from May 1910 when the Union of South Africa was formed, through to the present. The author is of the belief that in order to understand the situation regarding the real estate industry and the lack of representation of Black estate agents, a detailed study of the political and social conditions was required. The author believes that the lack of literature regarding Black estate agents and the disproportionate ratio of property ownership to the Black population group is directly related to the political and legislative history of South Africa.

Therefore attention was given to the legislative, social and economic conditions of South Africans prior to the draft South Africa Bill to the present day. Accordingly the researcher has provided material on the Truth and Reconciliation Commission and the Reconstruction and Development Program in order to facilitate an understanding of the relatively new democratic arena in which the Black estate agent has to operate. The author therefore believes that the key to operating successfully in the present age of the property industry is through comprehension of the segregated history of South Africa in order to effect proper solutions.

The ideals and importance of affirmative action programmes would have had to be understood from the perspective of other countries, such as the United States and Malaysia, where these programmes have received both condemnation and commendations.

It was also essential to have an overview of the tasks and duties of the estate agent and how the agent functions within the real estate industry and its clientele.

## 2.2 The political review from 1910 to the present

While the Constitution of 1910 had the effect of uniting South Africa under a single government it did not make her a sovereign independent state. According to Davenport and Saunders (2000: 268) with regard to external affairs, South Africa was bound by the decisions of the King, acting on the advice of his British ministers of state.

Internally however, South Africa was able to enforce legislation in order to attain the aims of the government of the day.

### 2.2.1 Racial discrimination - the legal framework

A number of items of legislation marked the newly formed union of South Africa as a state in which racial discrimination received official status. These were:

- Black Africans were prohibited from becoming full members of the Dutch Reformed Church by the Dutch Reformed Church Act of 1911;

- It was a criminal offence for Black Africans only, to break a labour contract, this being enforced by the Native Labour Regulation Act (No. 15) of 1911. Whites were explicitly excluded from this legislation;
- The Mines and Works Act (No. 12) of 1911 reserved certain categories of work for White people as well as prohibiting strikes by Blacks;
- The Natives Land Act (No. 27) of 1913 segregated South Africa into regions in which either Blacks or Whites could possess freehold land: At that time in South African history, Blacks constituted approximately 66 per cent of the population, yet they were only allowed 7.5 percent of the land. Whites however, were given 92.5 percent yet they made up only 20 per cent of the population. Blacks could live outside their own lands only if employed as labourers by Whites (Davenport and Saunders: 2000);
- The Defence Act of 1912, provided for an exclusive Whites only operated Active Citizen Force.

#### 2.2.2 The prelude to the formation of the African National Congress (ANC)

The various discriminatory attitudes and stances within the colonies at the end of the 19<sup>th</sup> century induced considerable opposition from Blacks and led to the formation and growth of new political bodies, of which the following are examples:

- In 1902 Coloured people in Cape Town formed the African Political Organisation (APO) to represent their interests (Sisulu, 2002). Abdullah Abdurahman, became president of the APO in 1904 and by

exploiting the political discrimination to which Coloured people were subjected, he had built the APO into a body numbering approximately 20 000 members in 1910.

- Mohandas K. Gandhi arrived in Natal in 1893 and set up the Natal Indian Congress as well as launching the *Indian Opinion*, a newspaper, as vehicles for a pressure group. He began a passive resistance campaign against the pass laws in 1906, leading Indians in Natal and the Transvaal (they were legally prohibited from living in the Orange Free State) in various demonstrations. He also organised "stop-work" protests that won the support of many people.

These various activities culminated in March 1909 in a South African Native Convention, which called for a constitution giving "full and equal rights" for all Blacks, Coloureds, and Indians (Drew, 2000).

According to Lewis (1987) Coloured leaders went to London in 1909 to object to the draft South Africa Bill, which did not give sufficient political rights to Coloured people. Black African leaders as well as Ghandi, on behalf of the Indians, also went to London to voice their objections to the Bill.

However, it was opposition to the Natives Land Act, the protests against racial discrimination as well as the appeals for equal treatment before the law, that consequently led to the formation in 1912, of the South African Native National Congress (SANNC). [This organisation was later renamed the African National Congress (ANC) in 1923.]

At a meeting in Bloemfontein on 8 January 1912, the SANNC was established (Davenport and Saunders 2000). The founding president of

this organisation was John L. Dube, a minister and schoolteacher who had studied in the United States.

The congress was moderate in composition and practice. The feelings of the founders were twofold, in that there were those who were of the opinion that British rule had brought considerable benefits, such as Christianity, education, and the rule of law. There were others who also considered that their careers as lawyers, teachers and court translators would be hampered by the racial discrimination that was endemic in South Africa.

The congress called for the concept of equality for all, irrespective of colour or race. They respected traditional authorities in African societies and called for chiefs and kings to be office-bearers within the congress. It was believed that communication was the best way to achieve their aims through dialogue with the British rather than with the South African authorities. They believed that the British could apply pressure on the South African government to effect change.

Although the intentions of Dube and the congress were admirable, their faith in the British was sadly misplaced. In 1914 the congress sent a deputation to London to protest against the Natives Land Act. Such reliance, however, proved unfounded. They were informed that nothing could be done.

Another deputation went to London in 1919 after World War I and although they were received sympathetically by Prime Minister Lloyd George, they were told that their problems would have to be resolved in South Africa by the South African government.

It can therefore be seen that the British adopted a hands-off approach, (which the author alluded to at the outset of this chapter in the 3<sup>rd</sup> paragraph) when dealing with the internal affairs of the Union and in so doing condoned segregation, discrimination and, later, apartheid.

### 2.2.3 World War I, German South West Africa and Afrikaner rebellion

When World War I erupted in August 1914, Louis Botha and Jan Smuts took the Union of South Africa into the war on the side of the British (<http://www.sahistory.org.za>). Both Botha and Smuts considered that being a British dominion, they had virtually no choice but to join forces with Great Britain. The imperial government requested the South African government to invade the territory of German South-West Africa, immobilise radio stations and capture Swakopmund and Windhoek as well as Luderitzbucht. The government had to view the matter in the light of longer-term national interest with the possible acquisition and incorporation of the territory within the union.

Afrikaners were split as there were many that viewed Germany as a friend and the memories and atrocities of the Anglo Boer Wars were also still prevalent.

An attempted rebellion against Botha's government in September was initiated when one of the leaders, De la Rey, an Afrikaner hero from the South African War, was accidentally shot and killed at a roadblock in Langlaagte on 15 September 1914. According to Bottomley (1992) the rebels, many of whom were regarded as poor Whites, were soon put down. These rebel commandos numbering nearly 10 000 men from the Orange Free State and the Transvaal, were crushed by Botha's forces.



Botha sent troops to conquer the German protectorate of South-West Africa (present-day Namibia, mandated by the League of Nations to South Africa following World War I). These soldiers included Coloured volunteers, who were later sent to fight in German East Africa, Egypt as well as in France.

South Africans fought in World War I with distinction and there was a total of 7304 South African fatalities on all fronts, including 615 Black Africans who lost their lives when the troopship *Mendi* sank in 1917 (<http://www.allatsea.co.za/shipwrecks/mendiwreck.htm>).

The political opposition to Botha's entry into the war was led by J.B.M. Hertzog and his newly formed National Party of South Africa (NP). Hertzog felt that not a great deal was being done with regards to the policy of making Dutch equal with English as an official language. He also wanted more done to separate Blacks and Whites in terms of segregation.

#### 2.2.4 The formation and growth of the National Party

In January 1914 the National Party was established to take up the cause of the Afrikaners regarding language and separation of Blacks and Whites. Support for the party grew, especially with South Africa entering the war on the side of the Allies (<http://www.sahistory.org.za>). By 1915 there were branches in the Transvaal led by Hertzog and in the Orange Free State they were led by Tielman Roos. In the Cape, D.F. Malan edited the party's newspaper, *Die Burger* (*The Citizen*) as well as leading the Nationalists in the province.

Hertzog and his followers took great strides to strengthen the basis of Afrikaner nationalism by stressing the importance of Afrikaans as a language rather than Dutch. They encouraged the publication of books and magazines in Afrikaans in order to promote Afrikaner identity. One of their major aims was the alleviation of poverty that had become prolific within Afrikanerdom. Large numbers of Afrikaners had been driven off the land into the cities in the last decades of the nineteenth century and during the South African War. However, with the vast majority of commercial enterprises and banks being run by English speaking South Africans, these people had little success in obtaining jobs or loans from such institutions (Davenport and Saunders 2000).

Many found work as unskilled labourers in the mines, where only the colour of their skin and their appearance assured that they received better remuneration than their Black colleagues. This also caused a rift between White and Black labour in the mining industry (Drew, 2000).

After the unsuccessful rebellion during the First World War, Nationalists consolidated themselves behind Hertzog. The Nationalists made impressive gains in the 1915 general election, taking 16 out of the 17 Free State seats, as well as 7 in the Cape and 4 in the Transvaal, and netted 77 000 votes to the South African Party's (SAP) 95 000. Despite the victory of Union Arms in South West Africa, the SAP lost 8 seats and the Unionists a further 10 (Davenport and Saunders, 2000:285).

It was through the concept of *helpmekaar* (mutual aid), initially adopted to assist the 1914 rebel leaders and their families, that wealthy Afrikaner wine farmers in the Western Cape, pooled their resources. In 1918 they established the South African National Trust Company (Santam) and the South African National Life Assurance Company

(Sanlam). These two companies, a credit institution and a life insurance business, obtained their financial resources from Afrikaners and invested their funds only with Afrikaners (<http://www.sahistory.org.za>).

Another Afrikaner organisation was formed in 1918, the Afrikaner Broederbond (Welsh 1998). Young professionals comprising of clerks, teachers, and ministers in the Dutch Reformed Church who believed that they needed to protect Afrikaner culture established this organisation, which became a secret society in 1921.

#### 2.2.5 Conflict and a growing racial divide in the gold mining industry

During 1921 deflationary policies in Britain and South Africa restored the value of their respective currencies at the expense of gold. Due to a marked increase in costs since the advent of World War I, South African mines found it arduous to face the fall in the gold price. The Low Grade Mines Commission warned that with the decline in prosperity approximately 21 mines constituting about half the Rand gold industry which employed some 10 000 Whites and 80 000 Blacks, were facing the prospect of not being able to make profits.

Furthermore during the war, White miners wages increased steadily rising at a quicker rate than those of Blacks. The latter resented this discriminatory practice and engaged in a number of strikes, which led to loss of life when it was dealt with by the authorities. Hancock (1962) stated that 21 455 Whites were employed on the mines earning a total of 10.64 million pounds whereas 179 000 Blacks earned 5.96 million pounds.

In 1922 the interaction of economic and ethnic factors produced armed conflict amongst White miners (Drew, 2000). They were adamant that labour conditions and the constant threat of Black competition needed to be addressed. Mine owners therefore agreed to reserve certain semi-skilled work for Whites.

Politically, White miners were also split in that many English-speaking mine workers joined the Labour Party (formed in 1909), while Afrikaans-speaking mine workers supported the National Party. There were even radical workers that left the Labour Party in 1915 to form the International Socialist League of South Africa. In 1921 this became the Communist Party of South Africa (CPSA).

Against this background, the mine owners proposed in 1922 that wages be reduced, as well as having a few thousand White semi-skilled and unskilled workers dismissed. The statutory "colour bar" would be lifted, enabling employers to increase their ratio of Black workers to White.

White mine workers went on strike. Militant Afrikaner nationalists took a leading role and organised commandos. Strikers marched through Johannesburg chanting "Workers of the World Unite, and Fight for a White South Africa" (Davenport and Saunders 2000). They occupied heavily fortified positions within the mines. The establishment of a White Workers' Republic was also announced. Prime Minister Smuts utilised 20,000 troops, artillery, tanks, and aircraft. 76 strikers were killed, 4,748 were arrested, and 18 were sentenced to death, although only 4 were executed.

## 2.2.6 National and Labour Parties win election

In the 1924 general election Smuts lost to a National and Labour party alliance. J.B.M. Hertzog became the new Prime Minister. The privileged position of White labour was protected by the new government, which proclaimed the Industrial Conciliation Act of 1924 and the Wage Act of 1925. The Industrial Conciliation Act recognised only White trade unions. The Wage Act gave the Minister of Labour the power and authority to force employers to give preference to the employment of White workers.

In 1926 the Mines and Works Amendment Act reinforced the colour bar in the mining industry (<http://www.sahistory.org.za>). Hertzog also worked towards providing Whites with greater job opportunities, this was done by instituting higher protective tariffs to encourage local manufacturing. To further his aims of job opportunities for Whites he embarked on new overseas trade relations, notably with Germany. The state-owned South African Iron and Steel Corporation (ISCOR) was also established in 1928.

Hertzog removed the property qualifications for all White voters, enfranchised White women, and therefore more than doubled the number of eligible White voters. This also had the effect of reducing Black voters to minimal numbers.

Black opposition mounted as a result of these actions. The Industrial and Commercial Workers Union (ICU) which had been established in 1919 as a trade union for Coloured dockworkers in Cape Town rapidly expanded in rural and urban areas (<http://www.sahistory.org.za>). It exploited the general discontent that Blacks had experienced through the

segregationist policies of Botha and Smuts and their increasing unhappiness over Hertzog's protective White legislation.

ICU organisers endeavoured to obtain mass support asking for the termination of colonial rule and discrimination. The organisation had grown to approximately 175 000 Africans, 15 000 Coloureds and 250 Whites. This however soon collapsed, due to the refusal of Hertzog and the government to offer concessions, as well as the inability of Black Africans to enforce government to change its policies. At the end of the 1920s the ICU scarcely existed, although Black and Coloured discontent at discriminatory practices continued to increase. It is the author's view that justice for the Black man was virtually a non-entity.

#### 2.2.7 The Great Depression and coalition politics

In 1929 the National Party had won the election on its own, having split with the Labour Party, but it also received a backlash from the crippling economic impact which the depression had on the country (<http://www.sahistory.org.za>). Hertzog engaged in a partnership with his former opponent Jan Smuts and the South African Party in order to retain control of the government.

Accordingly they merged the two parties to form the United South African National Party, this was also known as the United Party (UP). They won the 1934 election, Hertzog remained Prime Minister while Smuts became his deputy (Davenport and Saunders 2000).

There were a number of Afrikaners who were unhappy with Hertzog's strategies and the merger as they considered Smuts to be an opponent of Afrikaner nationalism due to his close affiliations with English-speaking mine owners. Consequently with D.F. Malan at the helm and with the

Broederbond backing, there was a breakaway to form the Gesuiwerde Nasionale Party (GNP) in 1934.

In order to accelerate the GNP's growth Malan stressed the sufferings of the Afrikaner people. During the depression the economic problems of the country became particularly evident, especially when the Carnegie Commission on Poor Whites in 1931, found that approximately a third of Afrikaners lived as paupers. To compound the problem it was also found that relatively few English-speaking Whites lived below the bread line.

Malan and the Broederbond embarked on the development of a powerful Afrikaner economic force. To this end, Volkskas (People's Bank) was founded in 1934 (Falkena et al 1992). Afrikaner trade unions, which heralded ethnic nationalism, were established at the same period. The Broederbond also endeavoured to cement a closer working relationship with both Sanlam and Santam in order to create new economic opportunities for the "volk" (people).

In 1938 Malan and his associates highlighted the sufferings of the Afrikaner people by organising a commemorative re-enactment of the Great Trek. Ox-wagon parades were held on December 16, one century earlier to the day, that the Zulu had been defeated at the Battle of Blood River. The Voortrekker Monument, with friezes depicting various aspects of Voortrekker history, was officially opened while Malan made a speech in which he said that it was the duty of Afrikaners to make public life and the towns of South Africa, where the new struggle for power with the Blacks lay, a White stronghold.

The Ossewabrandwag was established by Colonel J C C Laas in Bloemfontein and at one stage its membership was estimated to be in the

region of 400 000. It originally started as a Afrikaner cultural movement after the 1938 Great Trek centenary celebrations but increasingly involved itself in politics (Eksteen 1978).

The United Party government introduced legislation in the 1930's in the form of the Representation of Natives Act (No. 12) of 1936 to remove Africans from the common voters' roll in the Cape, and placing them on a separate roll (Dugard 1978). Blacks throughout the Union were then represented by four White senators. The Natives Representative Council was formed and had advisory powers only.

The government increased the amount of land set aside within the country for Blacks from 7.5 per cent to 13.6 per cent and confirmed policy through the Development Trust and Land Act (No. 18) of 1936, that the country should always be segregated unequally by race. The government also enforced through the Native Laws Amendment Act of 1937 a more rigid regulation of the pass laws (<http://www.sahistory.org.za>).

The government also introduced legislation to prevent the immigration of Jews into South Africa, the Aliens Act (No. 1) of 1937, in response to rapidly growing anti-Semitic sentiments amongst Afrikaners, due to the fact that a large number of the mine owners were Jewish (Crush, 1996). This law also attempted to prohibit the entry of any immigrant who could not quickly assimilate into the White population.

The organised Black responses to these measures were officially quiet. The ANC, under the conservative leadership of Pixley Seme since 1930, concentrated on advising Black Africans to improve themselves and to respect their chiefs rather than engaging in an active condemnation of Hertzog's policies. Membership in the congress fell to a few thousand. In



December 1935, a number of ANC members, disillusioned with this approach, met in Bloemfontein together with representatives of Indian and Coloured political organisations, and formed the All-African Convention (AAC) to protest the proposed new laws as well as segregation in general.

This organisation, comprised of members of the Black professional class along with students and church leaders, avoided the confrontational approach of the ICU. The AAC leaders stressed their loyalty to South Africa as well as to Britain and called for the British Parliament to intervene to ameliorate the condition of Blacks in South Africa.

#### 2.2.8 World War II and the Liberal-Nationalist confrontation

The outbreak of World War II in 1939 was a divisive factor in the White community and public opinion was split (Drew, 2000). Smuts favoured entry into the war on the side of the British and the Allies. Hertzog supported neutrality. There were even those who wanted to enter the war on Germany's side. German National Socialism, with its emphasis on the racial superiority of Germanic peoples, its anti-Semitism, and its use of state socialism to benefit the "master race," had garnered many Afrikaner admirers in the 1930s. A neo-Nazi Greyshirt organisation had been formed in 1933 that drew growing support among rural Afrikaners in the late 1930s.

Oswald Pirow, Hertzog's Minister of Defence until the end of 1939, formed a movement within the National Party called the Nuwe Orde vir Suid Afrika, a national socialist program for remaking South African society along Nazi lines (Davenport and Saunders 2000). It was Smuts who prevailed, winning the support of the majority of the cabinet and

became Prime Minister and the UP stayed in power. Hertzog resigned and joined Malan in forming the Herenigde (Reunited) National Party (HNP).

South Africa entered the war on the side of the Allies fighting in North Africa and Europe. Approximately 200 000 uniformed South Africans took part in the war and they distinguished themselves in many of the battles. Close on 9 000 were killed in the war. In South Africa several thousand members of the Ossewabrandwag, including John Vorster, a future Prime Minister, were interned for antiwar activities (Davenport and Saunders 2000).

During the war, the number of people employed in the manufacturing industry rose by 60 percent and many of them were African women. Urbanisation increased rapidly and the number of Black town dwellers almost doubled. By 1946 the Blacks in the country's towns and cities outnumbered the Whites, although many of those Blacks lived in squatter communities established on the outskirts of Cape Town and Johannesburg.

This state of affairs contradicted the segregationist ideology that Blacks should live in their own rural locations. The development of new Black organisations that demanded official recognition of their existence and better treatment also caused tension amongst the segregationists.

Self-proclaimed king, James Sofasonke Mpanza, of the Orlando squatter encampment outside Johannesburg, set up his own system of local government, rates and taxation (<http://www.anc.org.za>). He also established the Sofasonke Party. Urban Black workers, demanding higher wages and better working conditions, formed their own powerful

trade unions and engaged in strike activity throughout the early 1940s. By 1946 the Council of Non-European Trade Unions (CNETU) formed in 1941, claimed 158 000 members. The African Mineworkers Union (AMWU) was the most important of the new trade unions and it claimed a membership of 25 000 in 1944. During a strike in 1946 the AMWU succeeded in getting 60 000 men to stop work. This strike left 9 dead and 1248 injured when the police crushed it (<http://www.sahistory.org.za>).

### 2.2.9 The 1948 election and Apartheid

Smuts and the UP had also been victorious in the 1943 election while Malan and the HNP consolidated and built up a powerful base with which to challenge the 1948 election. The HNP thrust forward their beliefs that Blacks should develop political bodies in their own lands and have no formal parliamentary representation in South Africa (Drew, 2000).

D F Malan called for the prohibition of mixed marriages and the banning of Black trade unions. He also called for stricter enforcement of job reservation for White people. It is the author's view that although this was in effect affirmative action (AA), it was a gross violation of the fundamental principles of AA. Running on a platform of apartheid, as it was termed for the first time, Malan and the HNP defeated Smuts and the UP. The HNP became the government and the ruling party was renamed the National Party (NP).

The NP set about legalising apartheid through legislation. Laws were needed for the further separating of Blacks and Whites, ensuring that the Whites would be treated favourably and that separate facilities

would mirror these inequalities. Laws providing the state with the necessary powers to deal with any opposition were therefore essential.

#### 2.2.10 Apartheid and legislation

An act was required in order to provide the basis for separating the South African population into different races, and this became The Population Registration Act (No. 30) of 1950 (<http://www.sahistory.org.za>). In accordance with this act, all residents were to be classified as White, Coloured, or native (later called Bantu) people. Indians were included under the category "Asian" in 1959. At first people were classified on the basis of their acceptability within the community, however later amendments placed greater stress on appearance so that Blacks and Coloured people could no longer pass as Whites.

The Group Areas Act (No. 41) of 1950 extended the provisions of the Natives Land Act (No. 27) of 1913. Later laws divided the country into separate regions for Whites, Blacks and Coloureds as well as giving the government the power to forcibly remove people from areas which were not designated for them.

Marriages between Whites and members of other racial groups became illegal due to The Prohibition of Mixed Marriages Act (No. 55) of 1949 (Davenport and Saunders 2000). Many families and even neighbourhoods were divided. The Immorality Act (No. 21) of 1950 put a ban on sexual relations between Whites and any non-Whites.

The Bantu Authorities Act (No. 68) of 1951 established Bantu tribal, regional, and territorial authorities in the areas and regions that were

set out for Blacks under the Group Areas Act. This Act also abolished the Natives Representative Council that was formed in 1936. Tribal Chiefs and headmen that could be controlled, were appointed by the government and they dominated the Bantu authorities.

In 1951 Malan's government wanted to remove the Coloured voters in the Cape from the common roll. This was in order to have them placed onto a separate roll so that they could elect White representatives only. This was the Separate Representation of Voters Act (No. 46) of 1951. However, the Supreme Court declared the act invalid on constitutional grounds but nevertheless it was eventually re-enacted in the form of the Separate Representation of Voters Amendment Act (No. 30) of 1956.

#### 2.2.11 Legislation: separate and unequal

The unequal allocation of resources was solidly built into legislation with regards to education, housing, general facilities and jobs (Simons and Simons 1969). Separate amenities such as parks, beaches and even toilets were stipulated for the various race groups through The Reservation of Separate Amenities Act (No. 49) of 1953 (<http://www.sahistory.org.za>). It was also evident that these facilities did not need to be of an equivalent quality or value. Through this act, apartheid signs were erected throughout South Africa.

While White learners fell under the Ministry of Education, the Ministry of Native Affairs was empowered with providing Blacks with separate educational facilities under The Bantu Education Act (No. 47) of 1953 (<http://www.sahistory.org.za>). The learners in these schools would be taught their Bantu cultural heritage and trained to a level that was consistent with government thinking at the time, which was that Blacks

should be treated primarily as labourers. The Minister of Native Affairs at this time was Hendrik F. Verwoerd. He was later assassinated. This Act also removed state subsidies from denominational schools and as a result, most of the mission-run Black schools were either sold to the government or they were closed.

Furthermore with the Extension of University Education Act (No. 45) of 1959, Blacks were prohibited from attending White institutions. Separate universities and colleges were therefore developed for Blacks, Coloureds and Indians in order to maintain segregation. These tertiary institutions retained the similar inequalities as subsidies were much less than their White counterparts.

The Minister of Labour was empowered to reserve various categories of work for members of specified racial groups through the Industrial Conciliation Act (No. 28) of 1956 (Davenport and Saunders 2000). The minister could recategorise jobs for Whites as well as increase their pay rates if he was of the opinion that White workers were being pressured by unfair competition from Blacks. These discriminatory practices set the tones for revolution amongst Blacks, Coloureds and Indians.

The Native Laws Amendment Act (No. 54) of 1952 required Black men and women to be subject to influx control and the pass laws. This meant that Blacks could not stay in an urban or White area for longer than 72 hours without a special permit, which stated that they were legally employed. The Abolition of Passes and Co-ordination of Documents Act (No. 67) of 1952 replaced the pass with reference books. All Blacks were required to carry a reference book containing their photograph, address, marital status, employment record, influx control endorsements, and the

rural district where they officially lived. Black people who were caught without their reference books could be punished with prison sentences.

#### 2.2.12 Legislation and security

The Suppression of Communism Act (No. 44) of 1950 declared the Communist Party and its ideology and policies illegal. The Act allowed the Minister of Justice to list members of an organisation such as the Communist Party and to ban them for five-year periods from attending public meetings, from public office, or from being in any specified area of South Africa. The Native Administration Act (No. 42) of 1956 permitted the government to banish Blacks, essentially exiling them to remote rural areas far from their homes.

In 1963 the Publications Control Board was established (<http://www.sahistory.org.za>). The Customs and Excise Act (No. 91) of 1964 and the Official Secrets Act (No. 16) of 1956 collectively strengthened the board to censor books and films that were either imported or manufactured in South Africa. During the 1950s the enforcement of the various laws resulted in almost 500 000 pass-law arrests per annum; as well as the listing of more than 600 people as communists; the banning of nearly 350 inhabitants along with the banishment of more than 150 other inhabitants.

#### 2.2.13 Black Resistance and the rise of the ANC

In 1949 James Moroka was elected to the presidency of the ANC. Walter Sisulu, Oliver Tambo, and Nelson Mandela were put on the party's national executive, and they persuaded the Congress Youth League (CYL) to adopt a program of action. A Joint Planning Council was formed

between the ANC and the South African Indian Congress (SAIC) in 1952 which called on Malan and the government to repeal unjust laws or otherwise face a Defiance Campaign (<http://www.anc.org.za>). Malan rejected this ultimatum. The ANC and the SAIC, led by Yusuf Dadoo, then organised mass rallies.

The government banned the leaders and newspapers under the Suppression of Communism Act and had the participants arrested in these demonstrations. By the end of the year almost 8 500 people had been arrested. The Defiance Campaign came to an end and there were no changes made in the laws. What was significant was that the ANC had shown substantial growth as its paid membership increased from less than 7000 at the beginning of 1952 to more than 100 000 by the end of the year under the new presidency of Albert Luthuli.

In 1955 the Congress of the People met outside Soweto. This consisted of 3 000 people that represented Black (ANC), White (the Congress of Democrats), Indian (SAIC), and Coloured (the Coloured People's Congress) political organisations. The multiracial South African Congress of Trade Unions (SACTU) was also present. The document that was under discussion was the Freedom Charter (<http://www.anc.org.za/ancdocs/history/charter.html>).

The charter emphasised that South Africa should be a non-racial society with no population group having special rights and privileges. Furthermore, it stated that all people should be treated equally before the law, that land should be shared and that people should share in the country's wealth. During the meeting the police arrived and recorded the names and addresses of all those in attendance as they suspected that treason was being committed.



Resistance by the masses continued to grow as thousands of people took part in bus boycotts on the Rand. Blacks refused to pay high fares to travel on substandard vehicles. The Federation of South African Women (FSAW) protested against the extension of the pass laws and in 1956 approximately 20 000 Black women marched on the Parliament buildings in Pretoria and presented a signed petition by tens of thousands of people opposed to the pass laws (Drew, 2000). The Nationalist government was undeterred.

#### 2.2.14 Sharpeville

Robert Sobukwe, dissatisfied with the lack of progress, called on the ANC to take more action to challenge the government. He and his followers were forced out of the ANC, and they formed the Pan-Africanist Congress (PAC). The PAC initiated a national campaign in March 1960 by asking Blacks to assemble outside police stations without their passes, thereby challenging the police. The police reaction in most cases was non-violent. Sharpeville and Langa on 21 March were the exceptions.

In Sharpeville the PAC had done little to marshal the demonstrations. The police contingent was disorganised and frightened and their intelligence gathering about the crowd was also limited. What followed was a *"largely gratuitous act of violence inextricably connected with the whole system of racial violence in South Africa"* concludes Frankel (2001:116). 69 Blacks were killed and 180 injured when the police opened fire on the demonstrators.

The shooting was condemned worldwide as it exposed the harshness of a system of controls which was regarded globally as inhumane. In Langa on the same day 3 people were killed and 47 injured. Blacks stayed away

from work and pass arrests were suspended by the Minister of Justice (<http://www.sahistory.org.za>).

Albert Luthuli declared 28 March a day of mourning for the victims of 21 March asking people to stay at home. Many people of all races stayed home. The government introduced legislation that same day to declare the PAC and ANC illegal organisations. 18 000 people were detained of which 5 000 were sentenced for offences over the next few days under emergency regulations. Sobukwe was jailed for an initial 3 years and detained for a further 6 by Parliament. On 9 April there was an attempted assassination on the Prime Minister, Dr Verwoerd. He was shot by a White man who was declared mentally ill.

#### 2.2.15 Commonwealth withdrawal and the Republic

In 1960 Verwoerd intended to apply for continued membership of the commonwealth should the South African White voters choose to become a republic (Davenport and Saunders 2000). Coloureds, Blacks and Indians were excluded from voting. The UP asked their supporters to voice their opposition to forming a republic. The relatively new Progressive Party however, urged their voters to reject the republic on the basis that a weighted electorate could not provide a valid test of opinion. A majority of the White voters were in favour of a republic.

Verwoerd took the application to remain in the Commonwealth as a republic to the Prime Ministers' conference. It became clear that if South Africa remained in the Commonwealth other members would leave it due to her domestic policies of Apartheid. He withdrew the application. When the Union became the Republic of South Africa on 31 May 1963, its membership of the Commonwealth of Nations ceased forthwith.

## 2.2.16 Apartheid in the 1960s and 1970s

Being banned from having a legal existence in South Africa the ANC and the PAC established underground organisations in 1961 to carry out their struggle against the government. The militant wing of the ANC, Umkhonto we Sizwe (MK) meaning Spear of the Nation, targeted police stations and power plants but avoided the loss of human lives (Davenport and Saunders 2000).

Pogo which meant Blacks Only was the PAC's militant wing and they targeted and killed Black chiefs and headmen believed to be collaborators with the government.

The African Resistance Movement, an organisation consisting of young White students and professionals carried out bomb attacks on strategic targets, including one at the Johannesburg railway station that killed at least one person. The railway station bomber, John Harris, was hanged. By 1964 the police succeeded in crushing all of these movements.

Seventeen MK leaders including Walter Sisulu, Dennis Goldberg and Govan Mbeki, had been arrested at a farmhouse at Rivonia in July 1963 and, along with Nelson Mandela, were tried for treason. Eight of them, including Mandela, were sent to prison for life (<http://www.anc.org.za>).

Albert Luthuli was awarded the Nobel Peace Prize in 1960, however the government confined him to his rural home in Zululand, until his death in 1967. Oliver Tambo escaped from South Africa and became president of the ANC in exile. Robert Sobukwe was interned on Robben Island

until 1969 and then placed under house arrest in Kimberley until his death in 1978 (<http://www.anc.org.za>).

John Vorster, the Minister of Justice, was in charge of the government campaign to crush internal resistance. He was able through new security legislation, to put down the resistance. The General Law Amendment Act of 1963 allowed the police to detain people for 90 days without charging them or allowing them access to a lawyer. Thereafter the police could re-arrest them for further detainment. Only the Minister of Justice had the authority to order a person's release. Vorster became Prime Minister in 1966 when Verwoerd was assassinated by a Coloured parliamentary messenger.

The Group Areas Act ensured that South Africa was divided into zones in which members of only one racial group could live, therefore the other race groups had to move. In most cases it was the Blacks who had to move, usually with the threat of force. In the period between 1963 and 1985 approximately 3.5 million Blacks were removed from areas designated for Whites and sent to the homelands, where they added to the critical problem of overpopulation.

KwaZulu was divided into some eleven fragments interspersed with White farms and coastal lands allocated to Whites. Bophuthatswana, a homeland, consisted of nineteen separate pieces of land spread hundreds of kilometers apart. In 1976 the poverty-stricken and overpopulated Transkei homeland, was given its independence although no country except South Africa recognized the new state.

### 2.2.17 The rise of Black Consciousness

Steve Biko, a Black medical student at the University of Natal, established the South African Students' Organisation (SASO) in 1969 (<http://www.anc.org.za>). He argued that Blacks had to run their own organisations as White liberals would always align themselves as a last resort with other Whites rather than with Blacks. He was of the opinion that they had to liberate themselves mentally as well as physically. He rejected the use of violence adopted by the ANC and the PAC in the early 1960s and emphasized that only nonviolent methods should be used in the struggle against apartheid. SASO expanded rapidly due to Biko's thinking and its members established Black self-help projects, including workshops and medical clinics throughout South Africa.

The Black Peoples' Convention (BPC) was established in 1972 to act as a political umbrella organisation for the adherents of Black consciousness. At first the government was unconcerned until Biko and his organisations took a more overtly political stance. Rallies held by SASO and the BPC in 1974 to celebrate the successful overthrow of Portuguese colonialism in Angola and Mozambique resulted in the banning of Biko and other Black consciousness leaders and their arraignment on charges of fomenting terrorism.

### 2.2.18 Soweto 1976

The Afrikaans language was seen negatively by Blacks as being the language of the oppressor. Students began to boycott classes. On 16 June 1976 hundreds of high-school students marched in protest against having to learn Afrikaans (Drew, 2000). The police responded with tear gas and with gunfire leaving 3 dead and approximately 12 injured. Angry Soweto

residents reacted by attacking and burning down government buildings. The government sent in more policemen as well as troops and the violence was settled within a few days, but several hundred Blacks lost their lives.

Violence continued unabated into 1977. By February 1977 official figures showed that 494 Blacks, 75 Coloureds, 5 Whites and 1 Indian had been killed. In August Steve Biko, who had been held in detention indefinitely, died from massive head injuries sustained during police interrogation (<http://www.anc.org.za>). At that stage SASO and the BPC had also been banned. Worldwide condemnation followed but the government was unrelenting in its approach to its domestic policies.

#### 2.2.19 Apartheid and the inequalities revealed

Vorster and the government tried to create a segregated political system for the Coloureds and the Coloured Persons' Representative Council was created in 1968. However, although Coloureds were able to vote for their representatives, their system could be manipulated by the government at any stage as the drafters of the Council's constitution had set up the appropriate mechanisms. This was apparent when the government dismissed the chairman and Mrs Jansen, an independent, was appointed even though the Labour Party had obtained an outright majority with 31 of the 40 seats.

The Coloured population was also shocked when the Minister of Community Development stated in 1973 that only 1 513 White families had been relocated, as they had lived in the wrong group area compared to 44 885 Coloured and 27 694 Indian families that had been moved by December 1972. Furthermore 153 White families, 27 448 Coloured, 10

641 Indian and 1 162 Chinese families still had to move (Davenport and Saunders 2000).

Any Coloured person who wanted to attend a multi-racial concert or event within the city, had to have a permit as Cape Town central had been proclaimed a White area in 1965. This also had the effect of displacing Coloured families, who had to move from areas and dwellings that had been home to their ancestors since the late 17<sup>th</sup> century.

Coloured dissension, similar to that of Blacks and Indians, was growing and the discriminatory practices of the government in favouring Whites was visibly displayed in the business, education, housing and recreational sectors for the world to see (Davenport and Saunders 2000).

#### 2.2.20 Divisions and splits within the National Party

In 1968 John Vorster dismissed 3 conservatives from his cabinet. One of these was Albert Hertzog, J B M Hertzog's son. He founded the Herstigte Nasionale Party (HNP) and they argued that no concessions should be made in pursuing apartheid's full implementation. Vorster and his allies differed and believed that compromise was crucial. The HNP contested the general elections in 1970 and 1974 but they did not succeed in gaining a single seat from Vorster.

In 1977 rumours of irregular practices regarding government funds surfaced. This eventuated into a national scandal - the Information Scandal - as the government funds had been used to buy control of a national newspaper, the *Citizen*, with Vorster's knowledge. During this scandal Vorster resigned as Prime Minister in 1978 to take up the ceremonial post of State President. P W Botha, Minister of Defence since

1966, became Prime Minister. To avoid impeachment Vorster vacated the office of State President just 8 months after being appointed (Davenport and Saunders 2000).

Dr C P Mulder, the minister in charge of the Information Department who also drew attention in the Info scandal left the NP and formed the New Conservative Party (NCP). Meanwhile Botha initiated a program of reform. He began to do away with aspects of apartheid that were regarded as offensive to Blacks and to world opinion. He targeted the separate public facilities as well as the use of racially discriminatory signs, which designated who was entitled to use these facilities. Botha also accepted the recommendations of the Wiehahn Commission that Blacks be allowed to register trade unions as well as having them recognised as part of the official conciliation process.

The commission also recommended the elimination of statutory job reservation. In 1979 legislation including the recommendations was passed. This resulted in the relatively fast growth in Black trade unions in the 1980s. In the late 1980s Botha also introduced legislation abolishing the pass laws (<http://www.anc.org.za>). However, Botha still endeavoured to ensure the maintenance of White power and continued to support the policy of homelands for Blacks.

#### 2.2.21 Demographics

Whites accounted for approximately 21 percent of South Africa's population in 1936. In 1980 they constituted only 16 percent and future projections estimated that by 2010 the White proportion would be less than 10 percent and falling, while the Black population group would make up almost 83 percent of the total. Botha's government proposed in



1983 that political power in South Africa should be shared among Whites, Coloureds, and Indians through separate houses of parliament representing each racial group (Drew, 2000).

This proposal split the National Party and a number of "verkrampte" members including Andries Treurnicht were expelled when they refused to sign a motion of confidence in Botha's leadership.

The Conservative Party (CP) was formed by Treurnicht. He was joined by Connie Mulder and his NCP and by supporters from the verkrampte faction of the NP. Botha proceeded and called for a referendum in which only White voters would be asked whether or not they approved of this constitutional change.

Liberal opponents of the government, such as Frederik van Zyl Slabbert, the leader of the Progressive Federal Party (PFP) which had replaced the old PP, and Harry Oppenheimer, head of the Anglo American Corporation, denounced Botha's plans. They believed that it would be detrimental and have the effect of permanently excluding Blacks from having a major political role in South Africa (Davenport and Saunders 2000).

Many other politicians and businessmen, both English-speaking and Afrikaans-speaking, were of the opinion that any change in apartheid would be an improvement. Most of the country's White voters agreed, and approximately two-thirds of those who participated in the referendum voted "yes."

## 2.2.22 Reform, conflict and sanctions

In 1984 the new constitution came into force. Instead of having just the one Parliamentary body, there were 3 constituent bodies: the House of Assembly (White) consisting of 178 members, the House of Representatives (Coloured) which had 85 members, and the House of Delegates (Indian) which comprised of 45 members.

The State President presided over the three houses, an office unlike the ceremonial position that it replaced. The state president was chosen by an 88 member electoral college that represented a 4:2:1 ratio of Whites: Coloureds: Indians. This system gave the president the power to dissolve Parliament at any stage. This office was also authorised to allocate issues to any of the three houses. P W Botha became the first State President and he occupied this post from the inception of the tricameral system in 1984 until late 1989.

Blacks strongly condemned the new constitution as they saw it as another effort to bolster apartheid (Drew, 2000). It reinforced their beliefs that Blacks would never be considered as citizens of South Africa even though they effectively comprised 75 percent of the country's population as well as the suppliers of the labour force. The United Democratic Front (UDF) was formed in late 1983 when 1 000 delegates representing 575 various organisations, from trade unions to sporting bodies, decided to use non-violent means to persuade the government to withdraw its constitutional proposals. The UDF wanted to create a new South Africa incorporating the homelands as well as ridding the country of apartheid (<http://www.anc.org.za>). By 1984, the UDF claimed a membership of more than 600 organisations and 3 million individuals.

Bishop Desmond Tutu and Reverend Allan Boesak, emerged as the organisation's primary spokesmen.

The National Union of Mineworkers (NUM) under the leadership of Cyril Ramaphosa, enlisted the support of the majority of Black miners in bringing work to a standstill over wage disputes. NUM also joined with other unions to form the Congress of South African Trade Unions (COSATU) on 28 November 1985 (<http://www.sahistory.org.za>). This organisation represented approximately 500 000 trade union members. Strikes and industrial unrest became the norm and increased in intensity.

Conflict, however, was even more intense in the townships as residents attacked and burned government buildings in an effort to destroy all elements of the apartheid administration. Numerous attacks were made on the homes of Black policemen and town councillors, whose contribution to the apartheid regime was considered essential for the administration of townships.

The international pressures on South Africa and the government intensified in the 1980s. Anti-apartheid sentiment in the United States and Europe, due to large-scale television coverage of violence and discriminatory practices in South Africa, heightened demands for the imposition of official sanctions. Americans called for the removal of United States investments and in 1984 some 40 American companies pulled out of South Africa, followed by another 50 in 1985. In July 1985, Chase Manhattan Bank caused a major financial crisis in South Africa by refusing to roll over its short-term loans, a tactic that other international banks also followed.

This had the effect of fuelling inflation and eroding the living standards of South Africans. In October 1986, the United States Congress passed legislation implementing mandatory sanctions against South Africa, including the banning of new investments and bank loans, terminating air links between the States and South Africa, as well as banning South African imports.

South Africa's complex and fragmented society became a battle zone between anti-apartheid groups and the White conservative defenders of apartheid as they intensified their resistance to change (<http://www.anc.org.za>). Due to mounting international disapproval and the stagnation of the economy, the government realised that its plan for separate racial development would have to be substantially altered or abandoned.

In January 1986, President Botha shocked conservatives in the House of Assembly with the statement that South Africa had outgrown the outdated concept of apartheid (<http://www.sahistory.org.za>).

Notwithstanding this, the government tightened press restrictions, banned the UDF and other activist organisations, and initiated continuous states of emergency throughout the remainder of the 1980s. When the inevitability of political change became apparent, conservative Whites expressed fear for the future.

In January 1989 Botha suffered a stroke and resigned as party leader a month later. The NP elected the Minister of Education, F W de Klerk to succeed him as the party leader. The NP also elected De Klerk, a short while later, to the office of State President but Botha refused to step down for several months. After considerable pressure he resigned and on

14 August 1989, the electoral college named De Klerk as the next president.

### 2.2.23 Dismantling Apartheid

On 2 February 1990 De Klerk announced the imminent release of Nelson Mandela. He also announced the unbanning of the ANC, the PAC, and the SACP as well as the removal of restrictions on the UDF and other political organisations. He sought to improve relations with the rest of Africa by proposing joint regional development planning with neighbouring states. De Klerk also invited African leaders to increase trade with South Africa.

It was on 11 February 1990 that Mandela was released after 27 years in prison. He was 71 years old. South Africans poured into the streets in celebration. His first words were to assure his supporters in the ANC that his release was not part of any deal with the government, and to reassure Whites that he intended to work toward reconciliation. He then quoted his well known statement at the 1964 Rivonia trial, *"I have fought against White domination, and I have fought against Black domination. I have cherished the idea of a democratic and free society in which all persons live together in harmony and with equal opportunities. It is an ideal which I hope to live for and to achieve. But if needs be, it is an ideal for which I am prepared to die"* (London Herald, 1990).

He was elected deputy president by the ANC officials in March 1990 which gave him control over policy decisions in consultation with ailing president, Oliver Tambo (<http://www.anc.org.za>). The ANC also showed widening internal fractures. Many Blacks who had been unanimous in their demands for Mandela's release from prison, were not enthusiastic

about peaceful reconciliation due to past injustices. Militant Black leaders from the PAC especially, rejected Mandela's proposals for multiracial government. They demanded Black control over institutions that would be involved with future decision-making.

In late 1990, De Klerk and Mandela went abroad seeking political and financial support. De Klerk travelled to the United States in September 1990 and to Britain and the Netherlands in October while Mandela travelled to India, Japan, and other Asian countries. Pressure mounted for the lifting of sanctions in the United States. In October the NP also opened its membership to all races.

On 5 June 1991 the government repealed two legislative pillars of apartheid: the Land Act of 1913 (and 1936) and the Group Areas Act of 1950 (<http://www.sahistory.org.za>). Less than 2 weeks later on 17 June the government repealed the Population Registration Act of 1950, probably the most infamous pillar of apartheid, which had authorised the registration of newborn babies and immigrants by race. Its repeal was hailed positively throughout the world. Accordingly the European Communities (EC) lifted most of the trade and investment bans in January 1992 and the remaining restrictions on sport, scientific, and cultural links three months later.

De Klerk called for a referendum among White voters to test his mandate for change. The outcome was a resounding yes from 68.6 percent of the White population. Election analysts reported that support among Afrikaners was even slightly higher than among English speakers. Only one region of the country, the northern Transvaal (later Northern Province) voted against.

#### 2.2.24 Elections and a new democracy

When the elections finally took place on 26 April 1994, the government and the ANC had placed great emphasis on the security forces, with varying degrees of training and authority, in order to prevent outbreaks of violence. Remarkably, the violence predicted was virtually absent. Special votes were cast by a small percentage of voters who were disabled or who were living outside South Africa. During the next two days however, more than 22 million voters stood in queues at approximately 9 000 polling places to exercise their voting rights of which it was the first time for millions of voters. Balloting was extended through to 29 April. IEC officials marked the voters' fingers with indelible ink to prevent fraud (<http://www.sahistory.org.za>).

On 6 May 1994 the official results gave the ANC 62.6 percent of the vote; the NP obtained 20.4 percent; and the IFP garnered 10.5 percent (<http://www.sahistory.org.za>). 7 political parties won seats in the National Assembly. 3 parties won the 5 percent of votes which was necessary to participate in the coalition government's cabinet.

Nelson Mandela was unanimously elected President by the National Assembly on 9 May 1994 in Cape Town (Davenport and Saunders: 2000). His two deputy presidents were former ANC chairman Thabo Mbeki and former State President De Klerk. They both stood with him when he was inaugurated on 10 May in Pretoria. Representatives from 140 countries were present. Mandela reaffirmed his determination to forge a peaceful, non-racial society in which all South Africans would benefit.

### 2.2.25 Truth and reconciliation

On 11 June 1994 The Minister of Justice, Dullah Omar, announced that legislation would be introduced to establish a Truth and Reconciliation Commission (TRC). The Promotion of National Unity and Reconciliation Act (No. 34) of 1995 was the vehicle that the Government of National Unity utilised in order to set up the TRC (Davenport and Saunders: 2000).

This organisation's primary purpose was to enable South Africans, across the racial spectrum, to deal with the events that took place under apartheid. The conflict during this period resulted in violence and gross human rights abuses from both the previous regime and the parties that were associated with the struggle. No sector of South African society escaped these abuses.

The TRC carried out its mandate through 3 committees: Human Rights Violations (HRV), Amnesty Committee and Reparation and Rehabilitation (R&R). Archbishop Desmond Tutu was the chairperson and Dr Alex Boraine was his deputy. One of the aims of the TRC was to provide transparency and this necessitated that the HRV committee hold meetings in towns and cities throughout South Africa, in order to ensure that applicants in all the provinces would be heard (<http://www.doj.gov.za/trc/index.htm>).

In April 1996 the HRV began its task. Those who received amnesty would be exempt from criminal and civil actions. There were many cases of security police brutality, which had taken place over decades of which some examples are highlighted below.



There was an incident in 1963 when Khulile Ngule, who had refused to answer questions even under torture, consequently paid with his life.

Sicelo Aplani had his genitals shut in a drawer, was suspended from the Van Staden bridge and driven through the township in a police van in order to substantiate rumours that he was a police informer. His restraints had been cleverly concealed (Davenport and Saunders 2000).

The TRC as an effective vehicle had to be flexible as well as determined to uncover the truth and the facts behind the truth. This was the case when 6 former security policemen from Natal had led TRC investigators to 5 different sites throughout KwaZulu/Natal where they had killed and disposed of the bodies of 10 former political activists.

The investigators and their team of pathologists uncovered 4 bodies on a farm previously occupied by members of the security branch. The investigators and the amnesty applicants went to the Tugela River site where it was confirmed that 2 people had been shot, their bodies weighted down with rocks and thrown into the river.

The applicants also confirmed that 4 more people had been blown up leaving few body remains. Thereafter the TRC followed the process of confirming the identities of the deceased and notifying their next of kin. The issue of transparency by the TRC was essential and the public had to be continuously informed, therefore a press conference or media release followed when all the necessary information was obtained and confirmed (<http://www.doj.gov.za/trc/index.htm>).

There were many who could forgive and there were those who could not. Jeanette Fourie lost her daughter Lindy-Anne in the Heidelberg Tavern

onslaught: *"I am happy that you are well... You could not tell us here how you felt, which indicates to me that possibly you have been trained not to feel. I can see that that would be important in a killing machine... I have no objection to amnesty for you... Thank you for being able to look me in the eye... and for hearing my story"* (Krog 1998:230).

On 16 July 1998 the Amnesty Committee of the TRC granted amnesty to the 3 APLA operatives that were responsible for the Heidelberg Tavern Massacre in Observatory in December 1993. They also attacked an army base in Nyanga as well as the Lingeletu West Police Station in the Western Cape. Those that were given amnesty were Humphrey Luyanda Gqomfa, Vuyisile Brian Madasi and Zola Prince Mabala.

The Committee found that the applicants had complied with the requirements of the Act in that they were quite clearly acting on behalf of APLA, a publicly-known political organisation and liberation movement which was engaged in the political struggle against the State at that time (<http://www.doj.gov.za/trc/index.htm>).

Many of the cases involved overturning previous court findings such as when subpoenas were served for the Trojan Horse hearing on 29 April 1997. The Trojan Horse incident took place on 15 October 1985 in Athlone when youths started stoning what was thought to have been a South African Transport Services lorry. Shotgun armed policemen, who had been hiding in crates at the back of the lorry, broke cover and fired at the youths. Two youths died in the road and a third, who was in a nearby house, was killed by shotgun fire.

The magistrate, Mr G Hoffman, found that the task-force was negligent and caused the death of the 3 victims as there had been no evidence that

they had thrown any stones. The Attorney General of the Cape, Mr Niel Roussouw, had declined to prosecute and he was supported by the then Minister of Justice, Mr Kobie Coetsee. The families of Mr Magmoed and Mr Miranda thereafter decided to launch a private prosecution in terms of the Criminal Procedure Act of 1977 but they were unsuccessful.

On 10 June 1998 the Amnesty Committee of the TRC granted amnesty to three APLA operatives responsible for the attack on St James Church, Kenilworth, Cape Town, in 1993. Eleven people died and more than 20 were injured severely when the applicants burst into the church on 25 July 1993 with automatic weapons and shot indiscriminately at people attending the Sunday night service, including some visiting Russian seamen.

The applicants, who were serving jail sentences, were active members of the PAC and APLA at the time of the attack. The Committee found that the applicants had no personal knowledge of the people and that they had been sent by their organisation to act on its behalf. Accordingly, amnesty was therefore granted to the APLA operatives Gcinikhaya Makoma, Bassie Mzukisi Mkhumbuzi and Tobela Mlambisi (<http://www.doj.gov.za/trc/index.htm>).

#### 2.2.26 The value of the TRC

On 11 August 1998 Archbishop Tutu, regarding the achievements of the HRV committee, stated that although their desire was to have done more, the TRC had achieved a great deal given the various constraints under which they had operated.

In his statement he said that a policeman sentenced to death for his role in the massacre of 11 people in the province of kwaZulu/Natal, and granted amnesty by the TRC, was received at a meeting in the community where he promised to do what he could to help rebuild it. Tutu also said that the mothers of 7 youths ambushed and killed by police in Gugulethu had been incredibly forgiving after their ordeal. He also said that the TRC had heard moving appeals for forgiveness for justifying apartheid from parts of the White Dutch Reformed Church.

In his closing comments he stated: *"I have asked whether there isn't a leader of some stature and some integrity in the White community who won't try to be too smart, who is not trying to see how much he can get away with, but who will say quite simply: "We had a bad policy that had evil consequences. We are sorry. Please forgive us?" and not then qualify it to death. That would help to close the chapter on our horrendous past and enable us to move forward into the future with confidence, absolved, forgiving and forgiven... True reconciliation cannot be based on lies, the TRC has helped to lay a firm foundation for true reconciliation - it has unearthed a great deal of the truth. The rest is up to each and every one of us"* (<http://www.doj.gov.za/trc/index.htm>).

#### 2.2.27 The Reconstruction and development program (RDP)

The government had realised that poverty and degradation was a reality in the face of modern South African cities and a well developed mining and business infrastructure. Income distribution was racially distorted resulting in significant wealth and immense poverty characterising South African society.

The apartheid policies that had promoted segregation in education, health, transport, welfare and employment had left deep scars of inequality and economic inefficiency. Conglomerates and monopolies dominated by Whites controlled large parts of the economy. Cost effective labour policies and employment segregation, along with job reservation had concentrated various skills to favour the Whites. Before the first democratic elections, apartheid had unleashed a wave of violence that had seen thousands of people killed, maimed and forced from their homes.

Every sector of South African society including the economic, social, political, moral and cultural environments had been confronted with serious issues that threatened the stability of the country as a whole. Essentially the imbalances of the past had to be addressed. The RDP was a socio-economic policy framework. The ideal was to mobilise the country's citizens and resources away from the turmoil and the effects of the apartheid era towards the building of a democratic, non-racial and non-sexist future. The RDP was therefore put together with the aid of numerous research organisations, non-governmental organisations (NGOs) together with the ANC, SACP, COSATU Tripartite Alliance (<http://www.polity.org.za/pol/home/>).

The RDP was based on reconstruction and development being the essential ingredients of an integrated process. The RDP concentrated on integrating growth, reconstruction, development and redistribution into a sustainable system. Growth is obtained when there is an increase in outputs using a constant supply of inputs - the goal of any business. Where that growth occurs, its sustainability, distribution, the contribution it makes to building long term productive capacity and human resource development as well as the impact it has on the

environment, are the fundamental issues with regards to reconstruction and development.

The most important fundamental was the capacity and relevant infrastructure to provide access to essential services such as water, electricity, telecommunications, transport, education, health and training for all the citizens of South Africa.

Such a programme would meet the basic needs and also open up economic and human potential in urban and rural areas that had been previously disadvantaged. This would therefore lead to increased output and growth. The RDP was therefore a people-centred programme - it required people, especially the previously disadvantaged to take part in the decision making process, in implementation, in creating new job opportunities requiring new skills and also in the management and governing of civil society.

The RDP due to its form and nature, was open to different interpretations from various quarters. Leftists emphasised the necessity of state intervention within the economy to promote redistribution and economic reconstruction. Those on the right and the conservatives saw the programme as retarding progress and expressed fear. The government viewed its own role as being one of facilitating, rather than leading development.

While the RDP did attain significant achievements in various areas such as road construction in rural areas, housing, water installation, provision of electricity and the provision of primary health care, the general pace of development had been minimal (Drew, 2000). The housing and land redistribution issues were and they still are, sensitive social problems

that have been used by various political parties as an election tool in order for gaining popularity.

The RDP's success has also been overridden and impeded by inefficient rural councils and a lack of community consultation, meaning that many development initiatives do not adequately reflect local needs (Drew, 2000).

The author is of the opinion that many municipalities overspent unnecessarily on their budgets, while fighting petty party politics at local government level, due to their inexperience as councillors and representatives of the people. Therefore the neglected constituencies that had voted for them were suffering and were not being adequately consulted on their needs.

Shortly after 1996 the ANC and the ruling government moved away from the populist orientation of the RDP, which was upstaged by another programme called Growth, Employment and Redistribution (GEAR). GEAR was implemented in 1998 but was widely criticised from the outset, mostly by trade union activists, for its having been drafted in relative secrecy without consultation, and for its neo-liberal approach (Drew, 2000).

Ironically, the business sector welcomed GEAR because of its neo-liberal approach. GEAR employed strategies - for instance it wanted to attain a growth rate of 6 percent per annum as well as to maintain job creation of approximately 400 000 per annum by the year 2000, and meet the demands of international competitiveness (<http://www.polity.org.za>).

In order to make GEAR feasible, strengthening the competitive capacity of the economy in the long term was a major goal. A number of initiatives were proposed and implemented, most of which have been beneficial in strengthening the economy in the early 2000s. These initiatives included the gradual relaxation of exchange controls, the maintenance of monetary policies consistent with the continued reduction of inflation and exchange rate management to stabilise the real effective exchange rate at a competitive level. What was also necessary was an acceleration of the fiscal reform process, which included a tighter short term fiscal stance to counter inflation and an appropriate medium term deficit target to eliminate government expenditure.

Further revision of the tax structure as well as a range of budgetary restructuring initiatives to sharpen the redistributive thrust of expenditure and contain costs, was also required.

Furthermore, social agreements were proposed and implemented to facilitate wage and price moderation as well as underpin accelerated investment and employment and enhance public service delivery. The South African Revenue Services was one state organisation, in particular, that bought into the process and changed its conservative strategy on service delivery so effectively that it regained billions of rands to the benefit of the consumer and citizen. The Government's conviction, through GEAR, is to establish a stable and competitive environment for significantly improved export and investment growth (<http://www.polity.org.za>).

Since 1994 there has been significant restructuring of South Africa's class structure. In 1993 approximately 54 percent of Blacks, 25 percent of Coloureds and 8 percent of Asians lived in poverty whereas less than 0.5



percent of Whites were in the same position. However, amongst the Black population a more complex differentiated class structure has begun to evolve in that there is now a small Black bourgeoisie as well as a Black middle class. Although South Africa has seen some redistribution of wealth since 1994, the poorest 40 percent of the population, who are largely rural, remain marginalised (Drew 2000).

The inequality between rich and poor has according to Drew (2000) increased significantly since 1975. Ten percent of the population presently earns more than 50 percent of the total national income whereas less than 4 percent of the income goes to the poorest 40 percent of the population.

#### 2.2.28 Beyond the twentieth century

South Africa's first democratic elections in 1994 were distinguished by a very high electoral turnout due to the majority of South Africans voting for the first time in their lives (<http://www.sahistory.org.za>). Popular expectations of the new government were therefore very high amongst Blacks.

However, the second national elections in 1999 showed a significantly lower turnout. This could have reflected a growing sense of apathy as democracy had already been achieved. However, other factors such as the lack of tangible change (especially in the areas of employment and housing) for the majority of Black South Africans would also have had an impact on voter turnout. The author believes that there was, and still is at present, a perception that no other party can rival the ANC and that would have effected voter turnout from all racial sectors of the population in the 1999 elections.

Increased violent crime and corruption, as well as the continuous outward flow of professionals has damaged South Africa's image internally as well as globally.

What is significant, is that since 1994 there have been many questions and debates over identities. Whereas Nelson Mandela and Desmond Tutu referred to the "rainbow nation" which took the world and South Africa by storm, Thabo Mbeki speaks of an "African renaissance". The two slogans are, however, a paradox and demonstrate two vastly different concepts of a national identity. There has also been an increasing resurgence of ethnic and religious identities in the new South Africa. This is slightly overshadowed by debate over who is an African, whether this should be inclusive or exclusive, and what it means to be South African (Drew, 2000).

## 2.3 Affirmative action

### 2.3.1 The ideal of Affirmative Action (AA)

Affirmative action may be defined as a positive strategy aimed at redressing imbalances in the workplace and the disadvantages experienced by Black people, women and disabled people in order to achieve employment equity.

In the global context the process of AA, should be seen as an aid to uplift any human being that has been, for example, disadvantaged due to physical or mental handicaps. People from an impoverished background as well as those not conforming to the discriminators' gender, culture, racial groupings or religion would also be disadvantaged and therefore

lack opportunities in the social, academic, technological and employment environments, according to the author.

✓ AA exists as a process. It occurs as an attempt to level the playing field, which is distorted by the presence of discrimination. Discrimination entails treating people differently because of characteristics such as ethnicity, colour or sex, and this results in the impairment of equality of opportunities and equal treatment (Van Jaarsveld 2000).

✓ It results in and reinforces perceived inequalities. Therefore the freedom of human beings to develop their capabilities and to have the choice to pursue their professional and personal aspirations is severely restricted, regardless of their abilities. This has disastrous consequences for those suffering from discrimination, as their skills and competencies will not be developed, and any potential recognition and possible remuneration will therefore also not be forthcoming. This results in frustration accompanied with humiliation and powerlessness being manifested.

AA is however open to a large variety of interpretations. In a South African context it is believed that AA has to be dealt with within the framework of organisational development, according to Roodt (1992). He also says that utilising any management approach to prepare Blacks to "fit" into the slots of a White corporation or business environment is destined for failure. Roodt is concerned that Whites occupying essential management positions would not be willing to implement AA policies that they deem to be against their own interests and accordingly make them feel threatened.

AA is defined as the process of creating greater equality of opportunity (Human 1995). Human is of the opinion that AA should be a temporary

measure, as well as flexible, and should not consist of rigid quotas. She believes that AA encompasses and is encompassed by the concept of managing diversity.

According to Mandaza (1996) AA can be easily discussed in the American context as Blacks are in the minority. He believes that in the South African context it is essentially a derivative policy framework that is integral to the process of addressing political, economic and social imbalances from a heritage of colonialism apartheid.

Ngubane (1998) however, states that AA reinforces the concepts of racial classification. He believes, as does the author, that Blacks regard AA as a chance to develop themselves, whereas Whites have the perception that AA is a threat to their livelihood and careers.

However AA, whether it be the term that was coined as such, in the 1960s, by the United States or the "reservation programmes" of India or the "positive action" of Europe, aims to redress the historic and lingering deprivations of the basic civil right to equality. It is also a means to advance the economic and social well-being of women, racial minorities, and others born into groups or communities that have disproportionately experienced poverty, unemployment, and a lack of social services and welfare.

### 2.3.2 Affirmative Action in the United States

In 1961, President John F. Kennedy issued an executive order to enable the mandating of government contractors to effect affirmative action. This step was instrumental in ensuring that applicants were employed

without any regard to their race, creed, colour, or national origin (<http://www.law.cornell.edu/>).

Four years later, President Lyndon Johnson argued that a race-neutral policy was not sufficient to overcome discrimination. In a commencement speech at Howard University, where the student population was basically African-American, he stated: "*You do not take a person who for years has been hobbled by chains and liberate him... and then say 'You're free to compete with all the others' and still justly believe that you have been completely fair... We seek not... just equality as a right and a theory but equality as a fact and as a result*" (BBC World Edition, 2003).

The issue of Executive Order 11246 (EO11246) in 1965 was therefore a very important development by the Johnson Administration. EO11246 prohibits discrimination on the basis of race, colour, religion, sex, and national origin. It includes the provision that employers take AA to ensure non-discriminatory treatment in hiring as well as during employment. Furthermore employers are required to prepare an AA plan (<http://siop.org/>).

Although there are a few exceptions, EO11246 applies to all federal contractors and subcontractors in the United States with 50 or more employees and a federal contract amounting to \$50 000 or more. These requirements refer to the organisation as a whole, so if just one location in a company contracts with the government, all of that company's locations are subject to this Executive Order.

The enforcement agency for EO11246 is the Office of Federal Contract Compliance Programs (OFCCP), a division of the Department of Labour. The primary mission of the OFCCP is to determine whether employers

practice AA. Covered organisations that refuse to participate in AA can be denied the opportunity to serve as a federal contractor (<http://siop.org/>; Van Jaarsveld 2000).

It was assumed that disparity would be eliminated over time if discrimination was forbidden and equal opportunity provided. Equal treatment of individuals was expected to yield an equitable, fair and equal outcome.

As the truth of this assumption came into question, the language of the OFCCP regulations changed. In 1968, the agency began requiring a written affirmative action compliance program, a utilisation analysis, as well as specific goals and timetables, whilst maintaining its main focus on opportunity rather than results.

The 1971 OFCCP regulations, however, included a stronger focus on results - the mandate to increase the utilisation of minorities and women at all levels and in all segments of the workforce wherever deficiencies existed (<http://siop.org/>).

Further legislation has extended protection beyond the initial dimensions of race, colour, religion, sex, and national origin. The Age Discrimination in Employment Act of 1967 forbids discrimination based on age. The Vietnam Veterans Readjustment Assistance Act of 1974 requires employers to take AA to employ and advance qualified Vietnam-era veterans. The Americans with Disabilities Act of 1990 forbids discrimination on the basis of disability, while the Vocational Rehabilitation Act of 1973 requires government contractors to take AA for qualified workers with disabilities. These AA programmes focus on employment processes. They are less controversial, and have received

less empirical attention, than AA which is directed at women and ethnic minorities.

The Civil Rights Acts of 1964 and 1991 guarantees equal employment opportunities. AA as per EO11246, requires federal contractors to take active steps to ensure equal opportunity. The legislation guaranteeing equal opportunities and AA, therefore both aim at eliminating discrimination as far as possible.

On the one side, the US government can be seen to promote equal opportunity while on the other side, it has issued EOs which in actual fact, demanded unequal promotion. EO11246 required federal contractors to use AA to recruit Blacks even if there was no evidence to suggest that there had been previous discrimination. This order has been criticised because AA created difficulties in persuading all members of society to accept the concept of equal opportunity (Van Jaarsveld 2000). White opposition groups have criticised affirmative action as being unfair to individuals and resulting in less qualified people being appointed.

According to Tate (1994), in 1984 it was found that even though a large percentage of Black Americans had expressed support for race specific AA it had, in fact, received less support in the Black community than was the case twenty years earlier.

Just seven years later President George Bush tried to pass new legislation which determined that those institutions which continued to supply Black students with special scholarships would not be able to receive federal funding. However, due to public opposition the proposed legislation was withdrawn. President Bill Clinton stated in 1995 that AA

could work if and when it is perceived as being flexible and fair and not as reverse discrimination (*Economist*, 1995).

In 1996 approximately 55 percent of Californians voted for the California Civil Rights Initiative which would have promoted the elimination of affirmative action programmes. The Initiative's Black chairman stated that he refused to believe that Blacks by definition are disadvantaged (*Guardian*, 1997).

It is against this background that the United States is trying to determine the future of affirmative action. Where remedial action was acknowledged in the early seventies and eighties it would seem that further generations want to try to establish equality through different criteria than those just based on race.

During the last 40 years affirmative action has been received with mixed feelings as advocates of the programme have deemed it necessary for a society that is desegregated, whilst its detractors were quick to point out its flaws. Although the US government can be given the credit for AA's longevity, it is the courts that seem to be the power behind the successes of AA (Van Jaarsveld 2000).

The issue of AA and its constitutionality reached the Supreme Court in the *Defunis vs Odegaard* case which involved the challenge of a preferential programme that favoured Black applicants. It was Justice Douglas who stated that the Fourteenth Amendment commanded the elimination of racial barriers in order to satisfy a social theory - being AA (Van Jaarsveld 2000).



In 1980 Justice Powell upheld the constitutionality of a Congress affirmative action plan. By utilising a balancing test, it was concluded that government interest in the remedial plan had outweighed any "marginal unfairness" to White workers. The "unfairness" to White workers was no longer an argument against affirmative action. Opponents of affirmative action have always based their claims on the premise of AA being unfair and unconstitutional (Van Jaarsveld 2000).

Fullinwider criticised the use of quotas in remedial programmes. He believed that quota systems would result in people being denied employment (Fullinwider 1980). Furthermore it is suggested that the use of goals regarding AA rather than quotas, would allow a competent and diverse work force in which both Whites and Blacks are being employed together with regards to proportionality.

It was Judge Thomas, who stated that while segregation could not be unconstitutional it caused feelings of inferiority in that it has violated the principle of equal protection. In March 1996, the Court of Appeals agreed that the University of Texas's Law School maintained a 'sub-rosa' quota system for Black students while claiming to use race only as a positive factor (Houston Chronicle, 1997).

Justice Ginsberg said that the Supreme Court, by rejecting the diversity excuse for race-preference programmes, invalidated programmes which employed racial preferences. It was ruled that by attempting to increase the enrolment of Black students the law school was, in fact, discriminating against White students. The Fourteenth Amendment does not permit any discrimination (Van Jaarsveld 2000).

Supporters of AA in the United States have stated that selection criteria does not predict future performance. Instead selection criteria relies on fairness and existing merit standards in order to justify a departure from any standards (Sturn and Guinier 1996). The tensions displayed within the AA debate may be regarded as similar to the cultural contradictions in American societies in that justice and equality are supposed to equal just results, which AA cannot promise (Skrentny 1996).

Certainly AA campaigns attempt to provide positive action which can supply legal equality in the work place. However in providing jobs there is a significant side-effect: the exclusion of White people. Even with a perfect system of equal opportunity some inequalities are bound to exist as the result of past discrimination. However to leave qualified Whites without jobs would also be unacceptable to American society. According to Epstein (1996) it would be a mistake to allow even remote discrimination to justify affirmative action. This is supported by the Fourteenth Amendment to the Constitution of the United States, which does not allow any form of discrimination as was mentioned above.

The answer may lie in the perception of affirmative action, in that it should not be viewed as a violation of White people rights but rather as a guarantee that Black individuals are receiving what they would have, had it not been for a racist environment (Van Jaarsveld 2000).

The usage of race in AA programmes seems to have encouraged Americans to think of themselves in racial and ethnic terms. The fact is that the United States is faced with a society which demands equality but, after more than thirty years of possible changes the ideal has become mostly unwanted (Van Jaarsveld 2000). While AA has gained enormous attention from the political agenda, presidential stances,

judiciary and the vast American public, it is noticeable that the people it was created for have denounced it in favour of non-racial awareness programmes.

The debate has continued until the present. In June 2003 the US Supreme Court determined that the consideration of race in university admissions is not contradicted by the Equal Protection Clause of the 14th Amendment. The Supreme Court asserts that AA is acceptable if race is just one of the factors for consideration of university admissions, to achieve diversity. This does show a changing trend regarding AA. The race factor in admissions is justified by the rationale that it is only one of several factors. The focus of AA has also been shifted from reparation to diversity (Chong Ho Yu 2003).

The recent US Supreme Court's decision could be viewed as an actualisation of Dworkinian theory (Ronald Dworkin, a philosopher of law at New York University, specialises in the study of equality). According to Dworkin (2000) the equal protection of the laws does not literally mean that the government cannot make special laws for disadvantaged groups. Dworkin emphasises a forward-looking approach as a means to achieve social justice and overall fairness. In his view, Black applicants have no right to preference at the present time simply because their ancestors suffered from slavery in the past.

Racism has harmed society, therefore fostering opportunities for different races to study and work together would be considered an effective remedy (Dworkin 2000). Furthermore, Dworkin states that universities should not admit applicants based on past achievements only. Instead, they have a responsibility to choose promising students who will contribute to the institution's educational, academic and social goals.

Dworkin's theory is based upon a factual-historical analysis (Anderson 1999). It is extremely difficult to distinguish the principle level from that of the practical level. According to Dworkin (2000) the concept of fairness is substantiated through claims of improvement of the basic interests of the community. This is as a result of the implementation of AA (Chong Ho Yu 2003).

Dworkin (2000) argued that through increasing the number of Blacks on campus, AA would enrich the educational opportunities of other students, including Whites. He believes that a diversified learning environment would enable all the students to function in a pluralistic society. The policy although being unfair to certain applicants in the short term, would certainly increase the general interests of society in the long term.

Chong Ho Yu (2003) however, states that although Blacks might be worse off if rejected by selective institutions, there is also the potential damage to society when qualified Whites, Jews, and Asians are rejected by top universities.

AA and Employment Equity (EE) programs in the United States have benefited White women more than Black people, according to Human (1991). She believes that AA and EE programs are fragmented as they have to cater for large numbers of various racial groups, war veterans, gender, the disabled and the elderly. This fragmentation has therefore caused the United States to lose sight of the basic issues of Blacks and Hispanics.

It is the author's view, in the light of the evidence that has been produced, that AA as a process in the United States has shown inconclusive results.

### 2.3.3 Affirmative Action in Malaysia

Smith (1992) states that AA means different things within different contexts and times. Malaysians are afforded special protection by the 1963 Constitution of the Federation of Malaysia. This protection is fairly extensive and includes the reservation of positions in the public service, reservations regarding certain educational facilities, and the preferential granting of business licenses (Emsley 1996). The measures in the Malaysian constitution therefore favour members of the majority population. These measures represent phenomena quite different from that which is applied in the United States.

Malaysia is comprised of Malays, Indians, Chinese people, and other minorities such as Orang Asli (aborigines of Peninsular Malaysia), Eurasians, and the indigenous groups of Ibans, Kadazan, Dusuns, Bidayus and Murut. It is a racially-diverse country. The Malays are the ruling majority whereas the Indians and Chinese people are minorities in terms of numbers. Indians and Chinese people however outperform Malays in both academic and economic achievements, according to Chong Ho Yu (2003).

In order to empower the Malays, the government implemented AA programmes such as setting different admission and hiring standards for various ethnic groups. As a result, many talented people have lost opportunities to actualise their potentials.

In 1965 a contingent of the Chinese sector separated themselves from Malaysia to form their own independent country - Singapore. Singapore adopted a racially-neutral policy within its society. Less than a decade later, Singapore had become one of the "four tigers" in Asia. Singapore is approximately 263 square miles in size, and the population is in the region of 4 million whereas Malaysia covers 127,316 square miles in size with a population of 23 million (Chong Ho Yu 2003). Singapore's manufacturing infrastructures and technological advancements have made the country a regional giant.

In 2002 the GDP of Singapore was US\$91 billion while the per capita GNP was US\$21 255. Malaysia GDP of 2002 was \$US 82 billion and the per capita GNP amounted to \$US3 500. The comparison between Malaysia and Singapore has shown that by depriving a minority of their rights and suppressing their talents, Malaysia has been hurt by her own policy, according to Chong Ho Yu (2003).

The Malays of Malaysia have, however, taken great strides socially and economically and today they are a far more affluent society than was apparent in the late 1960s (Abdullah 1997). The New Economic Policy (NEP) is credited with rectifying the economic and social imbalances in Malaysia through a comprehensive system of AA Policies (Emsley 1996).

The NEP was an AA programme of social engineering aimed at eradicating poverty, redistributing wealth and re-structuring society. The need to restructure Malaysian society was in order to do away with the identification of race which had become apparent due largely to economic activities. Malays were the rice paddy cultivators, Indians were rubber plantation labourers, and the Chinese held positions in business and commerce (Abdullah 1997). This professional categorisation

drawn along ethnic lines implied both social compartmentalisation and economic stratification.

In order to mould Malaysia as a country, justification was required for the restructuring of Malaysian society. According to Abdullah (1997), violent racial clashes, economic inequality between racial groups, and the legacy of colonialism as well as an open door immigration policy provided just cause and necessitated the NEP.

The immigration factor cannot be underestimated, as history reveals. In one tin mining area in Perak, the Larut Valley, there were only three Chinese before 1850. One decade later, there were between 20 000 and 25 000 Chinese newcomers. The rapid increase of the Chinese population in Malaysia was phenomenal because in 1871 the Chinese population in Perak had increased to 40 000 (Smith 1952).

The growth of the tin mining industry saw an emerging economic dominance take place with the Chinese at the helm. Chinese and Indian migration was encouraged by the British colonial administration (Abdullah 1997). In a span of 40 years the Indian population increased from 20 000 in 1891 to 380 000 in 1931 (Smith 1952).

The Malaysian population had in a matter of decades changed its demographics significantly, for at the beginning of the nineteenth century, Malays comprised 90 percent of the whole population of Malaya including the island of Singapore. This proportion was reduced to 54 percent in 1911 and declined to 45 percent in 1931 (Smith 1952). A plural society had emerged (Furnivall 1956), and Malaysians became marginalised. This plural society effectively served the economic and political interests of British colonialism in Malaya during this period.

Although rapid economic growth had taken place there was disparity and inequality in sharing the economic rewards. The British, Chinese, Indians, Malayan aristocrats and peasants all demanded a portion of the financial returns (Abdullah 1997). When British colonial rule was relinquished, (Malaya became Malaysia) the uneven development of Malaysia's plural society was evident as transit immigrant ethnic groups had become permanent residents. The Malays were resentful of the rapid growth of the immigrant population and of their economic position. According to Hussain (1977), they felt that their culture was being neutralised due to the intellectual and economic dominance of the immigrant communities.

In a radio interview in April 1967 on the New Zealand Broadcasting Corporation, Deputy Prime Minister, Tun Haji Abdul Razak bin Hussein, said: "*It is true at the moment that political power is in the hands of the Malays and economic power in the hands of the Chinese. That is why we must try and balance things out. That is why we are doing our best to try and give the Malays a little bit of share in the economy to enable them to feel safe in the country. After all these were the original settlers*" (Abdullah 1997: 199).

Social and economic imbalances in the Malaysian society had developed along racial lines. It was against this background that the NEP, an AA programme, emerged. Combined with the unifying role of Islam and the Malay language it had an immediate effect on Malaysians. The NEP maintained a two-pronged approach. One prong aimed at eradicating poverty by raising income levels and increasing employment opportunities for all Malaysians, irrespective of race. The second prong aimed at accelerating the process of restructuring Malaysian society to



correct economic imbalances, in order to eliminate the identification of race by economic functions (Abdullah 1997).

The creation of a Malay commercial and industrial community in all categories and on all levels of operations was crucial to the AA programme. Such a programme was biased in favour of the Malays, who are locally referred to as the Bumiputera. Opposition, however, was expected from the non-Bumiputera (Chinese and Indians). The government was determined to meet its objectives and set a period of 20 years in which to accomplish its goals (Emsley 1996).

In order to realise these various objectives, especially to accelerate the creation of a Malay (*Bumiputera*) Commercial and Industrial Community, specialised agencies were created to perform special functions. These agencies included the *Perbadanan Nasional Berhad* - The National Trading Corporation (PERNAS), *Majlis Amanah Rakyat* - Council of Trust for Indigenous People (MARA), State Economic Development Corporations (SEDCs), Urban Development Authority (UDA), Federal Agricultural Marketing Authority (FAMA), Bank *Bumiputera* and *Permodalan Nasional Berhad* - The National Equity Corporation (PNB).

The economic activities and services performed by the public enterprises and institutions mentioned above could be considered as active government intervention in the economy with the objective of improving the *Bumiputera's* economic participation and benefits. The government provided business premises and physical facilities in urban centres along with many forms of fiscal incentives and the favourable licensing of economic activities to Bumiputeras (Abdullah 1997).

Abdullah (1997) has argued that the accumulated historical grievances, as well as violence that erupted in May 1969, had pushed the Malay leadership to resolutely embark on its AA programme.

Twenty years later the NEP had significantly improved the *Bumiputera* socially and economically. Malaysia in the 1990s has seen the social landscape of urban centres completely altered from that of the 1960s (Chong Ho Yu 2003).

The number of Malay business establishments has significantly increased which is also a reflection of the escalating purchasing power of the Malays. Wealth has been effectively redistributed. Tertiary institutions have seen unparalleled growth in the numbers of their Malay students. Certainly the Malays have benefited from the NEP affirmative action programmes (Abdullah 1997).

#### 2.3.4 Affirmative Action in the European Union (EU)

The quest for equality within the EU has focused mainly on nationality and on the status of men and women, although the Amsterdam Treaty allows the EU to address discrimination based on race, religion, age, disability and sexual orientation (Ginsburg & Merrit 1999).

The Treaty of Rome in 1957 mandated equal pay for male and female workers for work of equal value. This early commitment to equal wages did not stem from a chivalrous desire to promote gender equality and human rights. Instead, the treaty provision reflected a more prosaic concern, the fear that cheap female labour in some countries would undercut the price of goods in other nations (Källström 1992).

In 1976, the European Union's Council issued a directive which would enhance the the rights of women. Article Two of the directive states that "*the principle of equal treatment shall mean that there shall be no discrimination whatsoever on grounds of sex... This Directive shall be without prejudice to measures to promote equal opportunity for men and women, in particular by removing existing inequalities which affect women's opportunities*" (Ginsburg & Merrit 1999).

In its first encounter, in 1995, the European Court of Justice rejected a German local law designed to help women gain civil service appointments and promotions. Bremen had adopted the use of gender as a tie-breaker for positions. If women constituted less than half the employees in the salary bracket in which a position was needed, and both men and women having equal qualifications applied for the post, the woman would be selected.

A disgruntled male worker challenged the local law as being incompatible with the EU equal treatment directive. The German labour court referred the matter to the European Court of Justice. That court held the local law incompatible with the EU directive, as they found that national rules which guaranteed women unconditional priority for appointments or promotions, went beyond the promoting of equal opportunities (Ginsburg & Merrit 1999). The Bremen prescription was condemned.

While debate continues over the efficiency of affirmative action in the form of preferences and implementation, experiences in one nation or region may inspire or inform other nations or regions in the EC, states Ginsburg and Merrit (1999). However it is the author's view, that this is a global issue.

For example, India's Supreme Court has considered United States precedents when judging the constitutionality of its own affirmative action measures. Defenders and opponents of AA have both referred to U.S. decisions. The latter noting that AA programmes and measures seem to be in a state of crisis in its country of origin (Ginsburg & Merrit 1999).

### 2.3.5 Affirmative Action in South Africa

AA within the South African context is a complex subject as throughout the bulk of the 20<sup>th</sup> century it has been rigorously applied politically to an affluent minority society at the expense of the vast majority of the population. For nearly 80 years since its inception as the Union, AA was geared towards the White population of South Africa even though the phrase itself was not in existence.

South Africa, as a dominion of the Commonwealth, was bound by the crown regarding the way she conducted her external affairs. Internally she was free to enforce any legislation that was required in order to ensure the country's stability, profitability and growth (Davenport and Saunders 2000).

The White sector of the population was therefore in a strong position as it could elect its own government that would comprise of White people and they would control all key positions. This enabled the government to effect its policies of segregation and enforce policies that were unfair and unequal to the majority of her residents (Drew, 2000).

### 2.3.5.1 The platform to White Affirmative Action

When Ghandi, Coloured and Black leaders went to London in 1909 (Lewis 1987) to object to the draft South Africa Bill they were ignored. The setting for inequality was cast. This bill did not grant equality to all the peoples and ethnic groups and the colonial powers therefore endorsed their approval of these unfair measures by their reluctance to intervene (<http://www.anc.org.za/>).

White South Africans would enjoy superiority for decades to come, this was ensured by local legislation at the outset. Segregation - politically, socially and economically, was enforced by the Unions first government. A few examples are mentioned below:

- Blacks were prohibited, by the Dutch Reformed Church Act of 1911, from becoming full members of the Dutch Reformed Church.
- The Native Labour Regulation Act (No. 15) of 1911 made it a criminal offence for Blacks to break labour contracts. Whites were excluded from this legislation.
- What is significant, is that categories of work were reserved for White people with the introduction of the Mines and Works Act (No. 12) of 1911. This act also served to prohibit strikes by Blacks.

The capacity of Blacks was not an issue. Engineers and mine managers agreed that selected Blacks who were given adequate training, would be as competent as Whites for any job - even a mine manager. However, no attempt was made to give Blacks systematic training for skilled work. Not one labour commission considered the possibility of systematic

training. Their concern, when they discussed the role of Blacks, was the degree of protection that should be given to White workers against competition (Simons and Simons 1983).

It is quite plain that the working lives and rights of Blacks and Whites were already on different levels. The colour bar reduced standards of efficiency and safety. In keeping Blacks ignorant of their trade, accident rates soared and strengthened Whites claims to a monopoly of preferred occupations (Simons and Simons 1983). Competence, as has been the case throughout the world, was identified with skin colour (Chong Ho Yu 2003).

There were a large number of Blacks, due to intellect and long service, that were far more skilled than their White supervisors. The Chamber of Mines acknowledged in 1914, that such men were as good, if not better, judges regarding safety underground than partially trained White supervisors.

In May 1918, a bucket strike was conducted by Black sanitary workers, 152 workers were sentenced to two months imprisonment for breach of contract, under the auspices of the Masters and Servants Act (<http://www.sahistory.org.za/>). Blacks had limited opportunities to excel or to further themselves (Drew, 2000).

The Industrial Conciliation Act (No 11) of 1924, which commenced on 8 April, provided job reservation for Whites and it also gave considerable protection in the workplace to Whites. This act specifically excluded Blacks from obtaining membership, and the advantages associated, of registered trade unions. The act went a step further in that it completely prohibited the registration of Black trade unions

(<http://www.sahistory.org.za/>). This meant that Blacks only had the rights that Whites allowed them to have.

This act also allowed the continuation of the exploitation of Blacks as they were not entitled to equal representation. Thousands of Blacks employed as drillers, trammers, packers, or in laying and firing charges would have been considered skilled in Europe and the United States. In South Africa, however, they were called 'boys' and were paid one-ninth of the White miners' wage. Skin colour rather than the degree of skill involved in the work dictated status and the remuneration received (Simons and Simons 1983).

The Immorality Act (No 5) of 1926 commenced on 30 September (<http://www.sahistory.org.za/>) and it further promoted the concept of AA in that it encouraged the notion that Whites were different to Blacks and more superior. This act strictly enforced the prohibition of sexual intercourse between Whites and Blacks and was therefore an aid to the policies of segregation (Davenport and Saunders 2000).

On 10 July 1936 the Representation of Blacks Act (No 12) commenced which effectively removed Black voters in the Cape from the common roll and placed them on a separate roll (Dugard 1978: 90). Blacks throughout the country were therefore represented by just four White senators. This cemented the policies of segregation even further as it made Blacks subservient to Whites in yet another aspect.

#### 2.3.5.2 Apartheid and Affirmative Action

Malan and the Nationalist party preyed on the fears of Whites by stating that communism was their greatest enemy and that the Smuts-Hofmeyr

government was its best agent. Malan promised that if they took office the Communist party would be dissolved; Indians deported; the Coloureds segregated but having privileges over Blacks; the Native Representative Council would be dismantled and parliamentary representation of Africans would be stopped. Blacks would also be barred from White universities and those who were 'redundant' would be excluded from the towns (Simons and Simons 1983).

Once the general elections in 1948 were finalised and the National Party came to power, it was clear to all South Africans that the policies of segregation in the 20s and 30s would gain momentum with the introduction of Apartheid. The government had rejected every claim advanced by the liberation movement in half a century of struggle for national unity, social justice and equality of treatment.

Arrogating to itself, all the pride and power of nationhood, the government denied Blacks the rights and opportunities to evolve from tribe to nation. Parliament was set to work, laying the statutory foundations of the ghettos foreshadowed in the Nationalist party's election appeal for *'total apartheid as the ultimate goal of a natural process of separate development'* (Simons and Simons 1983).

The government enacted a series of racially discriminatory and repressive laws to perpetuate racial domination, such as the Prohibition of Mixed Marriages Act of 1949, the Group Areas Act, the Population Registration Act, the Immorality Amendment Act and the Suppression of Communism Act of 1950 (<http://www.sahistory.org.za/>).

The Black Education Act (No 47) of 1953 ensured the formalisation of the segregation of Black education and it laid the foundations for "Bantu



Education" (<http://www.sahistory.org.za>). The act commenced on 1 January 1954 and it regulated a system that provided unequal education to Blacks. In the segregated school system science and mathematics being taught to Blacks was virtually non-existent.

The facilities that Blacks had to contend with, were sub-standard compared to that of similar White facilities. The education that Whites received was also far superior to Blacks as Blacks were only thought of in terms of labour. Blacks were not even allowed to procure apprenticeships and could subsequently not do trade tests, in order to get technical skills qualifications. Therefore, they were legally forced out of technically skilled jobs. H.F. Verwoerd stated in his speech in the Senate that the human reality had to be racially defined and organised under the '*supremacy of the White race*' (<http://www.sahistory.org.za>).

The policies of segregation, apartheid and job reservation amounted to abuse of AA in that it gave a White minority group that already owned most of the land, and the social and economic wealth, an even tighter control. Afrikaans-speaking Whites maintained a stranglehold over the public sector due to the reservation of positions for Whites in the public service. English-speaking Whites dominated the private sector. The bottom line is that there was also disparity and inequality in sharing the economic rewards (Drew, 2000). The status quo between Whites and Blacks was enforced in the 1970s and 1980s until the policies of apartheid were demolished in the early 1990s and the NP relinquished control of the government to the Black dominated ANC.

### 2.3.5.3 Democracy and Affirmative Action

The month of February in 1990 saw the beginning of dramatic changes that would sweep the country into an era of democracy. It started with President De Klerk announcing among other measures, the lifting of a 30-year ban on the ANC, the PAC and other anti-apartheid organisations. He also announced the imminent release of Nelson Mandela (<http://www.sahistory.org.za/>). The month ended with Mandela, upon release, addressing a rally of a 100 000 in Durban, where he urged his supporters to end the factional warfare that had taken more than 2 500 lives in the previous five years (<http://www.sahistory.org.za/>).

During the next four years, leading up to the first free and democratic elections, the private sector began to attempt AA in their recruitment and selection processes, in order to address the needs of the historically disadvantaged. Initial problems that they accounted were the concepts of identity. Who was to be employed under a policy of AA?

Although Coloureds had been disadvantaged, they had not been as disadvantaged as the Blacks (Madi 1997). Whilst many Coloureds and Indians were happy to be known as Black in order to enjoy the benefits of AA, there were many who believed they were Coloured and Indian South Africans and wanted to maintain their own group identity (Madi 1997). Some Blacks also felt that a Black person was only Black if they had a tribal identity.

There was also a problem with determining the difference between AA and employment equity (EE). De Villiers (1996) stated that AA is a means to an end whereas EE is about dealing with current discrimination in order to prevent future discrimination. Discriminatory

legislation through the policies of segregation and apartheid had afforded Whites racial privileges, providing a basis for the policy of job reservation on the basis of skin colour, states Munetsi (1999). He therefore strongly supports AA legislation.

Doctor Ben Ngubane (Sunday Tribune, 1998) is of the opinion that Black advancement is progressing slowly due to a shortage of trained and skilled Black recruits and not because of racism. He said that there is a need to address training and also the development of human resources.

The Green Paper on EE (South Africa, 1997) referred to a survey of 107 organisations that indicated the top managerial ranks of companies comprised of the following:

- Blacks constitute 2.99 percent;
- Coloureds constitute 0.43 percent;
- Indians constitute 0.21 percent;
- Whites constitute 96.38 percent;

The same study found that the lowest grades comprised of the following:

- Blacks constitute 89.01 percent;
- Coloureds constitute 7.94 percent;
- Indians constitute 1.20 percent;
- Whites constitute 1.85 percent.

It is noticeable in the senior management positions that White people occupy, it reflects a similar pattern and lifestyle that White people would have enjoyed in the apartheid era. The White minority have the most top management positions whereas the Black majority are limited to having most of the lowest grade positions.

The ANC has argued that there has to be rapid advancement in the public sector, particularly in the middle and senior ranks (Madi 1997). The imbalances of the apartheid era in the social, economic and technological arenas have to therefore be addressed effectively. AA's biggest hurdle is the advancement of Black people and by creating role models and facilitating integration the programme could lead to a non-racial society (Van Jaarsveld 2000).

Van Jaarsveld (2000) states that companies employ AA because of the need to deflect legal and compensation costs due to being found guilty of discrimination. She therefore poses the question as to whether AA has a future in South Africa or whether it is a programme that is perceived purely as nuisance value?

To compound the problem, it is also a fact that women, including Whites, were disadvantaged during South Africa's first eighty years under White rule. The Green Paper: Employment and Occupational Equity July 1996 (<http://www.gov.za/greenpaper/index.html#1996%20Green>) points out that 52 percent of the South African population are female yet in 1996 they occupied only 12.2 percent of senior management positions. Although it also shows that 100 percent of senior female managers were White women.

For the purposes of this study the author is approaching AA within the context of Black men and women being disadvantaged. White women in the area that is being researched are not considered to be disadvantaged, according to the author.

South Africa needs a revision of standards to ensure that qualified people are not excluded from consideration states Van Jaarsveld (2000). Joubert (1994) warns that the inadvertent use of AA could lead to a loss in efficiency which would reduce the advantages of AA programmes. In South Africa there is a perception that the main beneficiaries of AA are the rising Black middle class (Madi 1997).

The South African Youth Organisation is of the opinion that White graduates are being reduced to 'second-rate' citizens (Van Jaarsveld 2000).

Remedial policies that are supposed to create diversity, are in fact, creating polarisation within the country. Emigration continues to drain South Africa of qualified and professional people. It has been observed that 22 percent of management employees have resigned in order to emigrate to countries where their skills are recognised (SAPA 1998). A lack of confidence in the government and its affirmative action policies are the main reasons behind the scarcity of academic, research and computer personnel.

The University of Cape Town's policy research unit says the "brain drain" of skilled professionals is much more significant than official figures show, with 41 496 trained professionals emigrating between 1989 and 1997 - almost four times more than the official figure of 11 255. Overall, according to Statistics South Africa (documented migration,

2002), the number of self-declared emigrants in 2001 just to the USA was 17 755.

The shortage of skilled workers is probably the single biggest threat to the country achieving its economic growth targets over the next three to five years, according to Martin Westcott, MD of PE Corporate Services (<http://m1.mny.co.za/BusToday.nsf/0/C2256A2A0020082A42256D7C004CAC1?OpenDocument>).

He estimates that the shortage of managerial and technical staff is somewhere in the region of 350 000 to 500 000 and that it is being made worse daily by emigration.

The country's shortage of finance and information technology (IT) skills is also particularly acute. Westcott has estimated that the country is short of approximately 25 000 IT professionals and that South Africa has a total pool of only 45 000.

AA, in the new democratic era, is still a new policy in South Africa and the government does not seem particularly concerned about the negative comments that have been directed at its programmes. It has run the risk of being labelled "reverse discrimination" by Whites who have been disadvantaged, due to AA programmes (Madi 1997). Van Jaarsveld (2000) states that she is hopeful that due to there existing enough grounds to question the skills of appointed Black workers, the government will recognise the importance and benefit of training programmes.

A sample of 150 managers ranked a list of possible reasons for the slow rate of Black advancement in the following order (Hofmeyer 1988):

- Black workers regarded as not being competent.
- Poor education of Black employees.
- Fear of reaction of White employees.

All of the above are due to the direct intervention of apartheid in South African society (Sikhosana 1996, Van Jaarsveld 2000). This is also the reason why most advancement programs fail. Other reasons are (Hofmeyer 1989; Sikhosana 1996; Van Jaarsveld 2000):

- Lack of commitment by top management.
- Strategic human resource planning is virtually absent.
- Non-communication.

Black employees who are promoted due to the direct intervention of AA need to understand their responsibility in keeping and maintaining acceptable standards thereby proving their critics wrong (Madi 1997).

There is a perception that South Africa possesses all the information and resources required for the successful implementation of affirmative action. If AA is sensibly applied to create equality the effect of reverse discrimination may be acceptable for the present (Van Jaarsveld 2000). The need for training Blacks in order to empower them, and therefore using the skills of White workers are undeniable (Madi 1997; Van Jaarsveld 2000). It can only be speculated at what South Africa could achieve if Blacks, Whites, Coloureds and Indians were able to work

together harmoniously and if all members of South African society were therefore socially and economically productive.

## 2.4 Real Estate Industry

The single biggest asset almost every single South African could ever own is property. It represents shelter, home, wealth, status and capital for the homeowner irrespective of the basis of race, colour, religion, sex, and national origin (South Africa harbours millions of refugees).

### 2.4.1 History of Group Areas

South African legislation over the last century, has forced the various racial groups in this country to living differentially.

Before the Group Areas Act of 1950, throughout South Africa, Europeans (Whites) could own and occupy land anywhere except in areas specially set aside for Bantu (Blacks). Blacks could only own and occupy land in areas set aside for them. Existing legislation did not deal with those residential areas in which there was an intermingling of the races (Davenport and Saunders 2000).

The Group Areas Act of 1950 was an attempt to deal with this situation:

- It extended the principles of exclusive racial areas in order to provide for exclusively White areas.
- The penetrated areas where there had been intermingling of various racial groups were dealt with, on the principle of evacuation within a determined timeframe.



- The principle of controlling changes in the racial character of the ownership and occupation of land and premises, was extended to all defined racial groups throughout the country.
- Plans were created for giving Blacks a measure of self-government in exclusive Black areas. It was argued that democratic principles and procedure would be taught and avenues of employment opened up which did not exist for Blacks in areas that were reserved for Whites. (Drew 2000; Shrand 1967)

The object of the Group Areas Act of 1966, was to provide separate residential and business areas throughout the Republic for the different racial groups of the population.

The Act was designed to control the acquisition of immovable property and the occupation of land and premises by the various racial groups so that eventually there would be a final demarcation by proclamation of different areas, for different racial groups. The act was administered by the Group Areas Board, which was the successor to the Land Tenure Advisory Board. The Group Areas Board consisted of 12 members appointed by the Minister of Bantu Administration and Development, the Minister of Community Development and The Minister of Planning. The Police were appointed with wide powers to carry out any investigations which could be required by the Minister and to ascertain whether the Act was, in fact, being adhered to.

## 2.4.2 Types of Group Areas

- Group areas for occupation.

Under this section of the act, a group area for occupation legally allowed a designated racial group to occupy the specified area. No other member of another racial group could occupy any portion of the specified area except by a permit.

Premises used for the storage of goods could not be said to be unoccupied, even if no human being was habitually present thereon.

A prohibition in title deeds in a group area for occupation, prohibiting or restricting the use of the property by persons who are the members of the group for which the area has been established, fell away when the proclamation took place (Shrand 1967).

- Group areas for ownership

The same provisions regarding title deeds, as was made in the case of occupation of group areas, would also apply in the case of group areas for ownership.

A testamentary disposition or intestate succession of property, by which a person of a different racial group obtained rights, could not take effect unless the beneficiary was authorised to hold or acquire the property under a permit. In fact, unless the beneficiary obtained a permit, it became the duty of the executor in the estate to realise the property within the period of one year, or such extended period as allowed by the Minister (Shrand 1967).

There was no detrimental effect on property sales as estate agents working in a population area, only sold property to members of the same racial group. The estate agent also belonged to the same racial group. This had the effect of working in isolation, as regards population groups, but moreover it meant that the estate agent knew his or her selling area well and also the type of person he or she would be dealing with, as they belonged to the same culture.

#### 2.4.3 The present

With the demise of the apartheid system in 1990 and the fall of acts such as the Group Areas Act, the property world opened up to all citizens of South Africa. Market forces became the only barrier to owning property in the Western Cape. Therefore anyone could own property, even in exclusive suburbs such as Bishopscourt, Constantia and Camps Bay. The only proviso was that of affordability.

Other doors also opened. Coloured estate agents could now operate in former White areas such as Muizenberg, Plumstead and Goodwood while White estate agents were able to work in Retreat, Rondebosch East and Strandfontein which were former Coloured areas. This also meant that competition was no longer racially bound. Agents could operate wherever, and work for whoever they wanted.

#### 2.4.4 The estate agent

The requirements to enter into the field of real estate in South Africa:

All estate agents are required to pass the Estate Agents' Board Examination within the period of a year and adhere to its code of conduct;

Estate agents must be in possession of a Fidelity Fund Certificate and that certificate must be produced upon request.

Membership of the Institute of Estate Agents is advisable, although not mandatory, and this organisation represents the interests of the industry as well as being a mouthpiece for agents. Estate agents or property consultants, be they candidate estate agents or principals of their own business are able to receive training, obtain information and form professional associations under the auspices of the Institute of Estate Agents.

An estate agent should subscribe to the philosophy that he is part of the industry, rather than simply someone working in it; and should therefore attend as many training courses as possible. Apart from improving their knowledge, these courses allow estate agents to get to know other and obtain knowledge from each other, through work related experiences (Truter 1993).

Product knowledge is very specific to this industry, as the product is usually the biggest capital outlay that the client makes, and this knowledge is best acquired through experience. The basics of advertising and marketing, the use of technology, and strong interpersonal and management skills are considered necessary and relevant in this field (Kottler 2003).

#### 2.4.5 The traits , attributes and skills of an estate agent

There is a necessity for an estate agent to have reliable transport in order to carry out his or her daily duties and tasks. However there are certain attributes that a successful agent needs. The business of real estate is the business of negotiation - this can be mentally and emotionally demanding.

The agent has to be able to procure stock and then be able to sell it. The agent who has stock is the agent who will be successful. In order to acquire stock the agent has to put in a significant amount of time and effort especially with regards to time, planning, organising, leading and controlling (Shrand 1967). Enthusiasm and perseverance are essential to any estate agent who desires to be successful.

- Physical attributes

Estate agents have to be fit and healthy in order to have the physical stamina and mental abilities required to expedite the job. The estate agent deals with an enormous amount of stress and responsibilities. The following factors cause stress:

Work overload:

Although it is senseless to take on more than one can cope with, most agents will get as many clients as they can get. Especially sellers as they enable the agent to obtain the necessary stock in which to carry out their business. Informally, the estate agents motto is - *the agent who has the most stock rules the roost*. This is due to the fact that they would have more options available in order to satisfy buyers' needs and requests.

### Excessive pressure:

The agent is in the unfortunate position, as negotiator, and has to satisfy and protect both the buyer's needs, wants and rights as well as the seller's needs, wants and rights. The seller is the client and has to be informed and nurtured throughout the selling process (Kottler 2003; Klerck 1998). There are numerous estate agents in the market place who will eagerly take on extra stock, if the seller becomes disillusioned and takes his or her business elsewhere. This amounts to a catastrophe in the working life of an estate agent. Stock is precious and should never be lost, only sold in order to make a profit.

### Slumps:

Financial problems within the company and low sales turnover create enormous stress (Spiro, Stanton and Rich 2003). Estate agents are paid on a commission basis and have to pay the bulk of their expenses. Estate agents could also become concerned when having a low sales volume that their job is at stake. Principals are known to get rid of estate agents that are not selling, as their own income and that of the enterprise is threatened. Principals are directly dependant on their estate agent staff for all the income acquired by the business.

### Excessive striving:

Estate agents do strive to obtain financial rewards, acknowledgement, status and progress. This is often physically demanding and takes a toll on the body as well as being mentally taxing.

### Time constraints of sales:

A sale is time consuming. To obtain an item of stock can take two weeks. Marketing that individual stock item before the sale is realised can also take a two to three month period. The agent will only get his or her remuneration after another five or seven week period. Therefore, from the moment of initial contact to the point of remuneration, a sale can entail a six month period. There have been occasions where sales have taken 18 months before the agent has been remunerated.

### Legal action:

An agent can face legal action, due to the nature of the industry, if he or she has been found dishonest during the selling process or even after the transaction has been concluded. Estate agents have often been found guilty of not declaring damp or leaking roofs. This is usually uncovered only after the purchaser has settled in his or her dwelling at a later stage when the defect has become evident. The agent has to be open and transparent at all times even it is detrimental to the sale of the client's property (Klerck 1998). There are also occasions when the seller is not transparent with the agent regarding the property. A few examples are the following:

If the property is sold as being a view site and the view will be blocked partially or completely due to an impending construction development thereby diminishing the value of the property;

The house has structural damage that is not visible;

The body corporate of a block of flats has financial constraints;

The area in which the property has been bought is zoned for sub-economic housing, cluster housing or will be subject to having a commercial development erected.

### Negotiation:

The estate agent is a negotiator and this can often become a complex and tiresome situation owing to the nature of the business. The seller wants to realise a certain price for his or her home that could be unrealistic. This would depend on the reasons as to why the seller is in fact putting the dwelling on the market. A reluctant seller and a proactive seller will exhibit two very different sets of behaviour (Spiro, Stanton and Rich 2003).

A seller wants to get the highest possible price for the property whereas the buyer wants to obtain the property for the lowest possible price. The buyer and seller are therefore at completely opposite points of the selling process. The negotiator has to ensure that an agreement is reached between both seller and purchaser, otherwise there is no transaction.

### Domestic problems:

These problems can clash with the responsibilities with work. An estate agent has to work irregular hours. Administration and advertising take place during business hours. Prospecting, negotiating and transactions take place when the clients are available. Clients are usually only available on weekends and in the evenings. This means that the estate agent whilst having time to conduct his or her personal issues will have an abnormal domestic routine which has an impact on the agents family. Estate agents therefore have to plan their personal lives and domestic



routines so that if there is an emergency, a contingency plan can be effected relatively quickly.

- Psychological traits

An estate agent has to depend on his or her own emotional resources and must learn to identify the specific characteristics that are required and then cultivate them for maximum affect.

Mental awareness:

An estate agent has to be optimistic and exude enthusiasm as well as a positive self-image (Kottler 2003). A client will not entrust their property to an agent who is negative or gives the impression that they are pessimistic. Especially if the client's property is in neglect or in need of repairs. The agent must be honest but at the same time optimistic about the task at hand, as there will be a buyer for that particular property.

The agent must also have self-confidence. There are approximately 35 000 estate agents at work at any one time in South Africa, however this number is much smaller than the number of estate agents who are qualified in this field. Many agents are not able to succeed in the selling arena (Klerck 1999).

Dedication, having a professional outlook and the ability to work hard are paramount to success in the real estate industry (Truter 1993).

### Adaptability:

The estate agent has to be adaptable in order to cope with all members of society. The agent must remain calm and be diplomatic when problems arise, even though it causes inconvenience. No bouts of irritable behaviour should be exhibited on the part of the agent. There must be an ability to work gently but firmly with difficult or indecisive clients. The agent must always remember that there is a fine line between assertive behaviour and that of being aggressive, pushy or overbearing. Clients will then find a way to cancel the sale after having had time to reconsider their options (Truter 1993).

### Motivation:

This is a pre-requisite for any salesperson (Kottler 2003; Spiro, Stanton and Rich 2003). Self-motivation is necessary as although the estate agent may be a member of the sales firm of a large estate agency, that agent has to work for the most part independently. There are not many mechanisms in place to supervise the estate agent in his or her daily routine in order to ensure that sales are continually in progress. The agent is responsible for his or her own movements and therefore has to mobilise his or her own energy and the motivation necessary in order to achieve goals.

Although there is a direct relationship between inputs and outputs (Heizer and Render 2001) specific goals have to be met and the progress regularly evaluated, by that individual agent. Canvassing property does not bring about any immediate rewards as an activity but it will lead to obtaining the necessary stock for the selling process to begin. This necessitates that the agent has to be motivated in order to complete the

mundane tasks that need to be finalised in order for selling to occur. It should not be seen as a barrier to success but as an integral component of the selling process.

#### Initiative and creativity:

Where there is enthusiasm an extra effort will be made and the estate agent will usually be more informed or even be in demand by both sellers and purchasers. Initiative and creativity are important qualities for a successful agent to have. Such qualities provide innovation and the ability to process information in such a way that a new angle is formed (Truter 1993; Kottler 2003).

Necessity is the mother of invention and many novelties that started out as gimmicks have become standard practice. An example is when South Africa hosted the 1995 Rugby World Cup and a prominent national estate agency designed and distributed pamphlets that contained the details of fixtures, television broadcast times as well as advertising their services. This ploy has since been copied by many other realtors when other significant events have taken place, such as the 2003 Cricket World Cup.

#### Integrity:

This is the quality of being honest and having good sound moral principles. The estate agent cannot afford to be known as someone who will compromise his or her principles, as this will have an impact on the particular agent as well as the agency that employs that agent. This is also true, not only within the client arena, but also with working colleagues in the agents own company, as well as that of the opposition.

There has to be trust when building up a sales team and in this respect a salesperson must be a teamplayer (Klerck 1999). Problems will arise if an agent is known to be not quite as honest as he or she should be. The other problem that can arise is that junior members of the sales force may follow suit and that would destroy in a few weeks the solid reputation that an estate agency may have built up over 20 or 30 years in business. Lastly, regarding referrals that are built up within the industry and are tools used by agents, when the lead is outside his or her area, the lead will be passed on to agents who do operate in the area. The dishonest agent and possibly his or her company will therefore be excluded.

- **Skills**

An estate agent represents the service industry and therefore does not sell a manufactured product that belongs to his company (Kottler 2003; Spiro, Stanton and Rich 2003). He or she has to sell himself or herself to the public before actually selling property. This would entertain skills. Skills can be acquired either by training or through practice. Ability refers to the level of skill that an individual can bring to a situation (Robbins and DeCenzo 2001).

Interpersonal skills:

Successful business relationships are based on solid communication (Van Schalkwyk 1992). Good communicators are good salespeople. In the context of property sales, communication would focus on the deduction of information and persuasive sales talk. The communicator must be able to glean the pertinent facts from the information that has been obtained in order to plan his strategies.

Communication involves both listening as well as speaking. The successful estate agent must master the art of listening as opposed to hearing (Van Schalkwyk 1992). Communication also involves observing, evaluating people and their situations. There should always be a positive approach from the agent as it is the agent who is the professional in this field and that message must be communicated to the client. This means that the agent should have a pleasant personality and convey to the client that he or she can be trusted. After all, the client is entrusting probably the biggest asset to the estate agent, the client's home.

This is why tact, empathy and courtesy are an agent's tools when marketing himself or herself. Other tools are a friendly smile, pleasant voice, positive body language and sincerity.

#### Managerial skills:

Although principals of estate agencies are leaders and should have managerial skills, all estate agents need to have management skills. These are the management functions of planning, organising, leading and controlling (Robbins and DeCenzo 2001).

Discrimination and the ability to deal with it, is of the utmost importance. South Africa is still in the early stages of dealing with its past and its human rights violations. Coloured estate agents will work in previously zoned White areas. Blacks, Coloureds and Indians will also want to relocate into areas that were previously denied to them. Both the above situations require tact, empathy and professional service from principals and agents and these situations require above average managerial skills.

#### 2.4.6 The tasks of the estate agent

An estate agent must obtain, service, and sell listings. A listing is an item of stock. Stock can be obtained through direct and indirect canvassing. This entails deeds office searches, pamphlet distribution, house calls, distribution of novelties, phone calls and free valuations to prospective clients.

Once the stock has been listed and is therefore on the agent's books, the agent will endeavour to obtain a sole mandate through hard work and determination. During this stage, the agent will embark on a sales strategy to market the property that could consist of private viewings, internet advertising, show houses and television coverage via DSTV.

Once a buyer has been qualified for affordability and has filled in a written Offer To Purchase document the offer is presented to the seller. Thereafter a counteroffer may be presented and further negotiations will take place if it is deemed necessary in order to reach the agreement.

The agent then works with the bank or a mortgage originator in order to secure the necessary finance and is in continuous contact with both the purchaser and the seller during this process. Once the property is transferred to the new owner, the agent will keep in regular contact as that owner will eventually become a seller.

#### 2.5 Conclusion

The researcher believes that the political landscape in the last century has defined the manner and the way in which South Africans live in the 21<sup>st</sup> century. He has briefly expanded on the concept and the principles

of AA and elaborated on the benefits as well as the negative perceptions of AA programmes. The real estate industry was examined and the tasks and routine of the estate agent were outlined.

In the next chapter, the research methodology of the research will be discussed.

# Chapter Three

## Research Methodology

### 3.1 Introduction: what is research?

The Oxford Advanced Learners Dictionary (1998: 996) states that research is "*careful study or investigation, esp in order to discover new facts or information*".

Longman's Dictionary of the English Language (1984: 1263) states that research is " *Careful or systematic search or inquiry*".

The Random House Dictionary of the English Language (1973: 1219) defines research as "*diligent and systematic inquiry or investigation into a subject in order to discover or revise facts, theories, applications, etc.*"

The Oxford Dictionary for the Business World (1993: 714) defines research as: "*systematic investigation and study of materials, sources, etc., in order to establish facts and reach conclusions*".

According to the New Zealand Qualifications Authority (1998), research is, in essence, an intellectually controlled investigation which leads to advances in knowledge through the discovery and codification of new information or the development of further understanding about existing information and practice.

Research is the identification of a missing link in a chain of events. It is what enables one to answer the questions that people have never asked



and to solve the problems that nobody has ever defined. Research is therefore an activity that consumes the researcher's body and mind until its completion. The human desire to solve problems and answer questions is therefore at the heart of research (Wainwright: 1997). People are, by nature, inquisitive beings and they want to gather as much knowledge as possible. Research, consequently is the way in which people obtain that information.

Any research, if it is accurately designed and undertaken, will build knowledge because it represents an objective investigation of facts pertaining to a subject. Whereas fundamental or pure research attempts to expand the confines of knowledge, it is applied research that attempts to find the solution to a specific problem.

The level of uncertainty or difficulty in clearly identifying the problem will determine whether the research is exploratory or whether it is conclusive in nature.

### 3.2 Types of research

- Exploratory research is conducted as the first step in determining suitable action. It helps to delimit the problem and it clearly outlines the information required as part of future research. Exploratory research tends to rely on secondary research or data, and qualitative research techniques such as case studies and focus groups (Wainwright: 1997).
- Conclusive research assists in providing a reliable or representative picture of the population. Conclusive research is therefore

quantitative research by its nature, whether the source is secondary or whether it is primary research (Wainwright: 1997).

Furthermore it can be sub-divided into two major categories: descriptive and causal. Descriptive research or statistical research provides data about the population or universe being studied. The difficulty with descriptive research is that it is limited to describing the "*who, what, when, where and how*" of a situation, but not what caused it (McBride and Schostak: 1995).

Observation technique and survey techniques are the most commonly utilised to obtain the descriptive data. However, in order to determine whether there is a cause and effect relationship between variables, causal research must be undertaken.

In this type of research, the objective is to determine which variable could be causing a certain type of behaviour. One variable would be changed whilst the others would be kept at a constant to allow for the determination of changes in behaviour. This type of research, due to its nature, can become very complex and the researcher can never be absolutely convinced that there are not other factors which could effect the causal relationship (McBride and Schostak: 1995).

### 3.3 Qualitative vs Quantative Research

Qualitative researchers are interested in answering those questions that demand an explanation and they are not prepared to simply accept the quantitative answers (Struwig and Stead: 2001). That does not imply that the quantitative data is not important, for to know that 64 out of

100 have a particular view instead of another could be useful information (McBride and Schostak: 1995). The information on its own is just not enough. The point could be made that when placed alongside the qualitative evidence, quantitative evidence is both transparent and effectual.

The quantitative researcher will want to find out what percentage of people do one activity or another, whereas the qualitative researcher pays much greater attention to individual cases and the human complexities that feature in those cases.

Although it may be argued that the quantitative researcher is more precise, the response could be that with human beings it is not possible to be completely precise as people are in a state of continual change and the social situation is too complex for just numerical description. One could also ask if it is any more help to know that 64.4 percent of teachers in a school take one view than to know if most teachers take this view?

Qualitative researchers would argue the qualitative perception in this last case is a more precise reflection of the situation than the numerical perception. It is true that some of the respondents will say "*I think this is a good idea but ...*" Now in these situations the question could no doubt be posed whether this particular respondent should be placed in the 64.4 percent or in the remaining 35.6 percent or perhaps even to create a third category? Quantitative research therefore has a tendency to clarify where clarification is deemed to be inappropriate (McBride and Schostak: 1995).

Quantified evidence can be extremely powerful yet it can also vital information about people, especially in their understanding of events and

situations. In comparison, qualitative research does not avoid the complexity of social life. Instead substantial endeavours are made to illuminate and understand social situations and human feelings through detailed analysis.

According to Wainwright (1997) quantitative research remains more interested in what people do without a very complete understanding of those actions. Therefore, it has a tendency to be concerned with behaviour as an end in itself without paying sufficient attention to understanding such behaviour. This is behaviourism. Even where 'attitudes' are explored it is usually through pre-structured questionnaires that do not permit the respondents to provide their own agenda. In essence, it is the researcher who decides on the important questions or statements that will be answered.

### 3.3.1 Is qualitative research critical and valid?

When the issues emerging from participant observation or ethnographic data are placed in a historical and structural context, it is true that problems identified in the academic literature could influence the direction of the ethnographic study. Therefore, according to Wainwright (1997) critical ethnography entails a constant inter-weaving of inductive and deductive logic.

Wainwright states that the researcher does not set out to test a pre-conceived hypothesis, nor will an entirely open-ended approach be adopted, instead the researcher begins by observing the field of study, both as a participant observer and as a reviewer of academic literature. From the synthesis of these sources a research agenda will emerge that can be pursued by a combination of observation and theoretical work.

The very essence of the qualitative approach is the supposition that a piece of qualitative research is very much effected by the researcher's own individual attributes and perspectives. The objective, therefore, is not to produce a standardised set of results that any other observant researcher studying the same issues would have contrived. Indeed, it is to produce a logical and enlightening perspective on a situation that is based on and compatible with a detailed study of the situation. (Ward-Schofield: 1993)

The key to managing the relationship between ethnographic observation and social critical analysis is to re-conceptualise validity with respect to reflexive practice. Reflexivity would refer to the researcher's conscious self-understanding of the research process that is being undertaken (Wainwright: 1997).

The reflexive management of the research process in the pursuit of validity would apply to every stage of the research process, from the outset when establishing relations in the field to the writing up of the conclusions (Wainwright: 1997).

### 3.4 Research tools

#### 3.4.1 Questionnaires

There are seven steps that are required for the successful use and implementation of questionnaires for the purposes of research. According to Frazer and Lawley ( 2000) they would be as follows:

1. Define the research aims.
  2. Identify the population and sample that will take part in the survey.
  3. Decide how to collect the replies to the questionnaire - the particular survey method that would be employed.
  4. Design the questionnaire. For example, the use of a five-point Likert scale would provide the measurement of agreement, ranging from "strongly disagree" to "strongly agree".
  5. Run a pilot study. Test the questions to see if what is being asked, is what is required.
  6. Conduct the survey.
  7. Analyse the data.
- Self-administered Questionnaires

Surveys are a method of collecting information from people about their feelings, ideas, plans, background etc. The self-administered questionnaire is a form of survey research. This form of questionnaire, also referred to as a self-completion questionnaire, is completed by respondents independently and usually consists mostly of closed questions (Fink and Kosecoff: 1998). Self-administered questionnaires are utilised as postal or electronic (email) questionnaires. They are closely aligned with interviews as a research method.

As a research method, the self-administered questionnaire's strengths are that it eliminates interviewer effects, respondents are encouraged to accurately report personal information, respondents can answer at their convenience and it poses questions with uniformity to all the respondents. Mail questionnaires (postal or electronic) allow the researcher to survey a geographically dispersed sample (Fink and Kosecoff: 1998).

There are also several disadvantages. Disadvantages include the inability to provide clarification on questions, the order in which questions are answered will not be controlled (since respondents can see the entire questionnaire), or confirm that respondents answer every applicable question and to understand the reason why questions were not answered. It is also an inappropriate method for samples that may include respondents with limited language abilities and literacy (Fink and Kosecoff: 1998). The speed with regards to data collection will be slow and only a small proportion of questionnaires may be returned (Frazer and Lawley: 2000).

- Personally-administered Questionnaires

The personally administered questionnaire is therefore also a form of survey research. This type of questionnaire is completed by the interviewer with the assistance of the respondents (Fink and Kosecoff: 1998). The advantages are that any clarification on questions can be provided, the order in which questions are answered will be controlled and adhered to, respondents are monitored so all questions can be answered, the reason why there is a reluctance to answer questions can also be clearly comprehended. Respondents do not actually see the questionnaire (Frazer and Lawley: 2000).

Respondents with limited language abilities, as they are not communicating in their mother tongue, and literacy problems will be able to answer questions with the assistance of the interviewer. Wording is standardised so all respondents are asked questions in exactly the same manner.

The disadvantages are that respondents are unable to answer at their own convenience and respondents are also obliged to complete the questionnaire within a specific timeframe, as the interviewer is present. There is the potential for bias resulting from the presence of an interviewer (Frazer and Lawley: 2000). Respondents may accordingly be inhibited with regards to accurately reporting personal information. The interviewer may also not be competent or clash with the respondents due to personality and cultural differences.

The researcher has to employ interviewers to conduct the survey and this can be financially detrimental. Alternatively, the researcher has to conduct the survey personally which would be time consuming as well as providing limits to the geographical area that is to be surveyed (Frazer and Lawley: 2000).

### 3.4.2 Personal interviews

The interview which is essentially a qualitative research tool, seeks to find out information on particular issues in order to comprehend the meanings of the integral themes vital to the research that is being undertaken. The main task in interviewing is to understand what it is that the interviewees are saying (Kvale: 1996). A qualitative research interview seeks to cover both the factual level and a meaning level,



though it is usually more difficult to interview on a meaning level. (Kvale 1996)

Interviews are particularly useful for getting the story behind a participant's experiences as well as pertinent facts relating to the issues which are being researched. The interviewer can pursue detailed information with regards to the topic. Interviews and focus groups may be useful as the follow-up to certain respondents with regards to questionnaires, in order to further investigate their responses (Campion, Campion and Hudson: 1994).

- Interviews are able to provide quality information.
- Interviews are a far more personal form of research than questionnaires as they allow both the interviewer and the interviewee to respectively state their cases.
- The interviews are completed by the interviewer, based on what the respondent has said.
- Interviews, by their nature, are time consuming and they can also be resource intensive.
- Unlike mail surveys or self-administered questionnaires, the interviewer has the opportunity to delve into issues or ask necessary quintessential questions.
- Interviews are generally easier for the respondent, especially if it is opinions or impressions that are required.

- In the personal interview, the interviewer is communicating directly with the respondent.
- The interviewer is considered a part of the measurement instrument therefore the interviewer has to be accordingly trained in how to respond to any eventuality that may arise.
- The interviewer is required to know more than simply how to conduct the actual interview. The interviewer must know the background of the study and also know what the objectives of the study are, in order to extract pertinent information.
- Interviewers need to know the various ways that they can inadvertently bias the results. They must understand why it is important that there is no bias to influence the study. Therefore, in slanting the results they will jeopardise the results or even the purpose of the entire study.

### 3.4.3 Focus groups

There are numerous definitions of focus groups within the confines of literature, although it is the features such as collective activity (Powell et al 1996), social events (Goss and Leinbach: 1996), organised discussion (Kitzinger: 1994) and interaction (Kitzinger: 1995) that identify the contributions that focus groups make. This is especially true with regards to social research.

Focus groups are essentially group interviews. They are a way of listening to people and learning from them. A well-trained moderator acts as a facilitator and is there to guide the group interview using a set

of predetermined questions. Of importance, is what the members of the focus group say and discuss during the interview process, as well as their conclusions, that will determine the data that is to be collected, analysed and reported (Heizer and Render: 2001).

Therefore, careful recruiting of participants is of the utmost importance. It is imperative that a permissive environment is formed as usually the sessions are tape-recorded in order to ensure accuracy of discussion when the data is being recorded in a written context.

Focus groups form part of applied research methodology, and they should not be used when statistical data is required. However, they are particularly useful for exploration and discovery while getting an in-depth interpretation of the research issues. Focus groups are an aid with regards to learning more about groups of people who are frequently misunderstood (Kitzinger 1995).

Focus groups allow the participants to explain their thoughts and put them into a context that would be related to their own personal experiences. Furthermore, focus groups are able to provide interpretative insights into why people have certain feelings and opinions and how they arrived at those feelings. The use of focus groups should be considered especially when a people friendly research method is needed in order to understand gaps and relationships between people, their complicated behaviours and also issues of diversity.

Therefore, as a qualitative research method, focus groups can provide a relatively comprehensive process of sharing and comparing between the groups' participants so as to generate much needed data about various subjects for research (Powell et al 1996).

#### 3.4.4 Bar graphs and histograms

Histograms are a form of bar graphs although, in histograms there is only one variable, and the data is sorted out according to this variable by placing them into "bins." The researcher then counts the number of pieces of data that are in each bin. The total percentage or the height of the rectangle that is drawn on top of each bin would therefore be proportional to the number of pieces in each particular bin.

However, in bar graphs there are several measurements of various items, and they can be compared. The leading question a histogram is able to answer is: "*How many measurements are there in each of the classes of measurements?*" Whereas the primary question a bar graph answers is: "*What is the measurement for each item?*" (The Shodor Education Foundation, Inc. 2003).

A bar graph is therefore a diagram that displays a system of connections or even the interrelationship between two or more things by using bars as a graphic picture that would be easily understood by the reader (The Shodor Education Foundation, Inc. 2003).

### 3.5 The methods employed as regards this survey

In the contexts of this particular research, extensive usage will be made of a combination of both qualitative and quantitative research in order to provide answers that are valid and meaningful.

Accordingly 100 questionnaires will be completed within the confines of specific geographical areas. This will provide the quantitative aspects of

the research. The questionnaire will for the most part embrace the use of a five-point Likert scale that would provide the basic measurement of agreement on a series of statements. The Likert scale will range from "strongly disagree" to "strongly agree". The questionnaire to be used has been evaluated via a monitoring team consisting of the research assistant, an experienced estate agent and the researcher.

The survey will be conducted by the researcher together with a research assistant who is acquainted with the background of the study and also the purposes of the study. The survey will be performed in the suburbs of Grassy Park, Gugulethu, Kenilworth, Khayalitsha and Wynberg.

The respondents will represent the racial groups as per the population of the Western Cape, namely Blacks, Coloureds and Whites. The Indian population sector is a very small minority group in the Western Cape and therefore will for the most part be ignored in terms of this study.

Five personal interviews will be undertaken, thereby providing qualitative research. The interviews will be conducted with executive representatives of the Board and the Institute respectively as well as with a director of a national estate agency and the managing director of a local estate agency. The last interview will be conducted with the national trainer of an internationally represented estate agency.

A focus group made up of six members will also provide qualitative material for the research. The six members will represent 50 percent of the female population and the other 50 percent will represent the male population. The ages of the group range from 24 to 61. Four of the participants are married. The focus group will be tape-recorded and the

results will be typed out thereafter. The focus group will be under discussion in chapter five.

### 3.6 Conclusion

The questions that will be asked in the interviews as well as the final questionnaire that is to be utilised in the survey, will follow after the conclusion (see pp 120 to 123). The researcher undertakes to follow the procedures as listed above, in a professional manner and ensure that bias in the qualitative research is carefully monitored in order for it to be kept to a minimum. Qualitative research is however, prone to bias and is therefore impossible to completely eliminate. The researcher believes that the methods employed during this research, will be effective and be of invaluable assistance in obtaining the goals of the researcher.

# Interview

## Affirmative action: Black estate agents in the Western Cape

### Questions:

#### Section A: Estate agents

What is the situation regarding Black estate agents within the real estate industry in the Western Cape?

Why is this sector (Black estate agents) in its present condition?

Who or what do you think is responsible for these conditions?

How many estate agents overall, are there in the Western Cape? How many Black estate agents are there? Has any research been done on how many Black estate agents we would actually need in the Western Cape?

Does culture play any part in selling real estate? If so how? Does this influence selling techniques or is that a standardised process?

Is there a future for a prospective Black estate agent? Why or why not?

Is there a resistance against using Black estate agents by other racial groups? Expand.

What are your views on Blacks working in areas that have traditionally been reserved, due to apartheid, for Whites? Would they excel?

Are enough Black estate agents being trained? Why or why not? In what language are they trained?

Where do you see the Black estate agent in 10 years time? Why?

Could buyers' mandates instead of sellers' mandates be a solution, in order to work in the White markets?

Section B: Black property ownership

Would the size of the buying sector of the Black population and the proportion of Black estate agents be related?

How lucrative is the market for the Black population in the Western Cape to own property? Is it properly serviced?

What should still be done in order to make this sector of the buying population a more viable one?

Who should be doing this?

How would you change the status quo in your position?

Is upmarket property ownership seen as belonging only to Whites? Why or why not?

Have Black businessmen missed the boat with regards to upmarket property ownership?

Is there a market in Langa, Gugulethu and Khayalitsha, etc for property ownership?

Where do you see Black property ownership in 10 years time?



The questionnaire is on the following two pages.



# Chapter Four

## Analysis of results

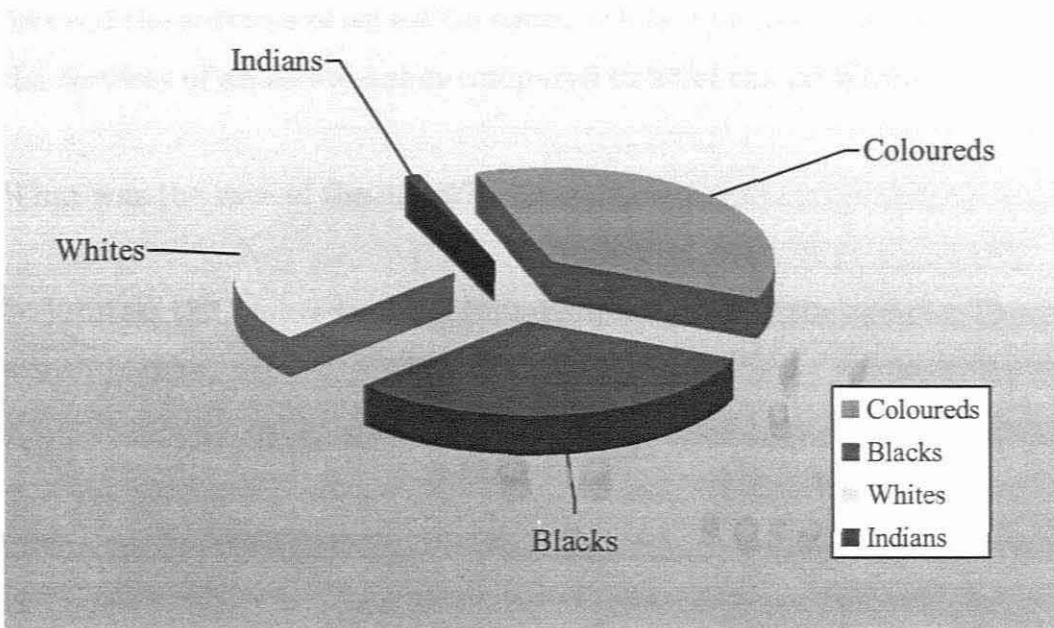
### 4.1 Introduction.

The survey, interviews and focus group were utilised in order to obtain the data for the study.

#### 4.1.1 The respondents

The 100 respondents that answered the questionnaire were made up of 37 Coloureds, 32 Blacks, 30 Whites and 1 Indian. See the chart below:

Survey chart



Therefore the respondents provided a reasonable symbolic representation of the Western Cape.

The answers to questions 1 to 4 in the questionnaire are as follows:

Do you own property?

48 owned property. 52 did not own property. Only 7 of the 32 Blacks owned property whereas 20 of the 30 Whites owned property.

Do you rent property?

46 rented property. 54 did not rent property. 25 of the 32 Blacks rented property whereas only 7 of the 30 Whites rented property.

Have you used the services of an estate agent or agency?

58 used the services of an estate agent. Only 8 of the 32 Blacks had used the services of an estate agent compared to 23 of the 30 Whites.

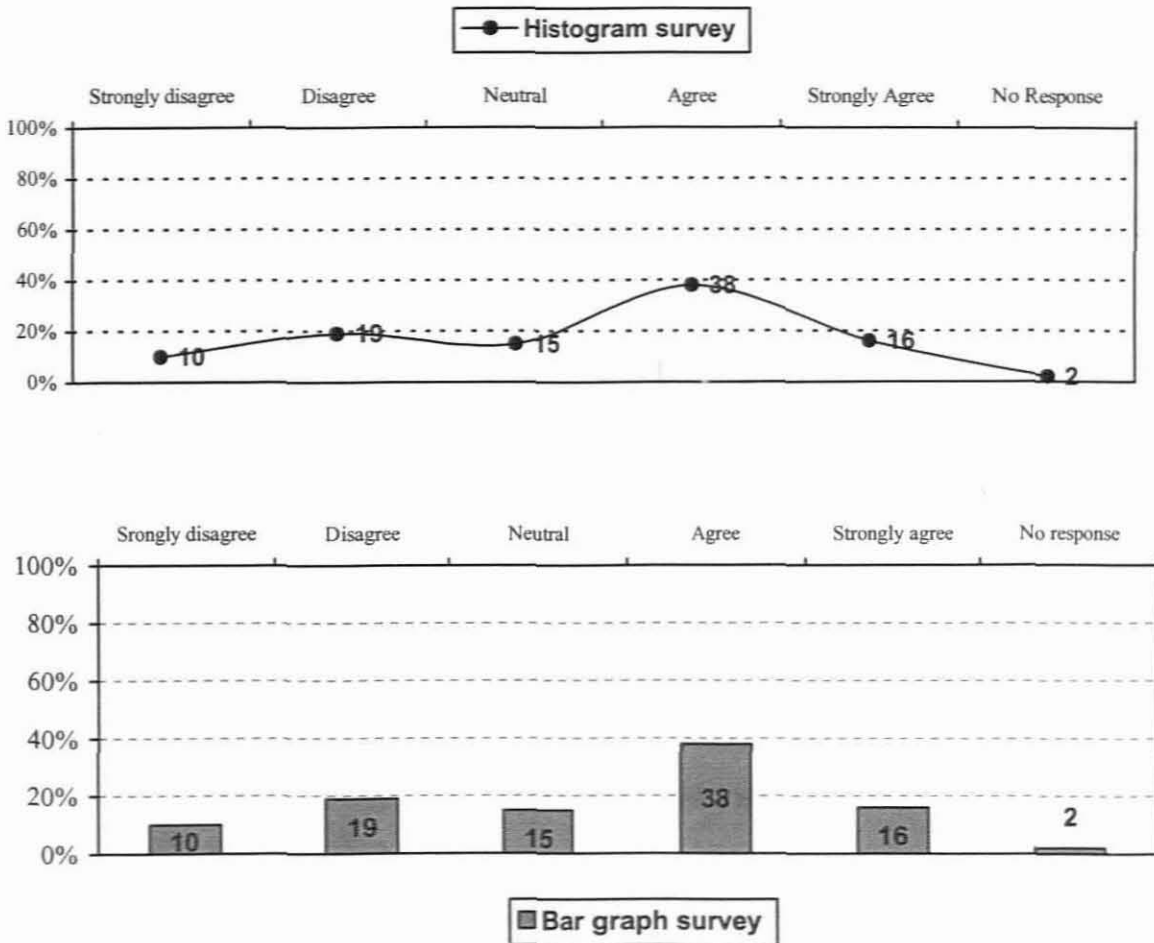
What was the race of the agent?

38 Whites, 18 Coloureds and 3 Indians were used by the sample. There were 7 blanks.

## 4.2 Quantitative analysis: Survey

Graph 1

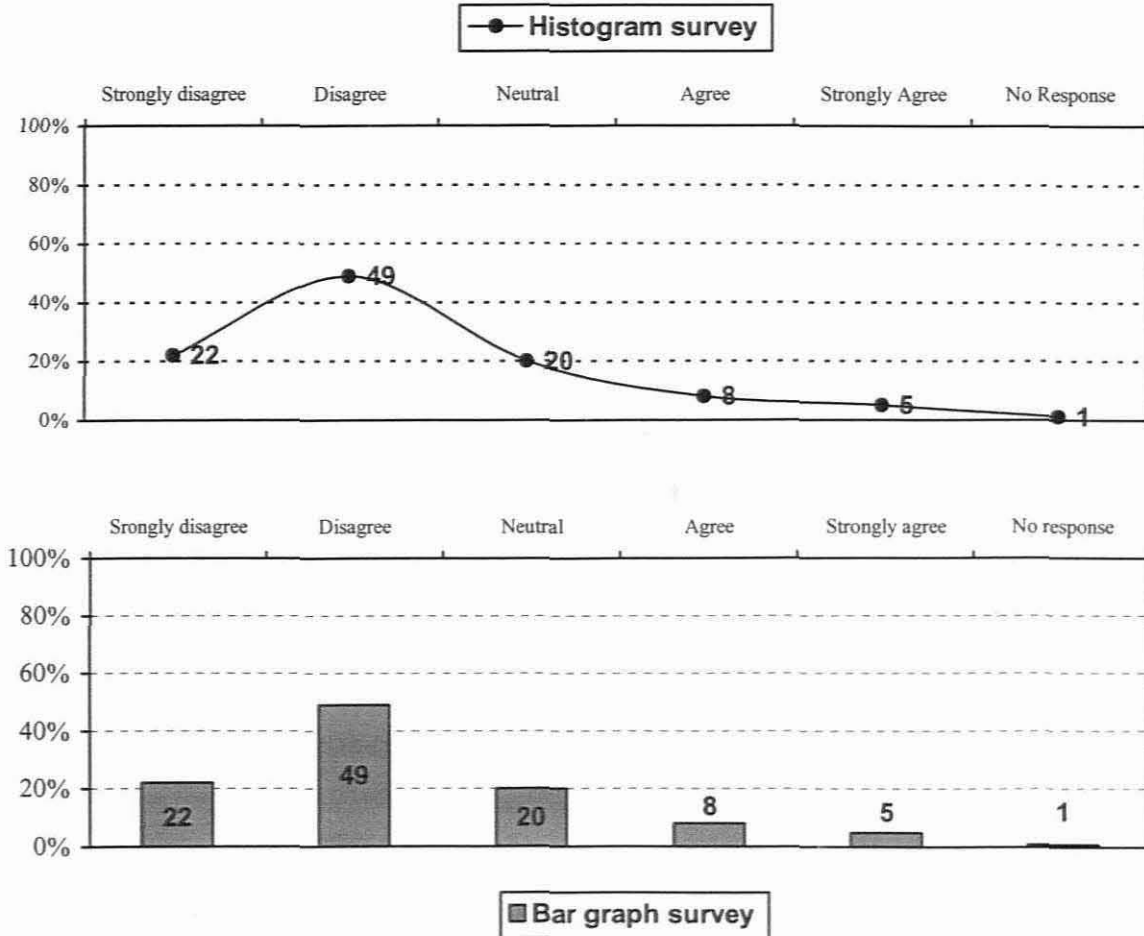
Upmarket property ownership is seen as belonging only to Whites.



Some 38 percent of the respondents agreed with the statement. There are 16 that believed very strongly that the statement is true. This amounts to 54 percent being in agreement compared with 29 percent who disagreed with the statement. 15 respondents were neutral and there were 2 who abstained from answering this statement.

Graph 2

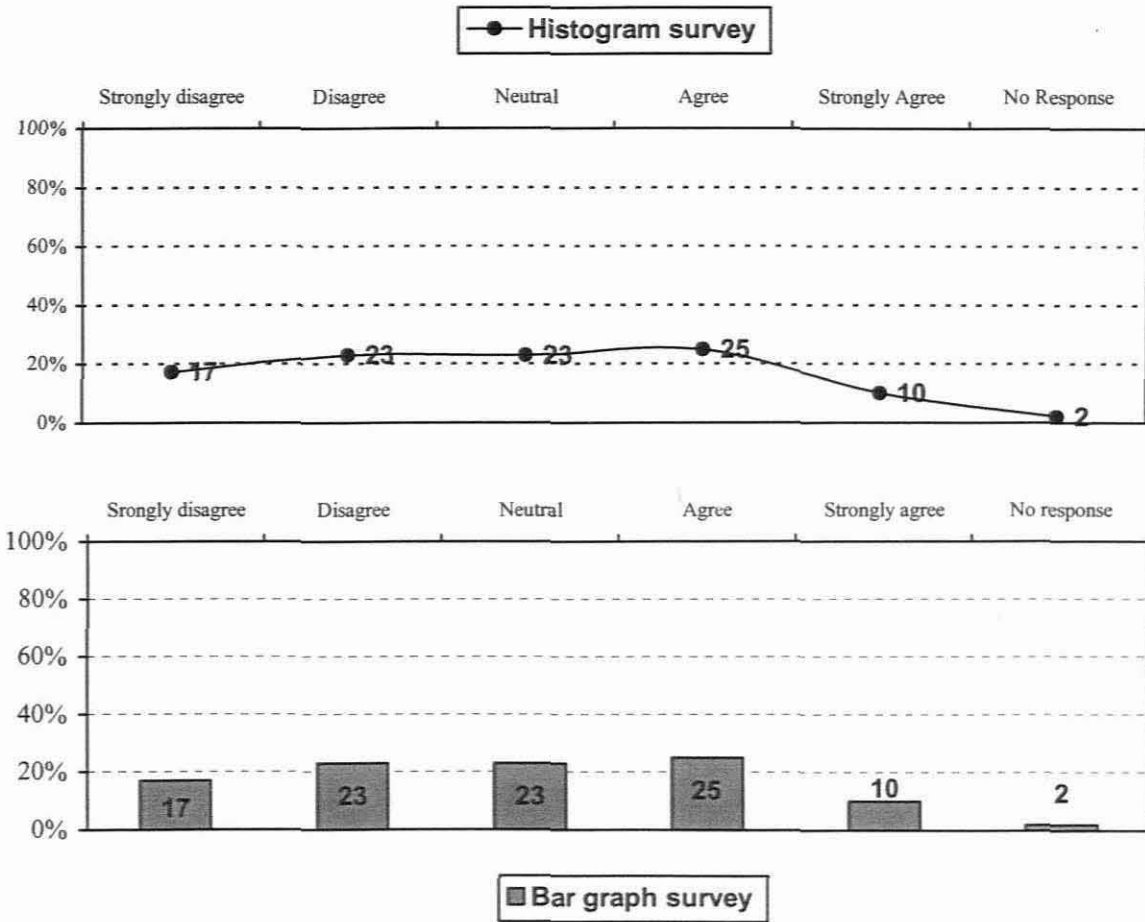
Blacks own a high percentage of upmarket property.



There were 49 percent of the respondents who disagreed with the statement and a further 22 percent who strongly disagreed. This adds up to a total of 71 percent who do not believe that the statement is true. There were 20 percent who were neutral or undecided and only 8 percent who agreed with the statement. Five percent strongly agreed while 1 percent declined to answer.

Graph 3

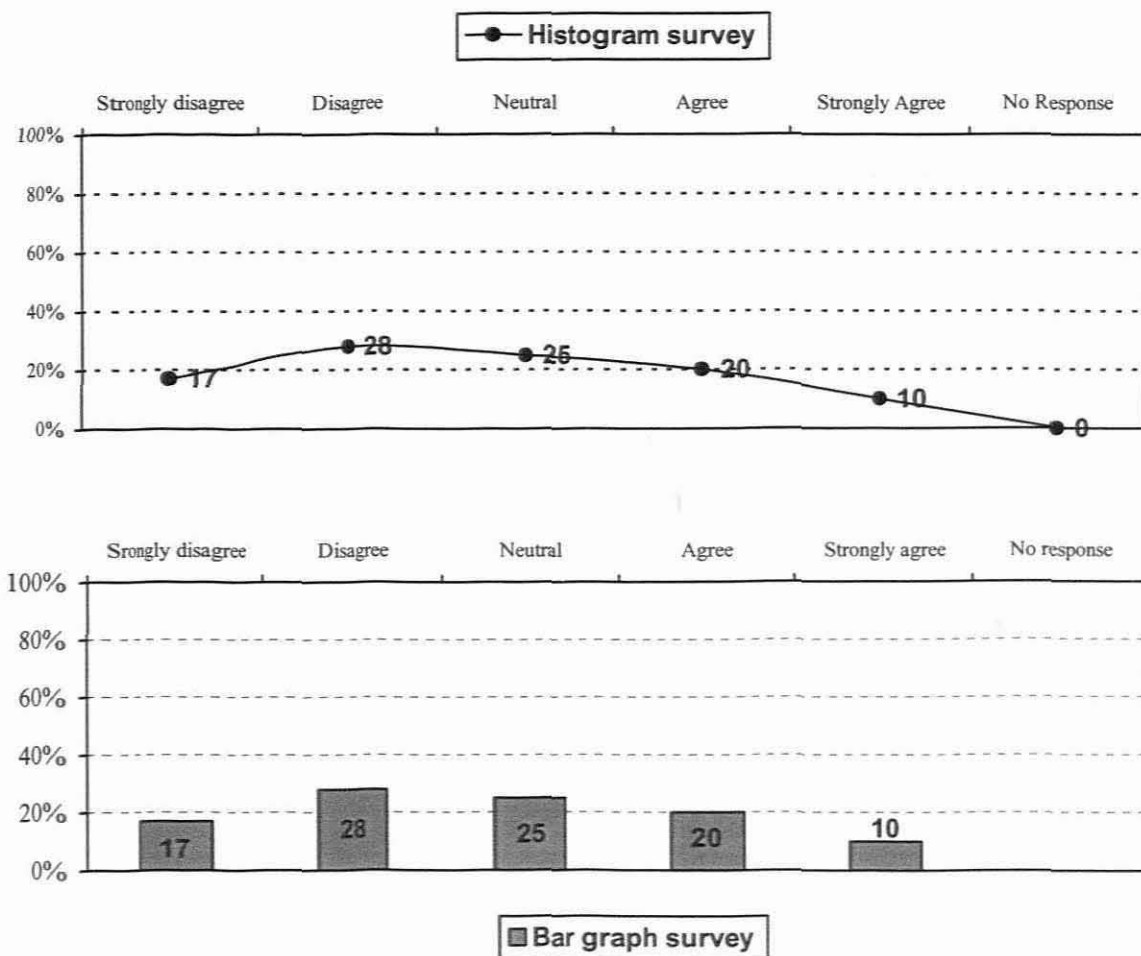
The agent must be a resident in the suburb in which I want to live.



There were 25 percent of respondents who agreed with the statement and 10 percent who strongly agree. This means 35 percent believed that the statement is true while 23 percent remained neutral. There were also 23 percent who disagreed while 17 percent strongly disagreed with the statement. Therefore 40 percent disagreed with the statement. There were a further 2 percent that declined to answer.

Graph 4

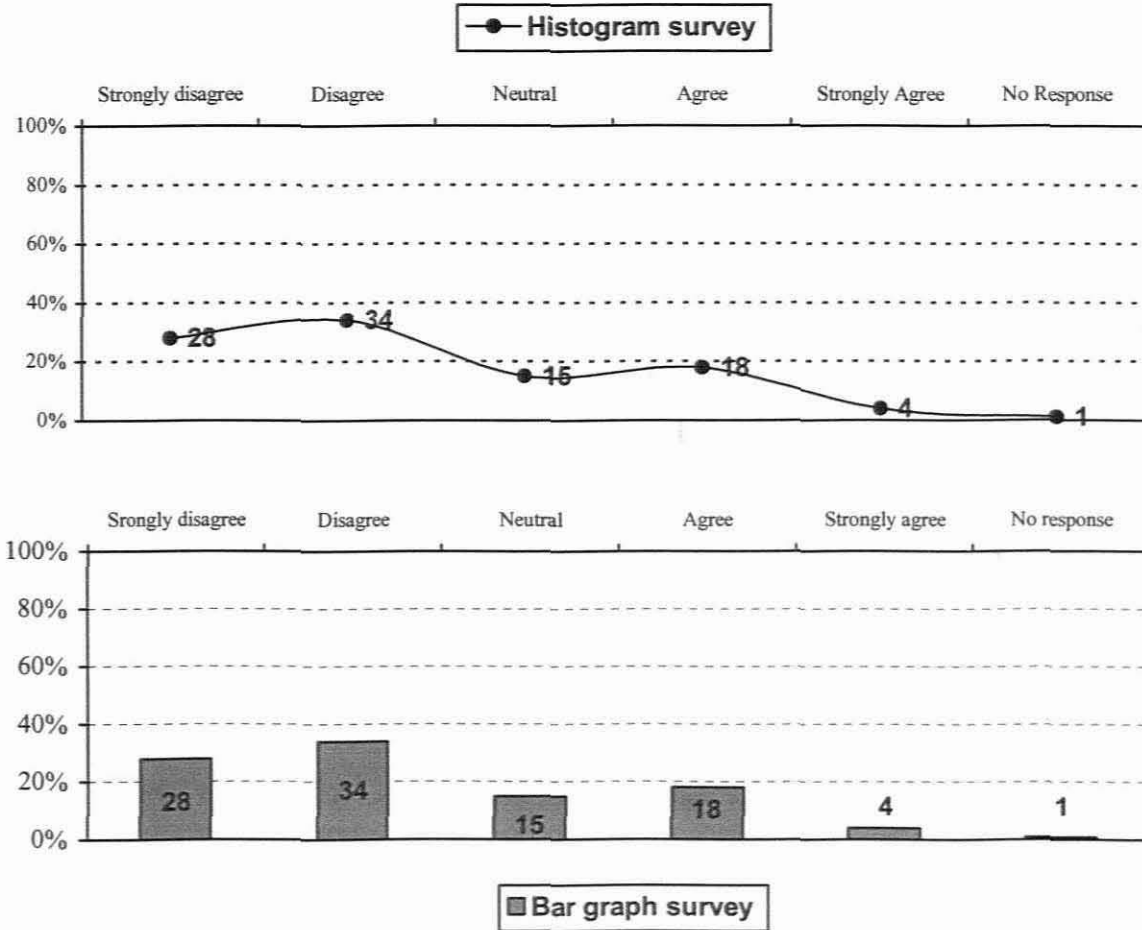
I relate better to an estate agent of the same racial group.



There were 17 percent who strongly disagreed and 28 percent who disagreed with the statement. There were 25 percent who remained neutral and 20 percent who agreed with the statement. Ten percent strongly agreed. Therefore 45 percent were not in favour of the statement while 30 percent believed that the statement was true.

Graph 5

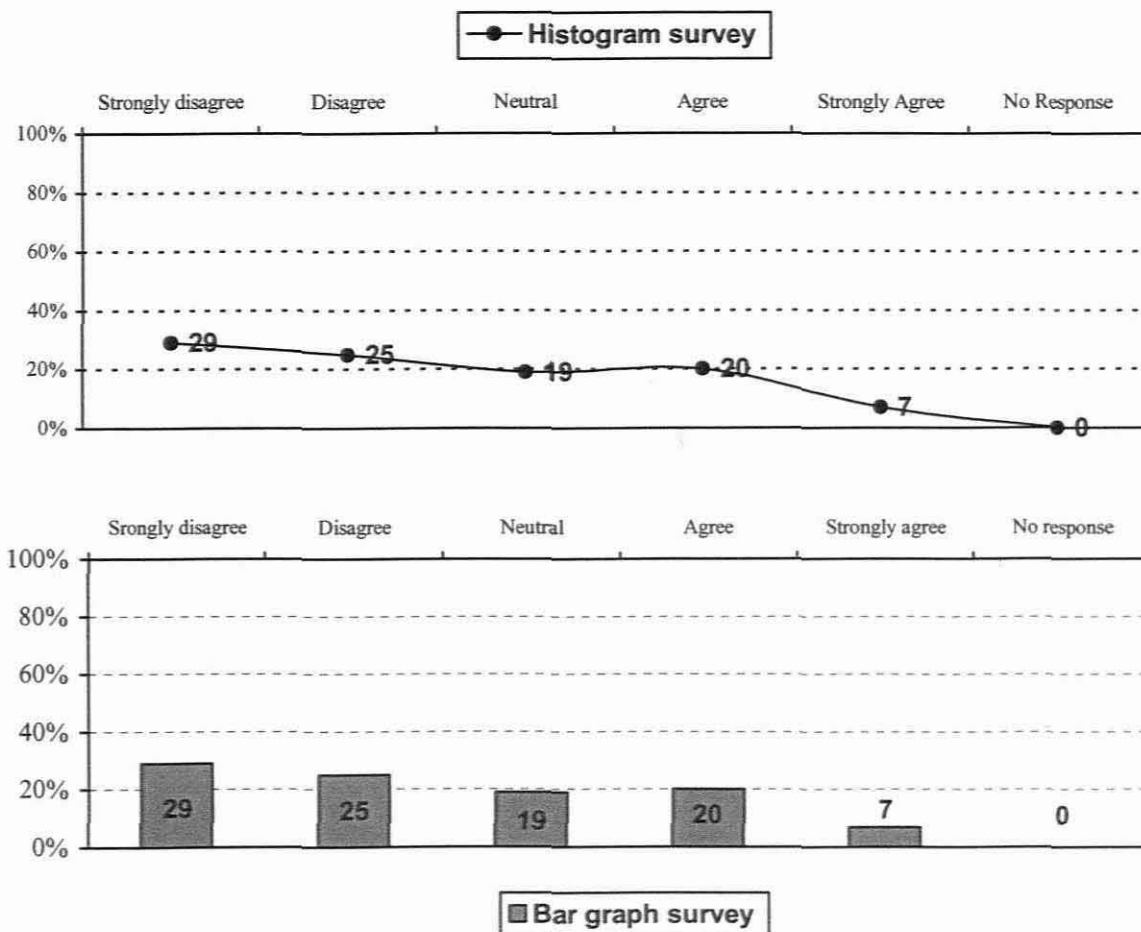
The area I purchase property in would influence my decision on the race of the estate agent.



There were 28 percent who strongly disagreed with the statement and a further 34 percent who disagreed. There were 15 percent who have remained neutral while 18 percent agreed with the statement and a further 4 percent strongly agreed. In conclusion there were 62 percent who believe the statement is wrong and 22 percent who believed that the statement is a true reflection. One percent did not fill in their opinion.

Graph 6

For my property requirements the race of the estate agent would be relevant.

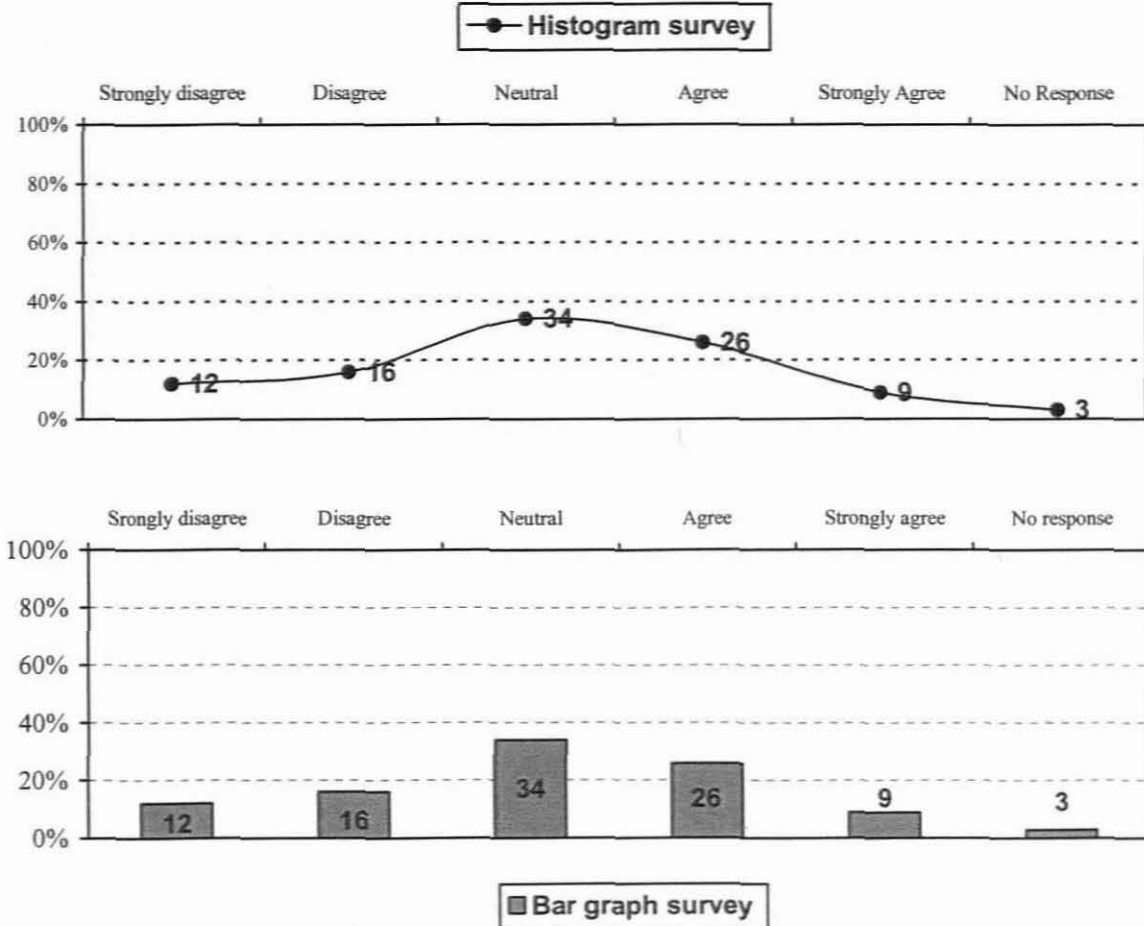


There were 29 percent who strongly disagreed with the statement and a further 25 percent who disagreed. There were also 19 percent who have remained neutral while 20 percent agreed with the statement and a further 7 percent strongly agreed. In conclusion there were 54 percent who believed the statement is wrong and 27 percent who believed that the statement is a true reflection. There were no abstentions.



Graph 7

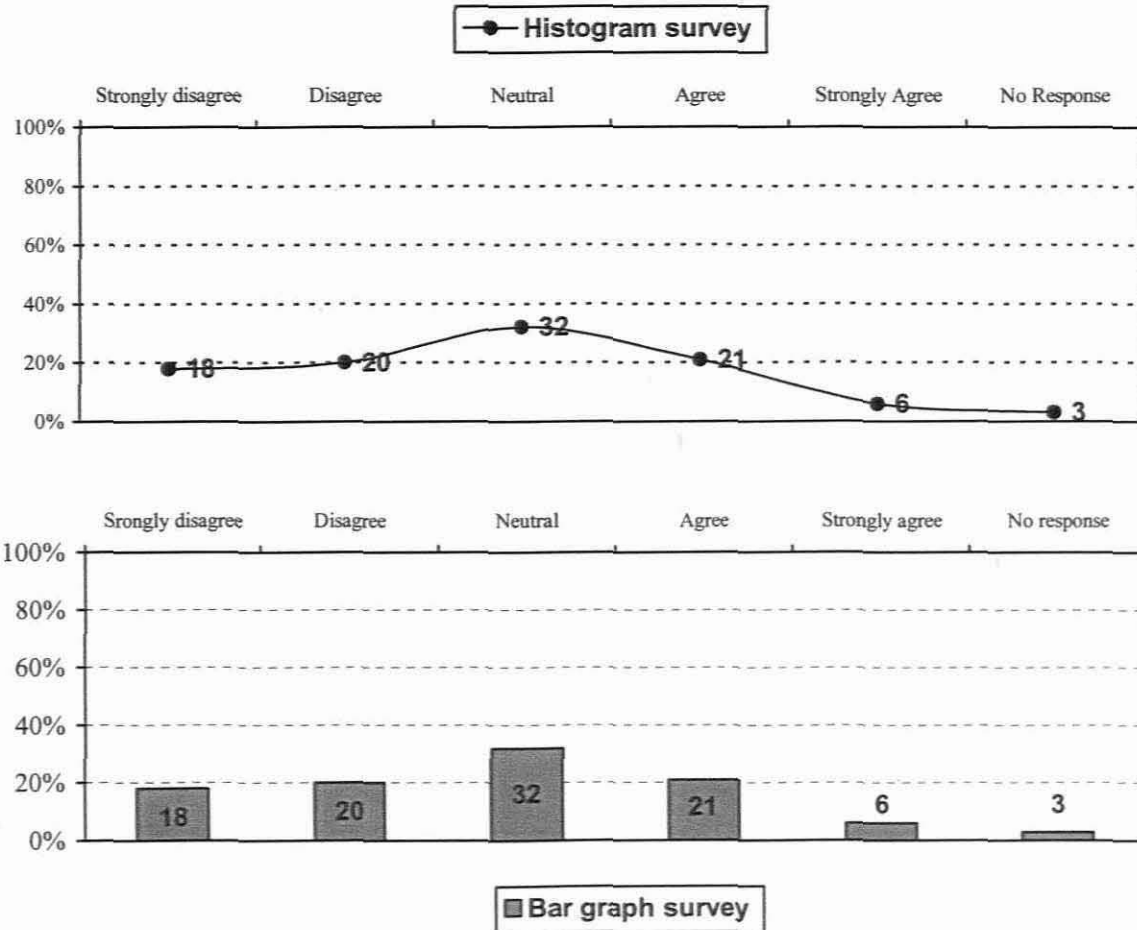
I would utilise a Black estate agent to find property in the suburb of my choice.



There were 12 percent who strongly disagreed with the statement and a further 16 percent who disagreed. There were 34 percent who have remained neutral while 26 percent agreed with the statement and a further 9 percent strongly agreed. In conclusion there were 28 percent who believed the statement is wrong and 35 percent who believed that the statement is a true reflection. Three percent did not fill in their opinion.

Graph 8

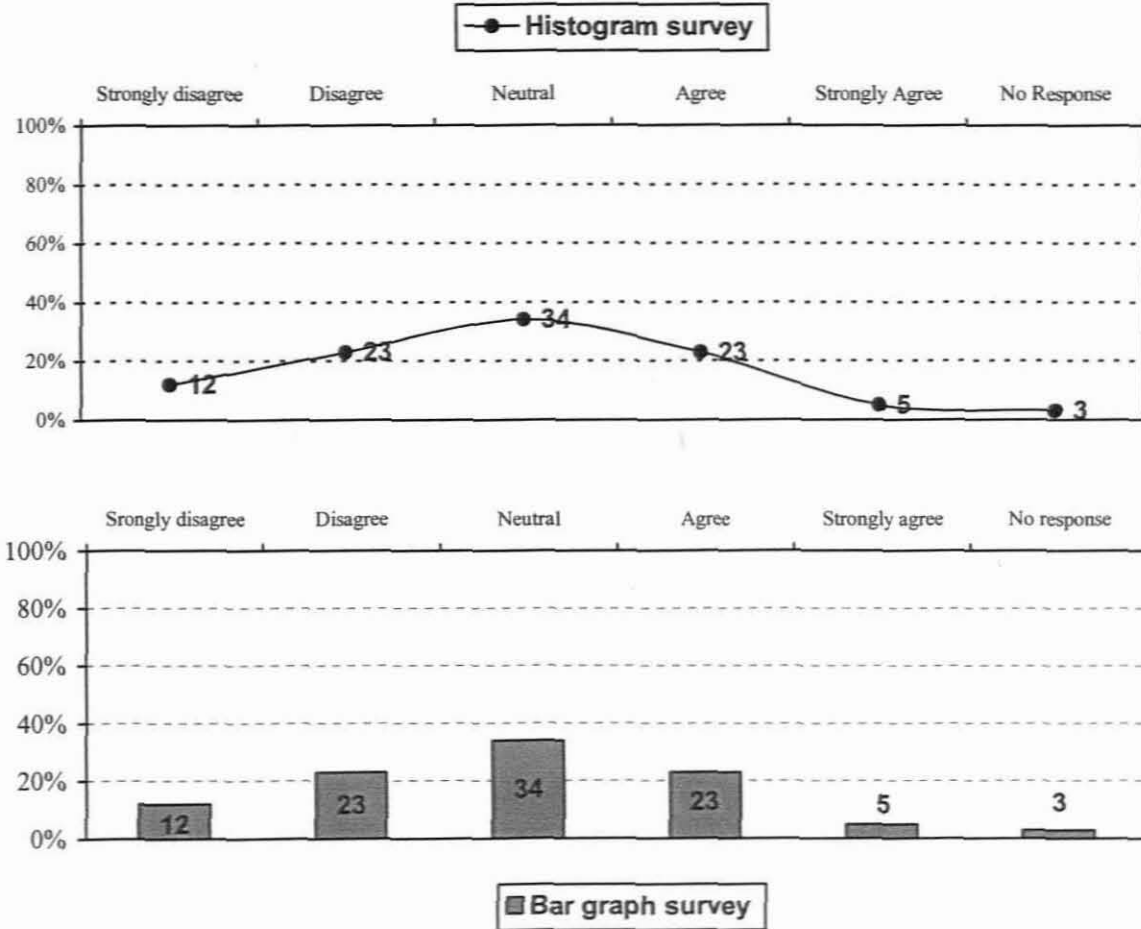
I would utilise a Black estate agent to sell my property if he/she did not live there.



There were 18 percent who strongly disagreed with the statement and a further 20 percent who disagreed. There were also 32 percent who have remained neutral while 21 percent agreed with the statement and a further 6 percent strongly agreed. In conclusion there were 38 percent who believed the statement is incorrect and 27 percent who believed that the statement is a true reflection. There were 3 abstentions.

Graph 9

I would utilise a White estate agent to sell my property if he/she did not live there.

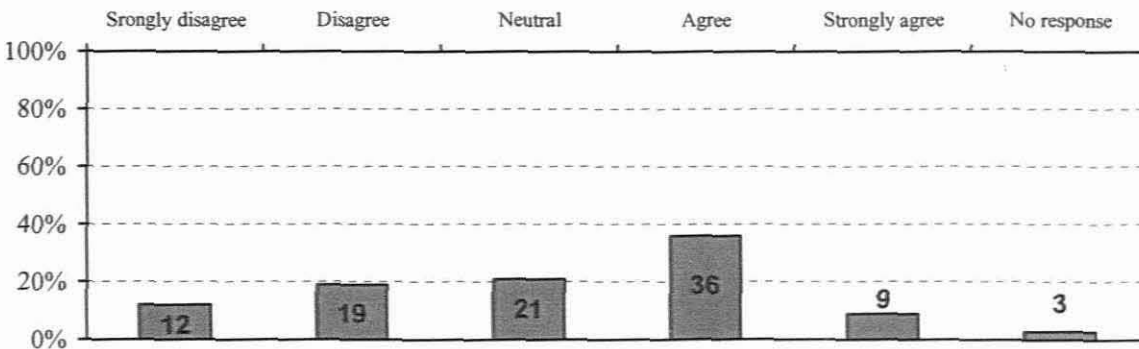
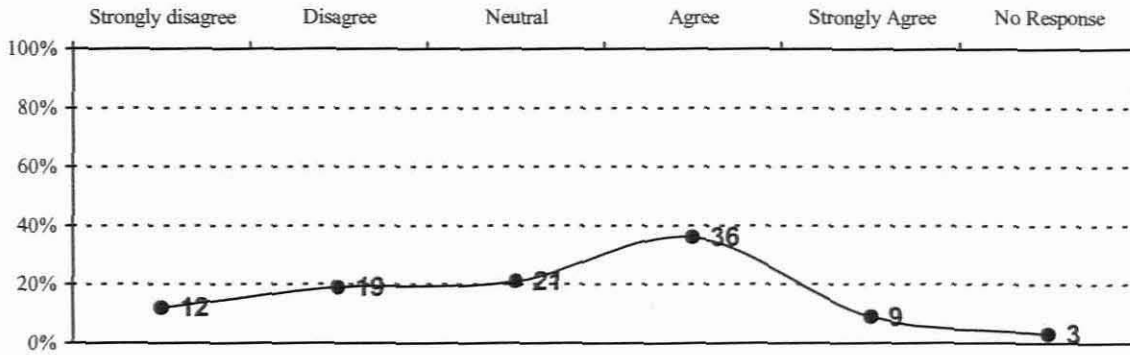


There were 12 percent who strongly disagreed with the statement and a further 23 percent who disagreed. There were also 34 percent who have remained neutral while 23 percent agreed with the statement and a further 5 percent strongly agreed. In conclusion there were 35 percent who believed the statement is incorrect while 28 percent of the respondents believed that the statement is a true reflection. There were three abstentions.

Graph 10

I believed having the same culture plays a part in the selling process of property.

● Histogram survey

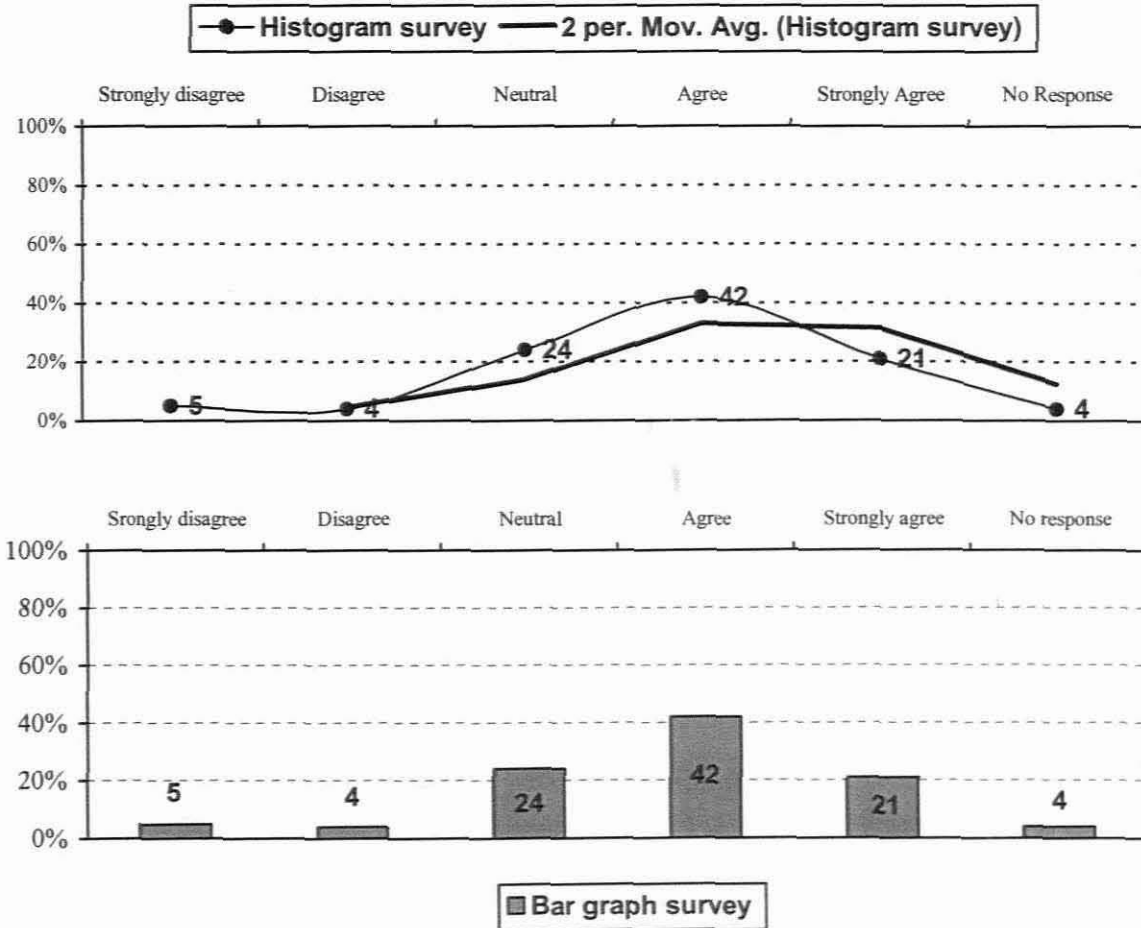


■ Bar graph survey

There were 12 percent who strongly disagreed with the statement and a further 19 percent who disagreed. There were 21 percent who have remained neutral while 36 percent agreed with the statement and a further 9 percent strongly agreed. In conclusion there were 31 percent who believed the statement is wrong and 45 percent who believed that the statement is a true reflection. Three percent did not fill in their opinion.

Graph 11

There is a future for a prospective Black estate agent.



There were 5 percent who strongly disagreed with the statement and a further 4 percent who disagreed. There were 24 percent who have remained neutral while 42 percent agreed with the statement and a further 21 percent strongly agreed. In conclusion, there were therefore 9 percent who believed that the statement is wrong and 63 percent who believed that the statement is a true reflection. Four percent of respondents declined to fill in their opinion.

The Black line is a moving average that combines the first 2 figures in the histogram. That total is divided by 2, giving the required figure. In this case, the moving average would be expressed mathematically as follows:

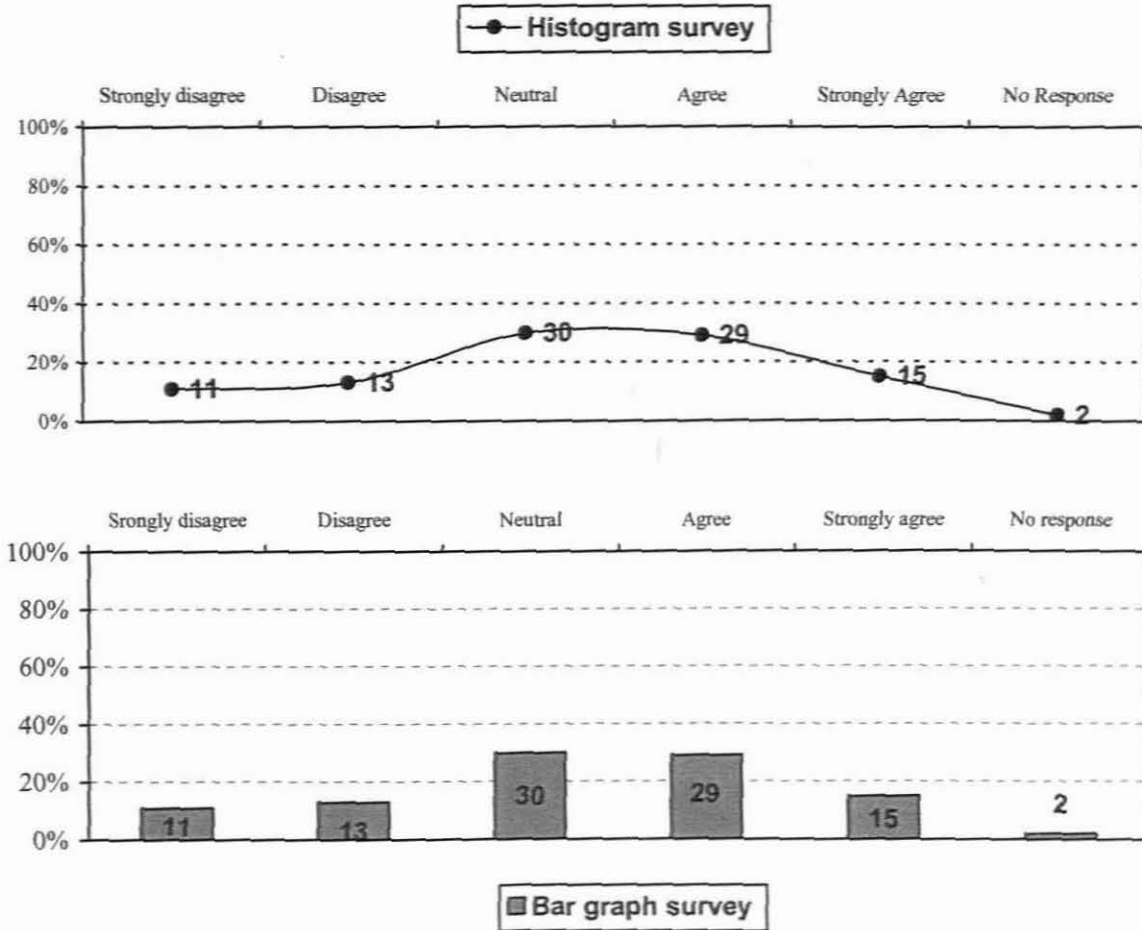
$$\begin{array}{l} 5 \\ 4 \\ 24 \quad (5 + 4)/2 = 5 \quad \text{Rounded off} \\ 42 \quad (4 + 24)/2 = 14 \\ 21 \quad (24 + 42)/2 = 33 \\ 4 \quad (42 + 21)/2 = 32 \quad \text{Rounded off} \\ \quad (21 + 4)/2 = 13 \quad \text{Rounded off} \end{array}$$

The moving average is useful for predicting forecasts. In this particular case, the moving average would be used to represent the views of a much larger sample than the 100 respondents that were used in the actual survey.

The practise of using moving averages as a quantitative method has a particular advantage. It tends to smooth out irregularities in the data series.

Graph 12

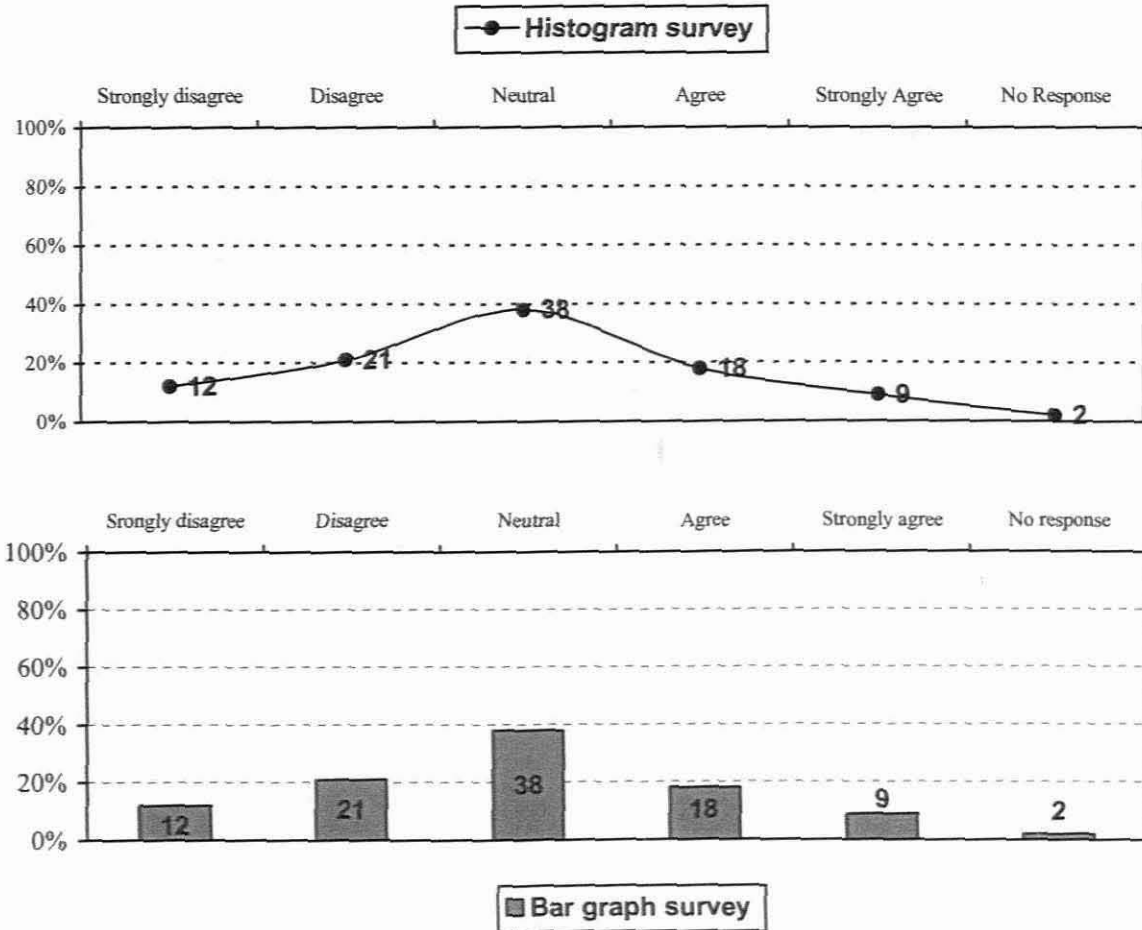
There is a resistance against using Black estate agents by other racial groups.



There were 11 percent of respondents who strongly disagreed with the statement and a further 13 percent who disagreed. There were also 30 percent who have remained neutral while 29 percent agreed with the statement and a further 15 percent strongly agreed. In conclusion, there were 24 percent who believed the statement is incorrect while 44 percent of the respondents believed that the statement is a true reflection. There were two abstentions.

Graph 13

There is a resistance against using Coloured estate agents by other racial groups.

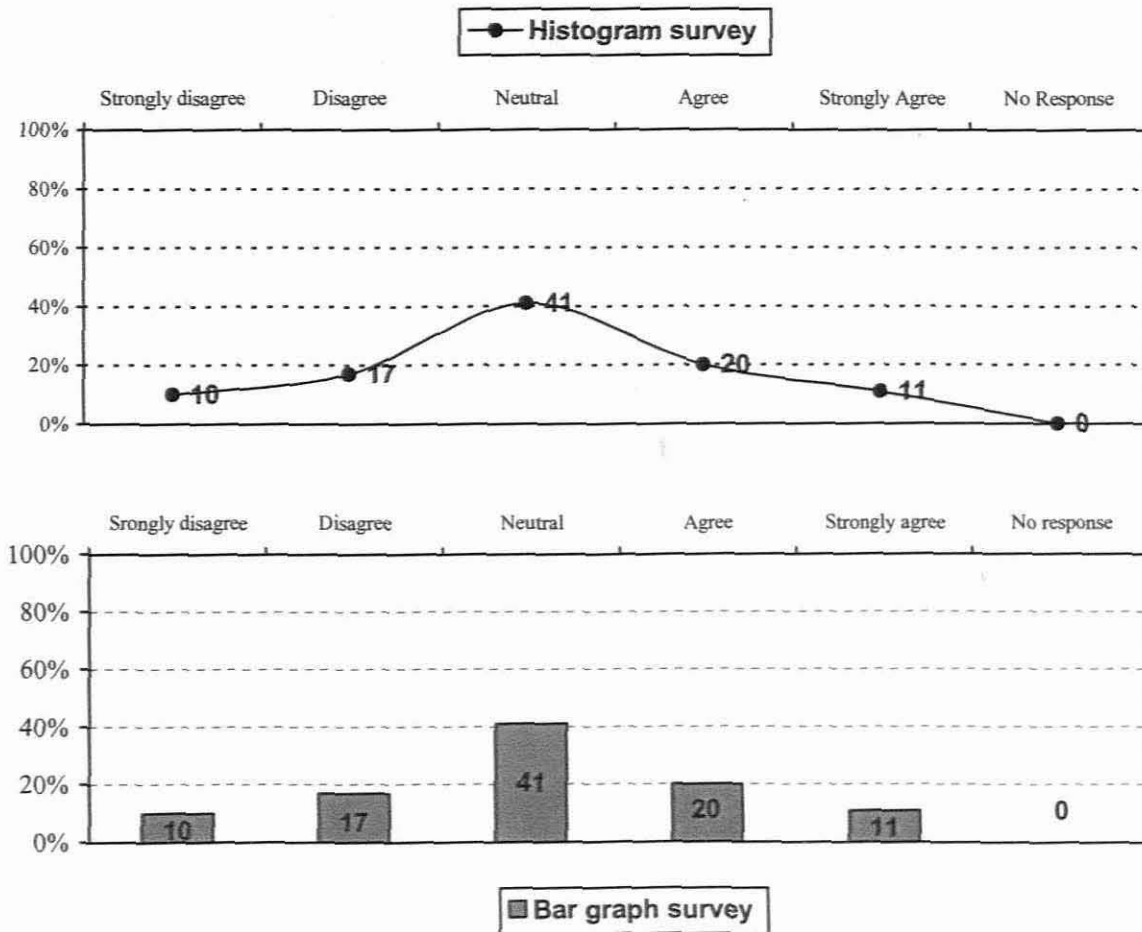


There were 12 percent who strongly disagreed with the statement and a further 21 percent who disagreed. There were also 38 percent who have remained neutral while 18 percent agreed with the statement and a further 9 percent strongly agreed. In conclusion there were 33 percent who believed the statement is incorrect while 27 percent of the respondents believed that the statement is a true reflection. There were two abstentions.



Graph 14

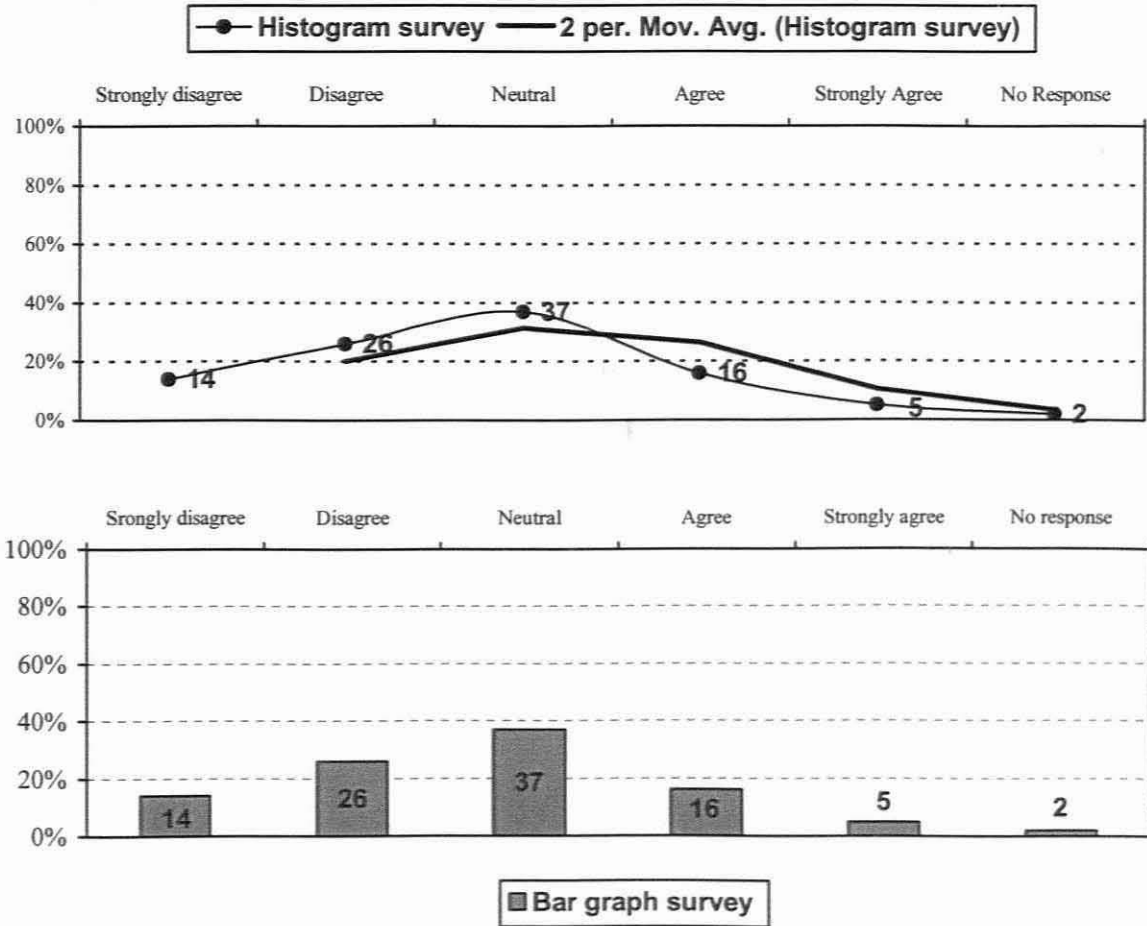
There is a resistance against using Indian estate agents by other racial groups.



There were 10 percent of respondents who strongly disagreed with the statement and a further 17 percent who disagreed. There were also 41 percent who have remained neutral while 20 percent agreed with the statement and a further 11 percent strongly agreed. In conclusion, there were 27 percent who believed the statement is incorrect while 31 percent of the respondents believed that the statement is a true reflection. There were no abstentions.

Graph 15

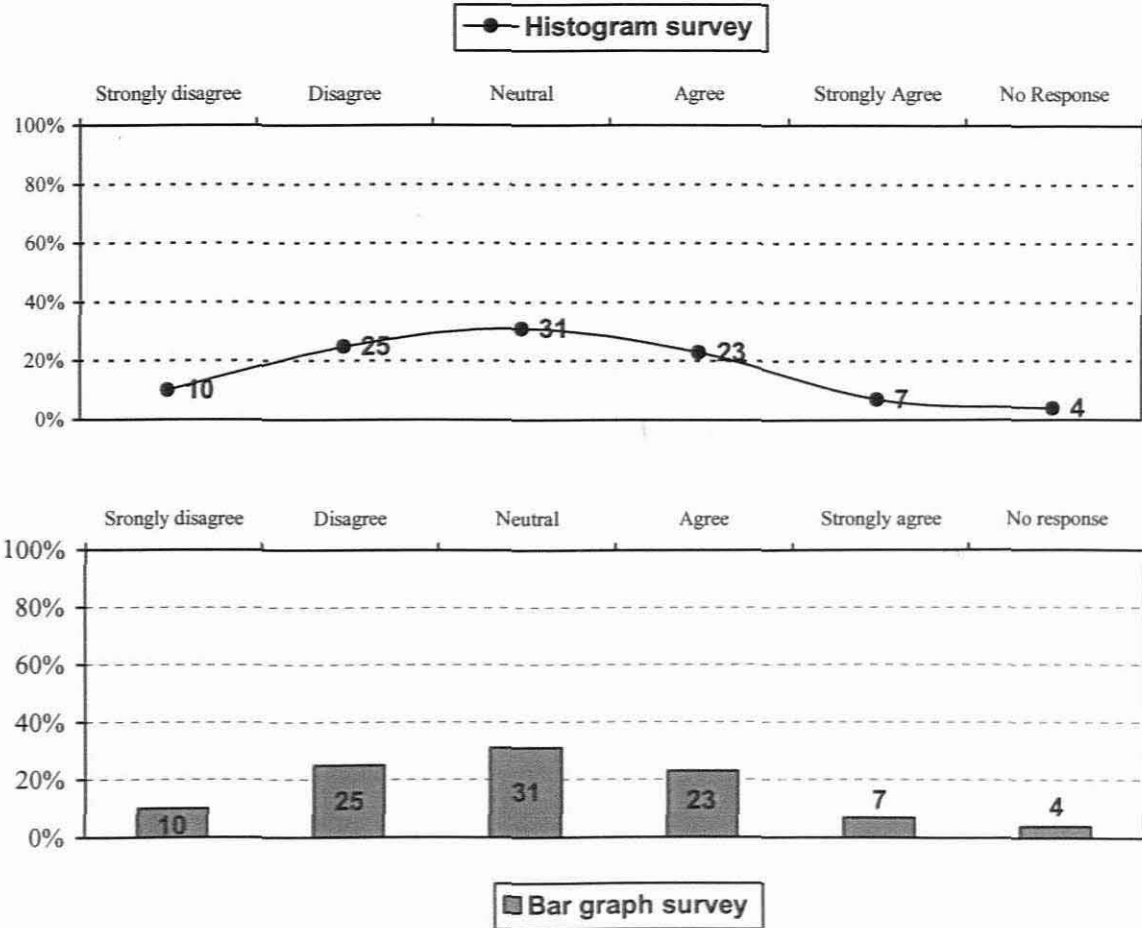
There is a resistance against using White estate agents by other racial groups.



There were 14 percent who strongly disagreed with the statement and a further 26 percent who disagreed. There were also 37 percent who have remained neutral while 16 percent agreed with the statement and a further 5 percent strongly agreed. In conclusion there were 40 percent who believed the statement is incorrect while 21 percent of the respondents believed that the statement is a true reflection. There were two abstentions.

Graph 16

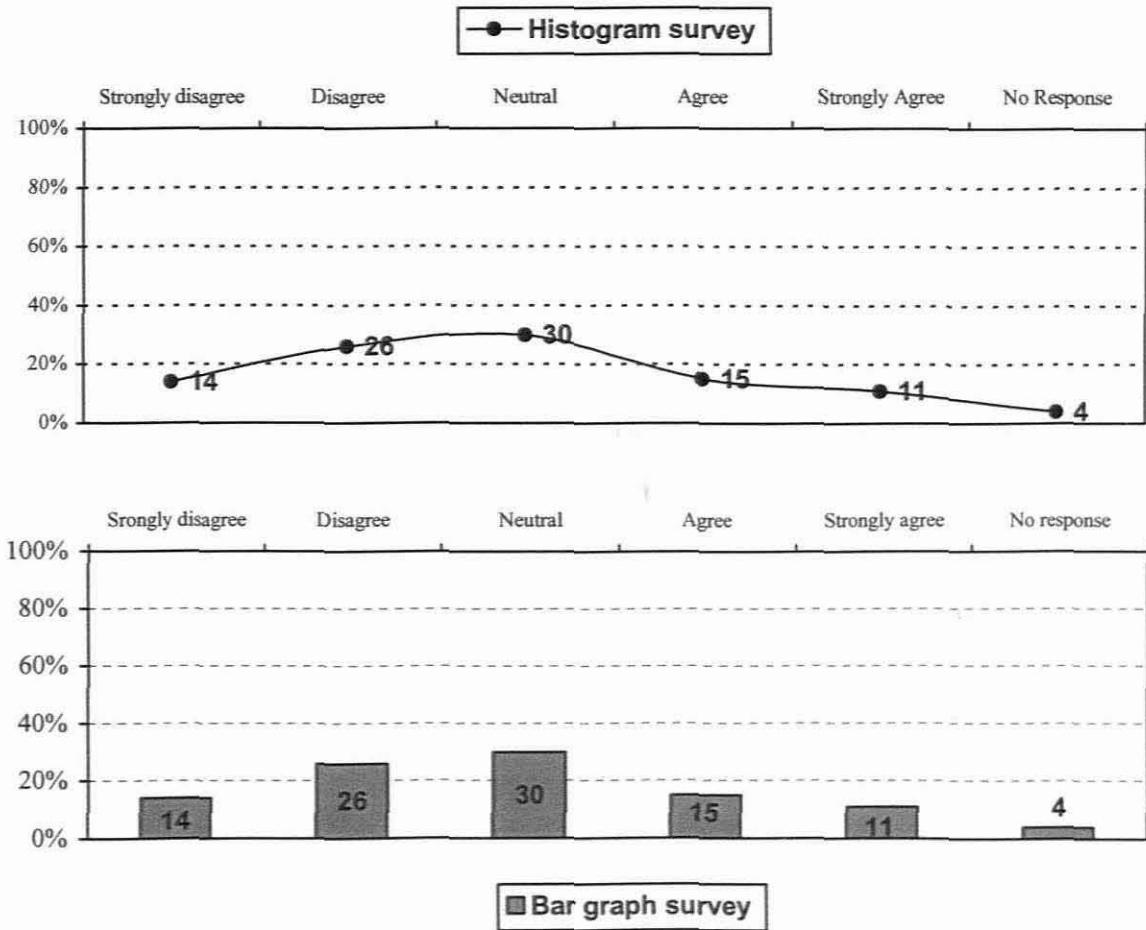
Blacks working in areas traditionally reserved for Whites, due to apartheid, will excel.



There were 10 percent who strongly disagreed with the statement and a further 25 percent who disagreed. There were also 31 percent who have remained neutral while 23 percent agreed with the statement and a further 7 percent strongly agreed. In conclusion, there were 35 percent who believed the statement is incorrect while 30 percent of the respondents believed that the statement is true. There were four abstentions.

Graph 17

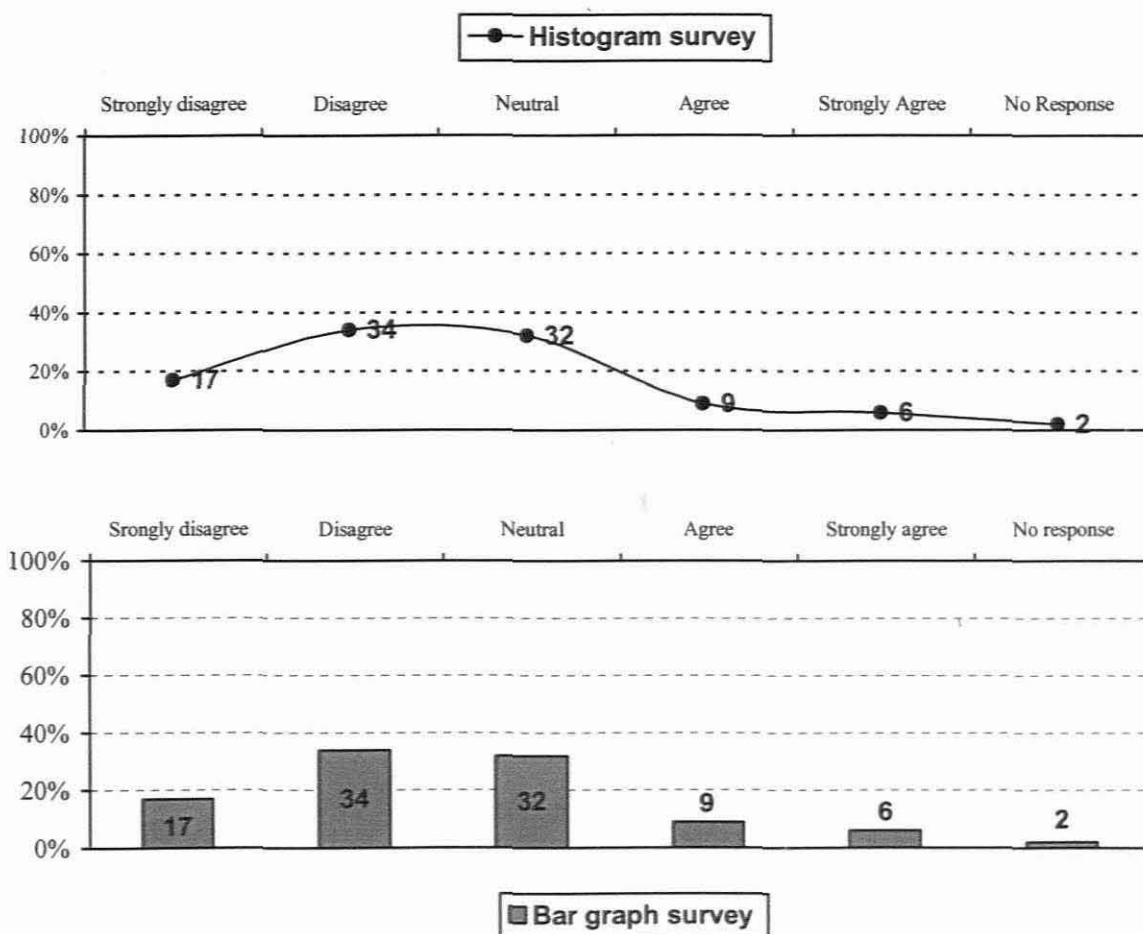
Trust and all racial groups are linked in a positive way.



There were 14 percent who strongly disagreed with the statement and a further 26 percent who disagreed. There were also 30 percent who have remained neutral while 15 percent agreed with the statement and a further 11 percent strongly agreed. In conclusion, there were 40 percent who believed the statement is incorrect while 26 percent of the respondents believed that the statement is a true reflection. There were four abstentions.

Graph 18

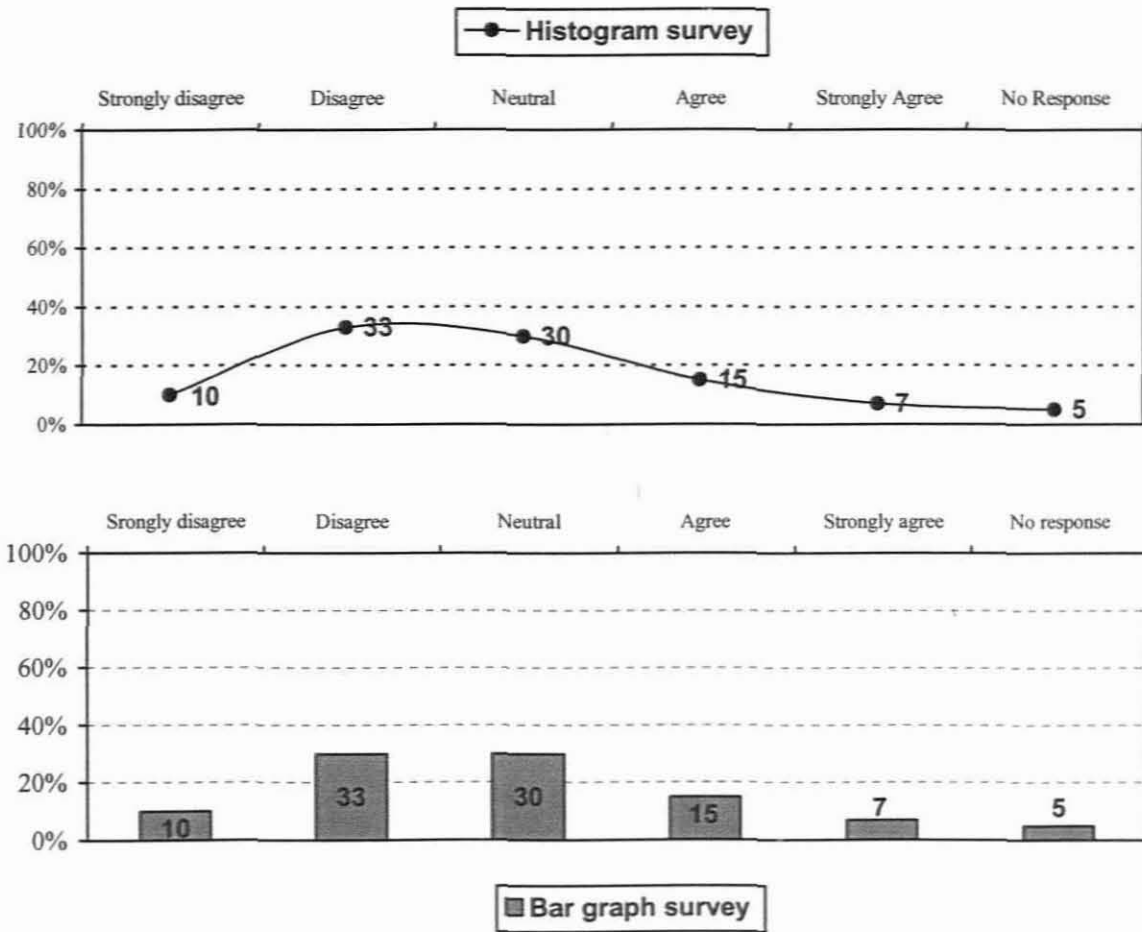
Black estate agents are trusted as much as a White estate agent.



There were 17 percent who strongly disagreed with the statement and a further 34 percent who disagreed. There were also 32 percent who have remained neutral while 9 percent agreed with the statement and a further 6 percent strongly agreed. In conclusion, there were 41 percent who believed the statement is incorrect while 15 percent of the respondents believed that the statement is true and correct. There were two abstentions.

Graph 19

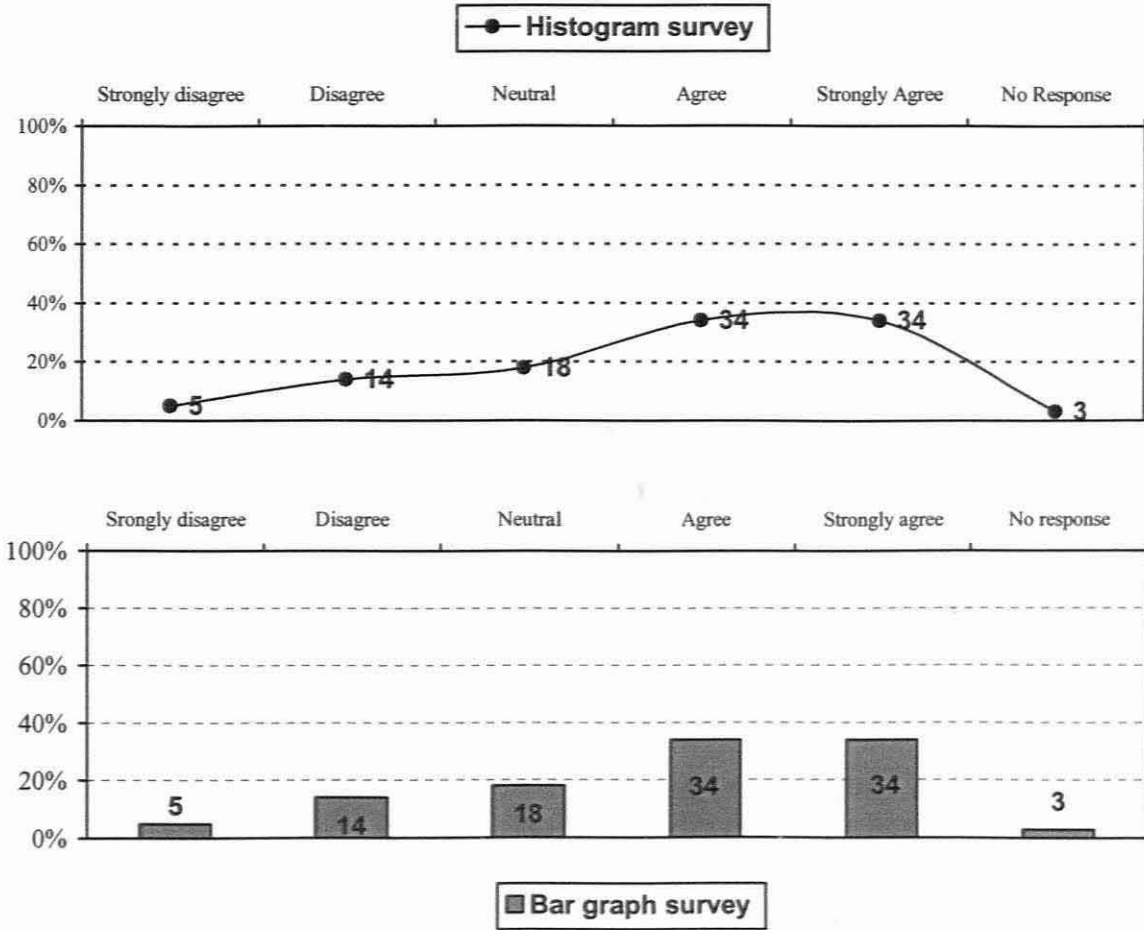
Black estate agents are trusted as much as a Coloured estate agent.



There were 10 percent who strongly disagreed with the above statement and a further 33 percent who disagreed. There were also 30 percent who have remained neutral while 15 percent agreed with the statement and a further 7 percent who strongly agreed. In conclusion, there were 43 percent who believed the statement is incorrect while 22 percent of the respondents believed that the statement is a true reflection. There were five abstentions.

Graph 20

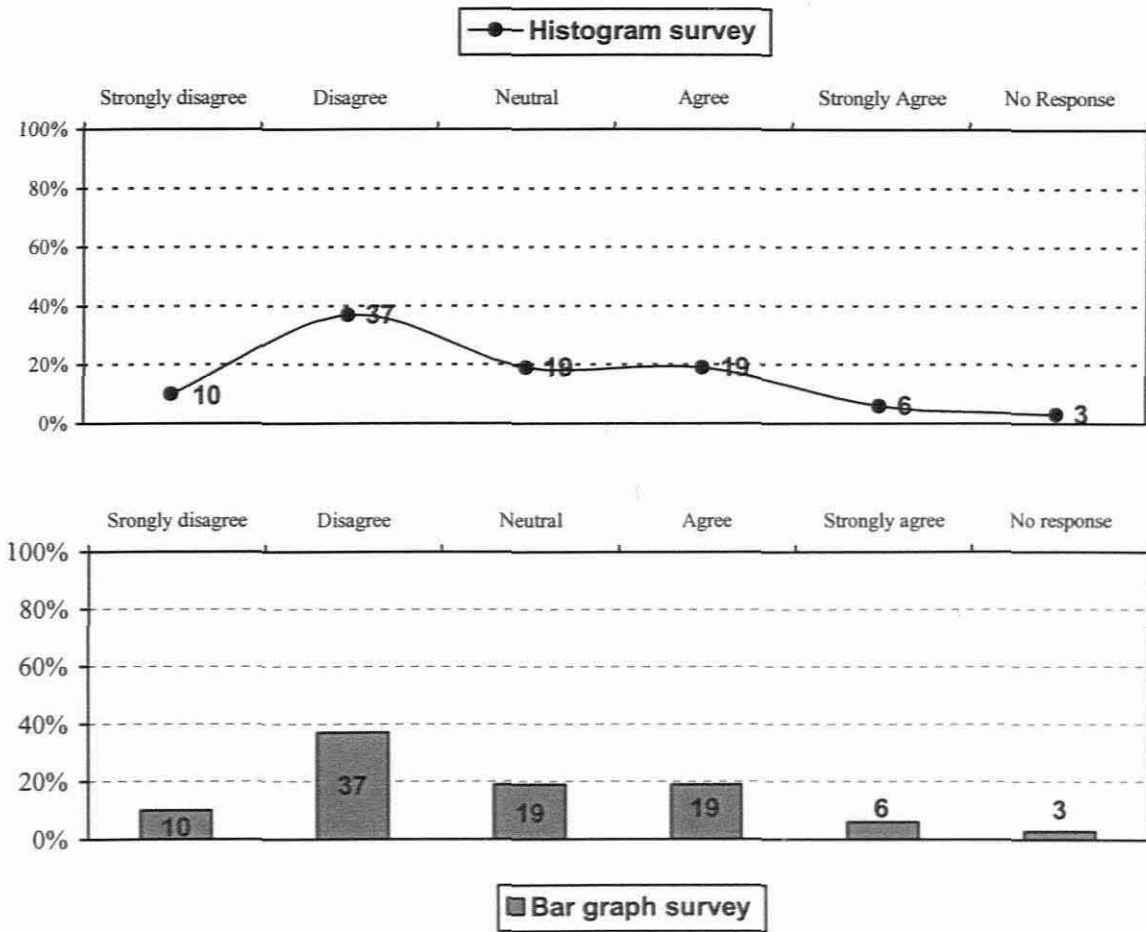
Most estate agents are White.



There were 5 percent who strongly disagreed with the statement and a further 14 percent who disagreed. There were 18 percent who have remained neutral while 34 percent agreed with the statement and a further 34 percent strongly agreed. In conclusion there were 19 percent who believed the statement is wrong and 38 percent who believed that the statement is a true reflection. Three percent did not fill in their opinion.

Graph 21

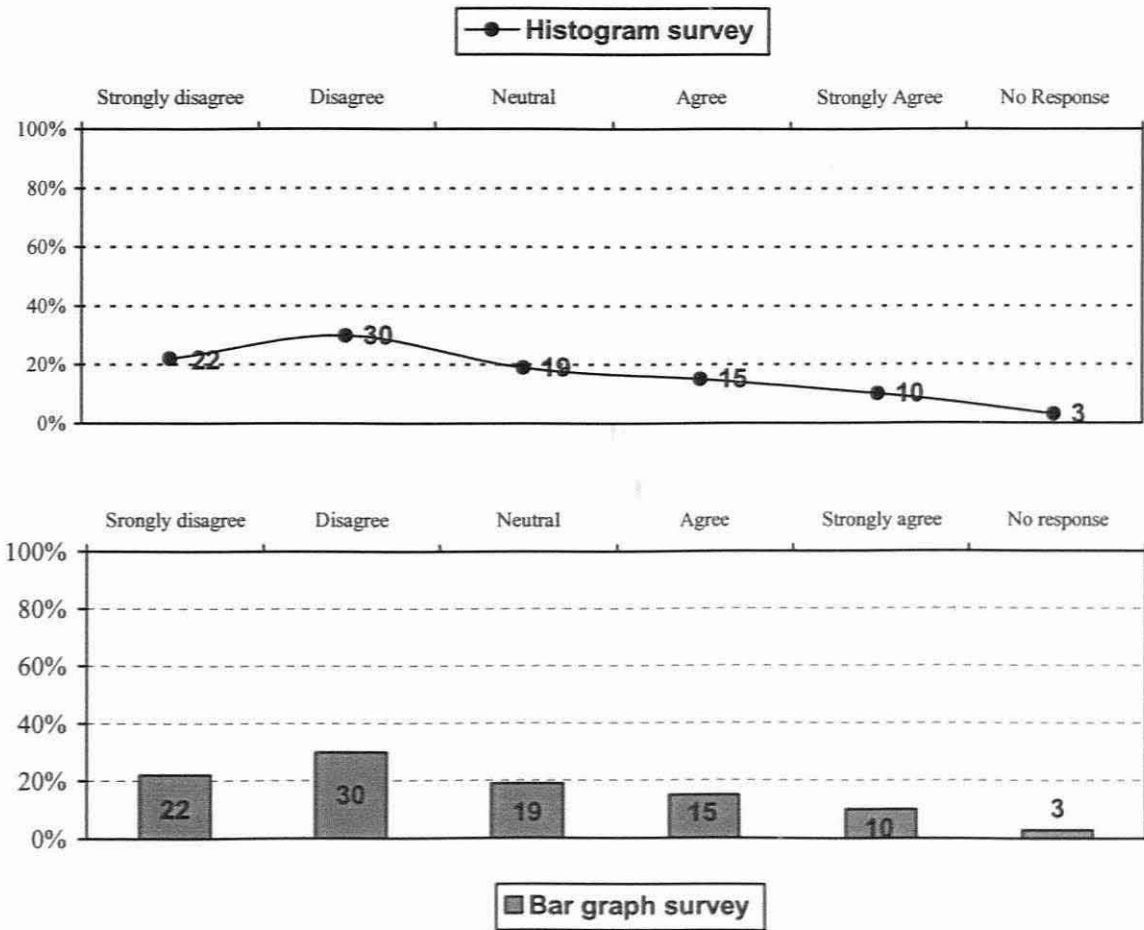
The Black population cannot afford to live in White or Coloured areas.



There were 10 percent who strongly disagreed with the above statement and a further 37 percent who disagreed. There were also 19 percent who have remained neutral while 19 percent agreed with the statement and a further 6 percent who strongly agreed. In conclusion, there were 47 percent who believed the statement is incorrect while 25 percent of the respondents believed that the statement is a true reflection. There were three abstentions.



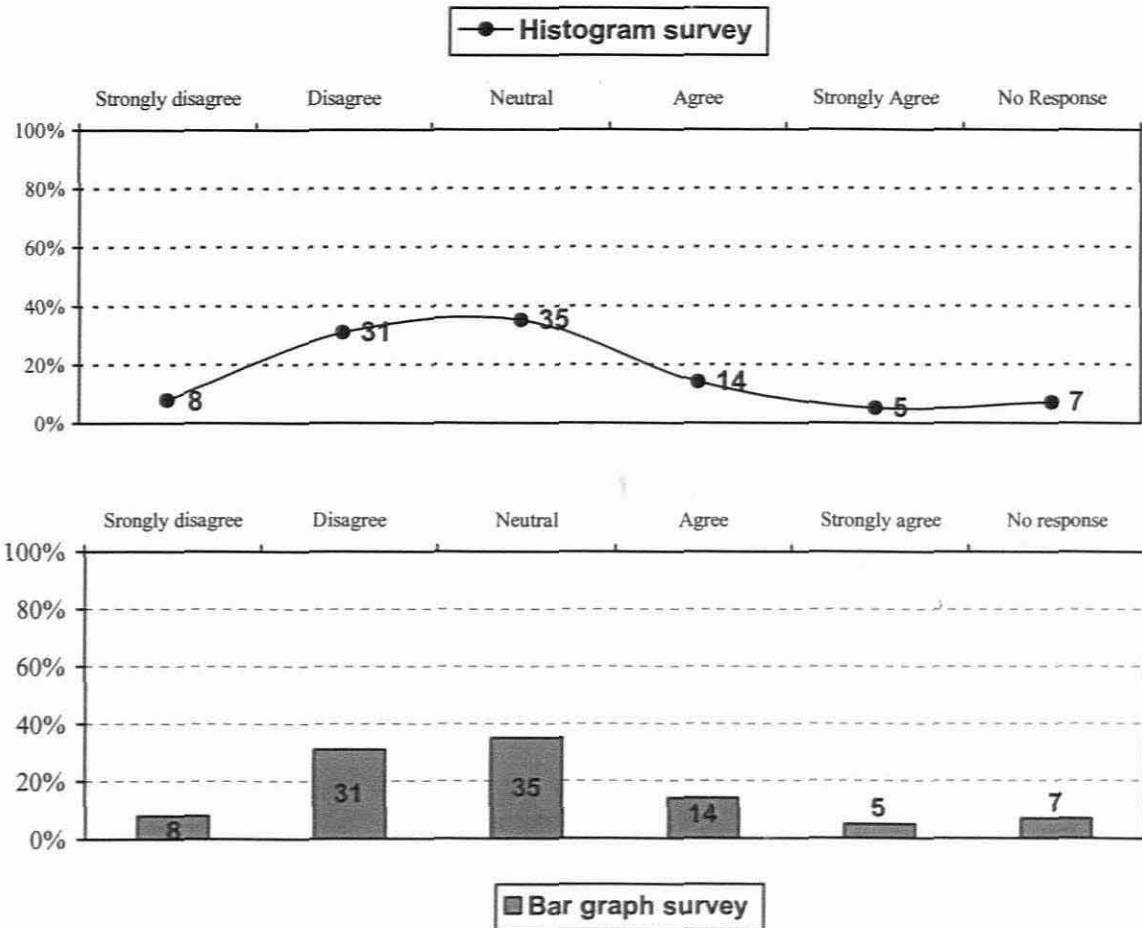
Graph 22  
Blacks prefer living in the townships.



There were 22 percent who strongly disagreed with the above statement and a further 30 percent who disagreed. There were also 19 percent who have remained neutral while 15 percent agreed with the statement and a further 10 percent who strongly agreed. In conclusion, there were 52 percent who believed the statement is incorrect while 25 percent of the respondents believed that the statement is a true reflection. There were three abstentions.

Graph 23

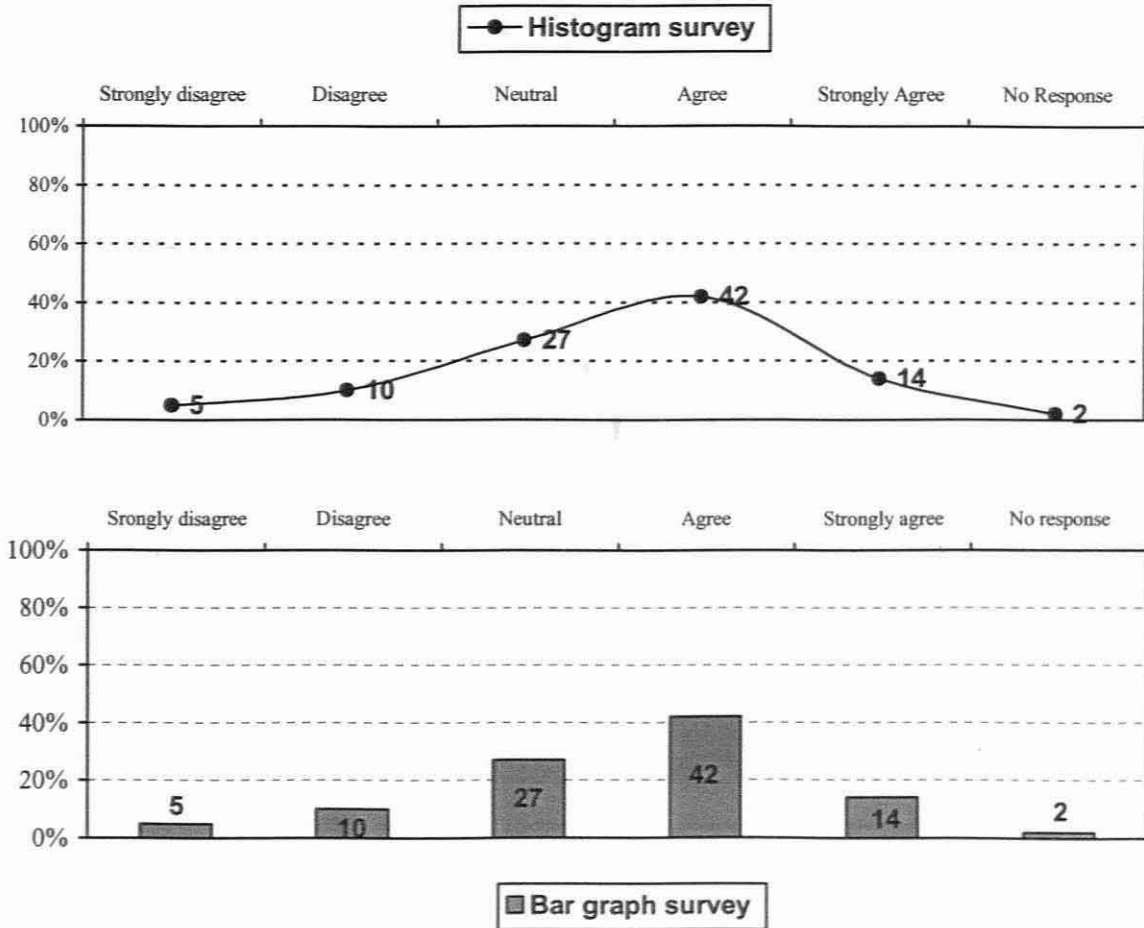
The Black population prefers dealing with White estate agents.



There were 8 percent who strongly disagreed with the above statement and a further 31 percent who disagreed. There were also 35 percent who have remained neutral while 14 percent agreed with the statement and a further 5 percent who strongly agreed. In conclusion, there were 39 percent who believed the statement is incorrect while 19 percent of the respondents believed that the statement is a true reflection. There were seven abstentions.

Graph 24

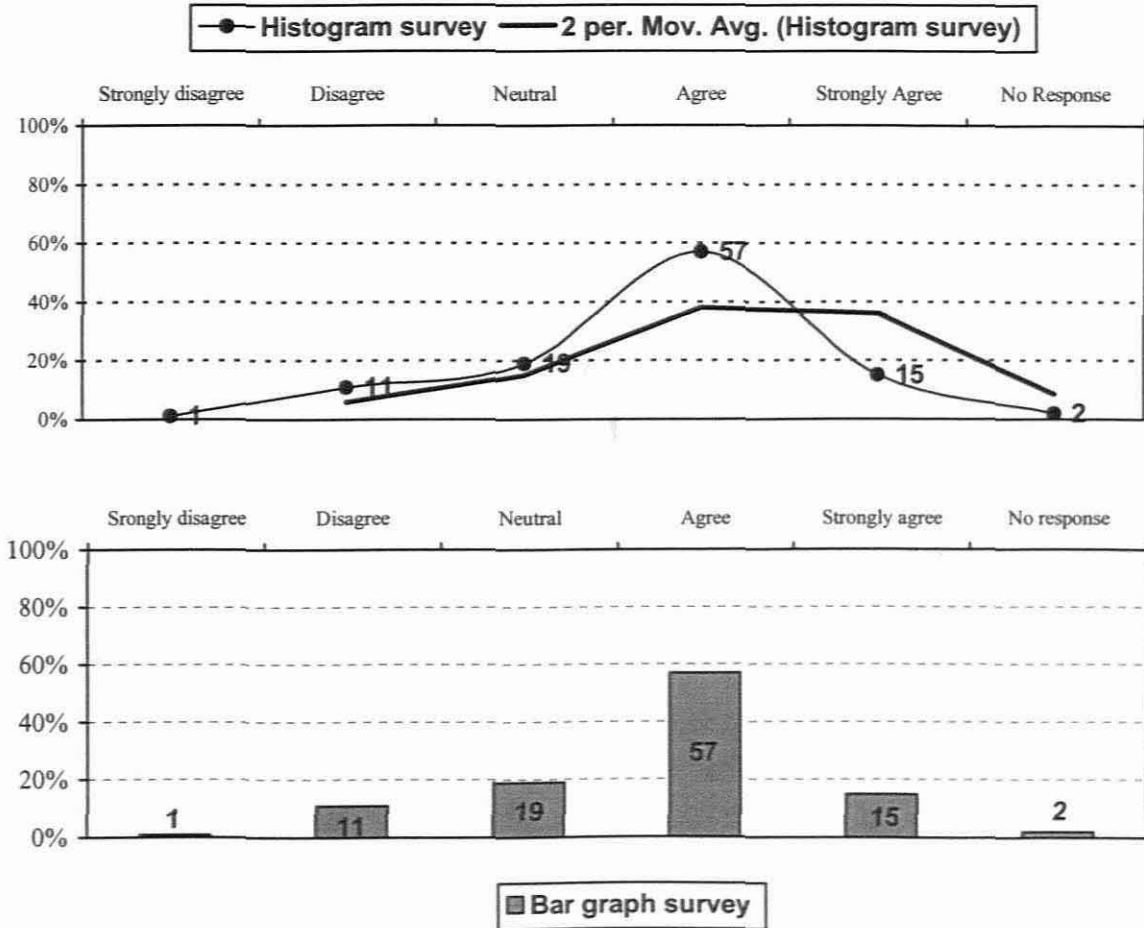
There should be significantly more Black estate agents in the Western Cape.



There were 5 percent who strongly disagreed with the statement and a further 10 percent who disagreed. There were 27 percent who have remained neutral while 42 percent agreed with the statement and a further 14 percent strongly agreed. In conclusion there were 15 percent who believed the statement is wrong and 56 percent who believed that the statement is a true reflection. Two percent did not fill in their opinion.

Graph 25

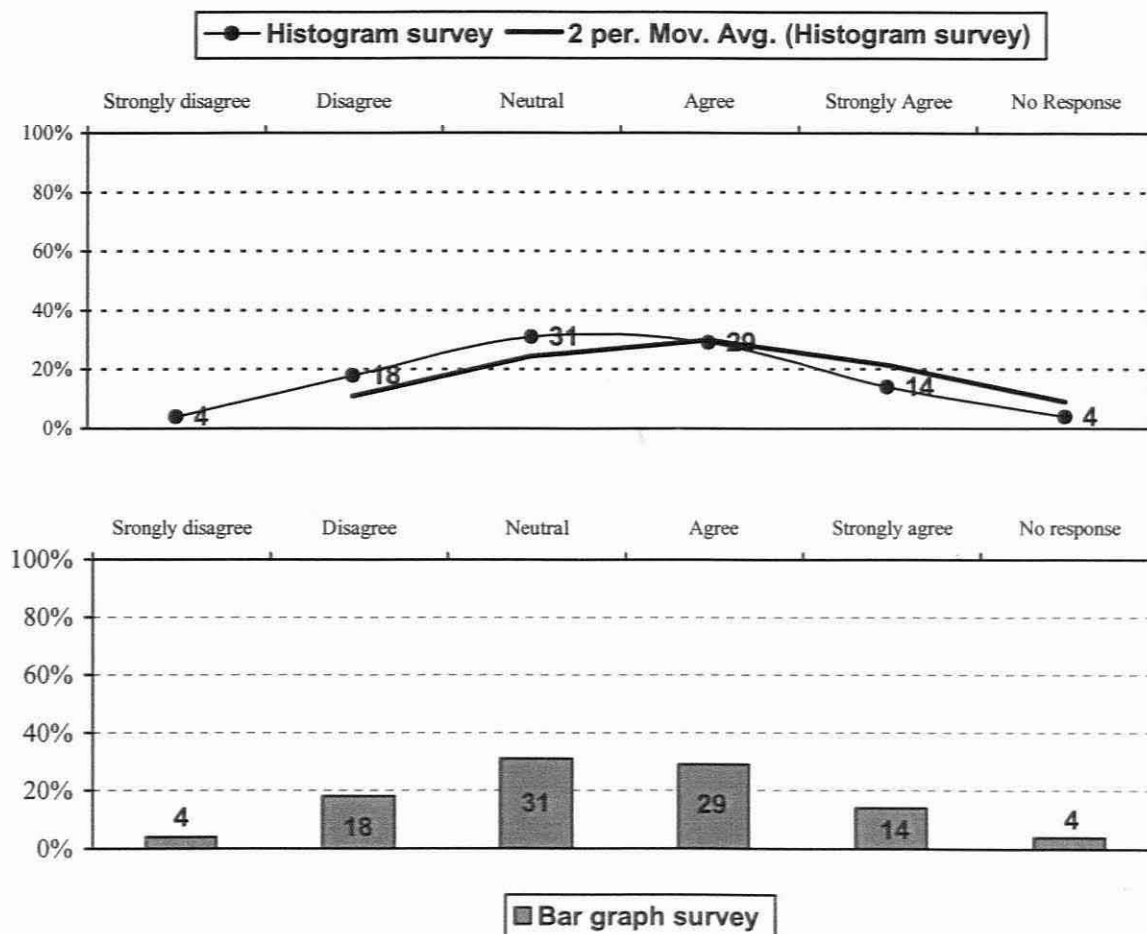
In 20 years time the numbers of Black estate agents in all areas will greatly increase.



There were 1 percent who strongly disagreed with the statement and a further 11 percent who disagreed. There were 19 percent who have remained neutral while 57 percent agreed with the statement and a further 15 percent strongly agreed. In conclusion, there were 12 percent who believed the statement is incorrect and 72 percent who believed that the statement would be a true reflection. Two percent did not fill in their opinion.

Graph 26

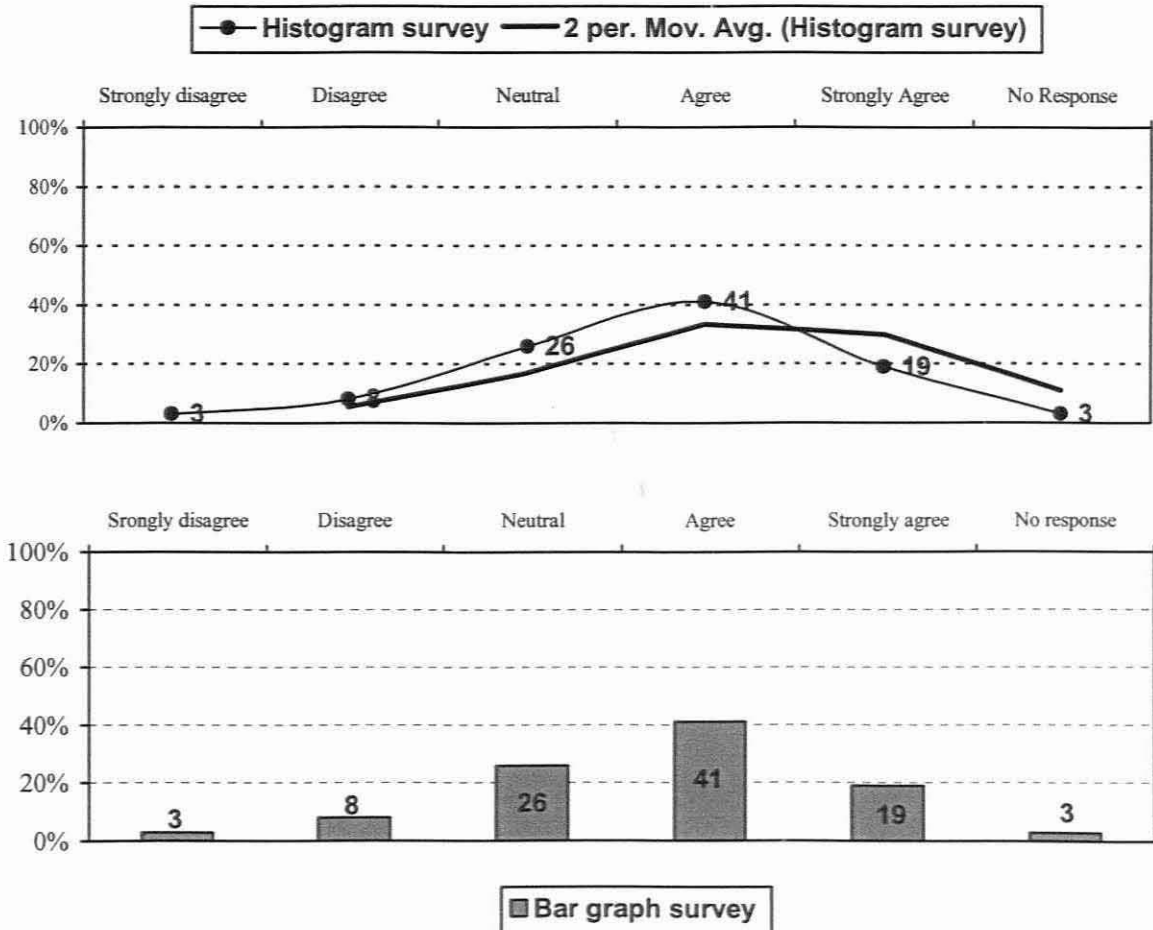
The Black population will be the largest property buying group in 20 years time.



There were 4 percent who strongly disagreed with the statement and a further 18 percent who disagreed. There were 31 percent who have remained neutral while 29 percent agreed with the statement and a further 14 percent strongly agreed. In conclusion there were 22 percent who believed the statement is wrong and 43 percent who believed that the statement is a true reflection. Four percent did not fill in their opinion.

Graph 27

The property market will be significantly bigger in 20 years time.



There were 3 percent who strongly disagreed with the statement and a further 8 percent who disagreed. There were 26 percent who have remained neutral while 41 percent agreed with the statement and a further 19 percent strongly agreed. In conclusion, there were 11 percent who believed the statement is incorrect and 60 percent who believed that the statement would be a true reflection. Three percent did not fill in their opinion.

Graphs 1 to 27 have provided figures and statistics that provide useful information within the realms of quantitative research and were relatively easy to interpret.

However, the author is not convinced that this primary sample, which does to an extent symbolically represent the population of the Western Cape, will be able to provide a true delineation on the subject. Therefore the findings of this quantitative research were discussed in further detail within the context of the focus group as well as in the following chapter.

#### 4.3 Quantitative analysis: interviews

Five in-depth interviews were held with members representing the estate agent industry. These interviews were conducted with a senior executive representing the Board in the Western Cape and the national president of the Institute respectively.

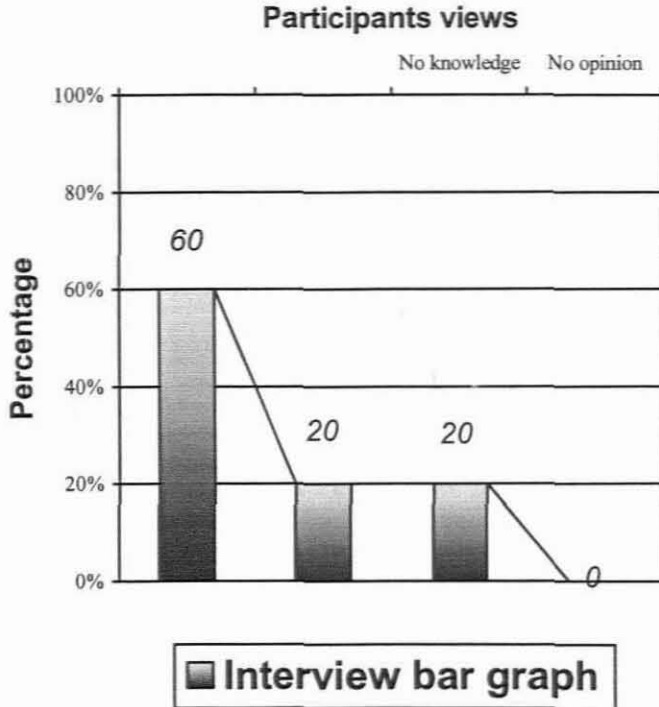
Interviews were also held with a director of a national estate agency in the Western Cape and the managing director of a local estate agency. The final interview was conducted with the national trainer of an internationally represented estate agency.

The author believed that the above participants would provide an adequate insight regarding the views of senior management pertaining to affirmative action and the plight of Black estate agents. Information was illustrated graphically under the heading of I-Graph.

Note: The researcher has endeavoured to begin each graph on a new page for aesthetic reasons and to prevent confusion.

### I-Graph 1

What is the situation regarding Black estate agents within the real estate industry in the Western Cape?

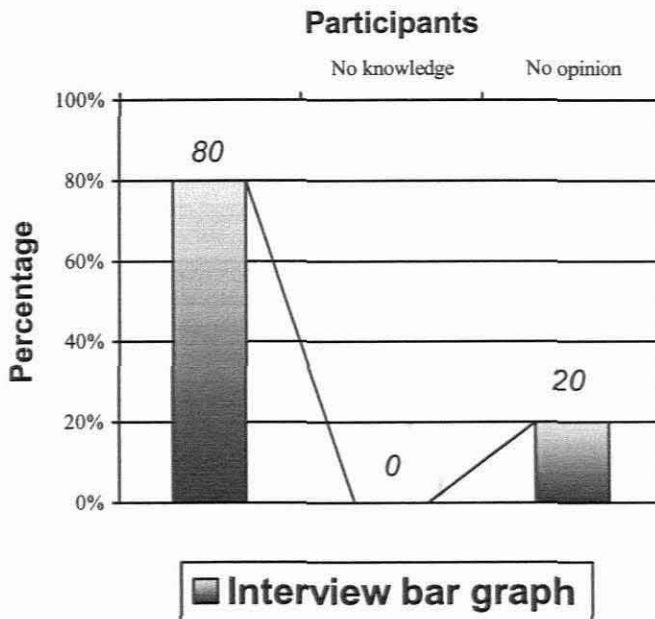


There were 60 percent of interviewees who said the situation regarding Black estate agents was non-existent and that the situation demanded attention. One participant knew of only one Black estate agent who was practising in the profession. Twenty percent believed that the situation was due to there being too many White estate agents. A further 20 percent stated that there was no knowledge available, as monitoring the situation was too difficult and transactions were not properly recorded in the informal sector.



## I-Graph 2

Why is this sector (Black estate agents) in its present condition?

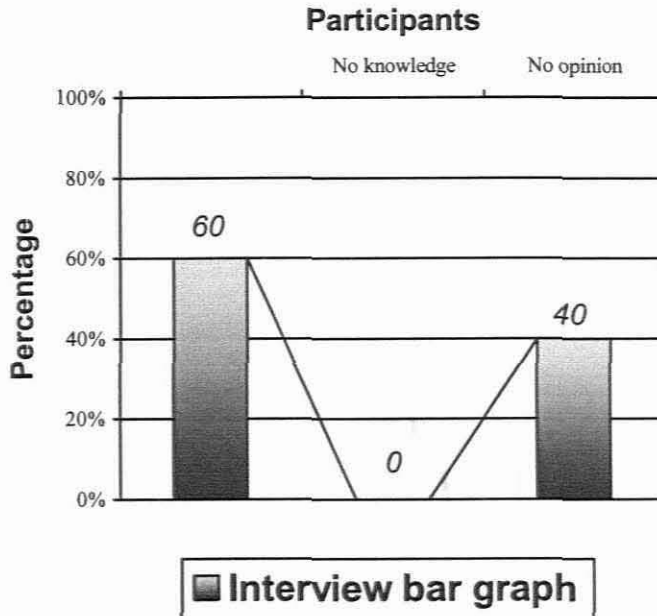


Eighty percent of the participants representing the large majority of the panel, cited lack of finance as the main reason for there being few Black estate agents in the Western Cape. They stated that it would be difficult working as an estate agent initially, as the income was commission-based and not on a fixed salary structure.

Some of these participants also believed that inaccessibility to the property market and a lack of infrastructure for Black estate agents also played a significant role. Two of the participants stated that the lack of mentors, skills and proper training from the established leaders and organisations, within the estate agent industry, had contributed negatively to the cause of Black estate agents.

### I-Graph 3

Who or what do you think is responsible for these conditions?



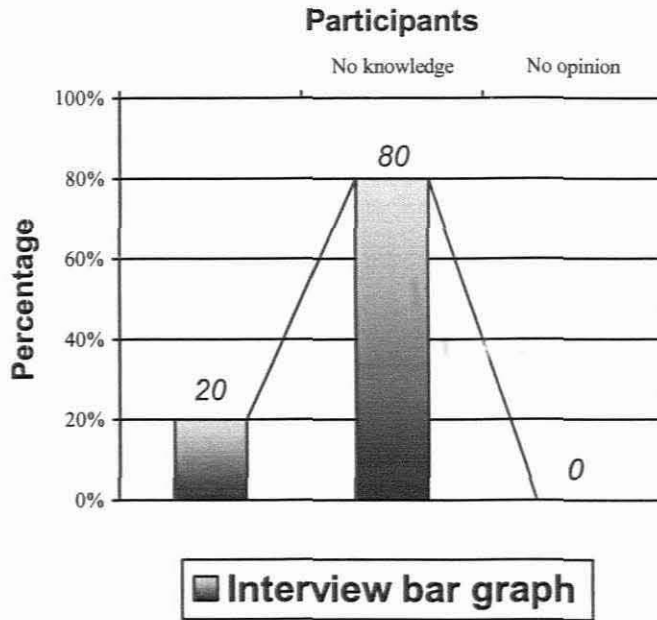
Sixty percent of the participants stated that the previous regime and the policies of apartheid had created imbalances and therefore they were responsible. The policies of segregation and unequal rights had created a situation where quality home ownership for Blacks had been virtually non-existent.

According to one participant, survival and employment opportunities had been a focal point for Black people in the days of apartheid. Black peoples concerns were consequently not the same as those of Whites. The participant stated that under an apartheid government Whites had benefited to the disadvantage of other racial groups.

Forty percent of the participants did not believe that any person or organisation was responsible.

### I-Graph 4

How many estate agents overall, are there in the Western Cape? How many Black estate agents are there? Has any research been done on how many Black estate agents we would actually need in the Western Cape?



Eighty percent of the participants stated that they had no knowledge of how many Black estate agents there were. They also did not know how many estate agents were operating in the Western Cape.

These participants also stated that there was no research available to give an indication as to how many Black estate agents would be required to work in the Western Cape.

Twenty percent of the respondents were able to give the following statistics:

There are 9844 estate agents in the Western Cape overall;

There are exactly 440 Black estate agents in the Western Cape.

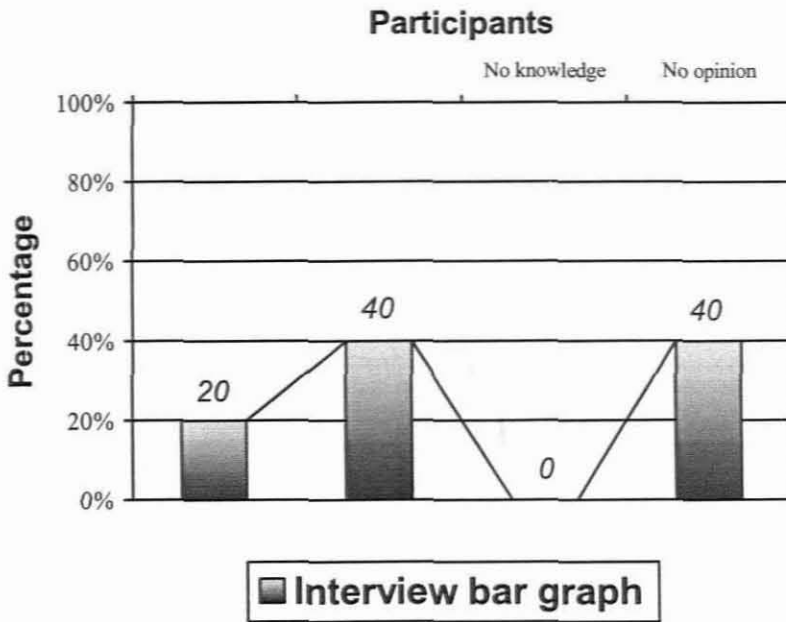
No research has ever been undertaken on the numbers of Black estate agents that would be required to service the property market for the Western Cape. It has also been stated by all of the participants that there is no research available at present, regarding this particular issue from any institution within the country.

The researcher contacted other estate agencies and they also confirmed that there are no statistics available regarding the numbers of Black estate agents required.

Note: The researcher has endeavoured to begin each graph on a new page for aesthetic reasons and to prevent any confusion.

### I-Graph 5

Does culture play any part in selling real estate? Does this influence selling techniques or is that a standardised process?

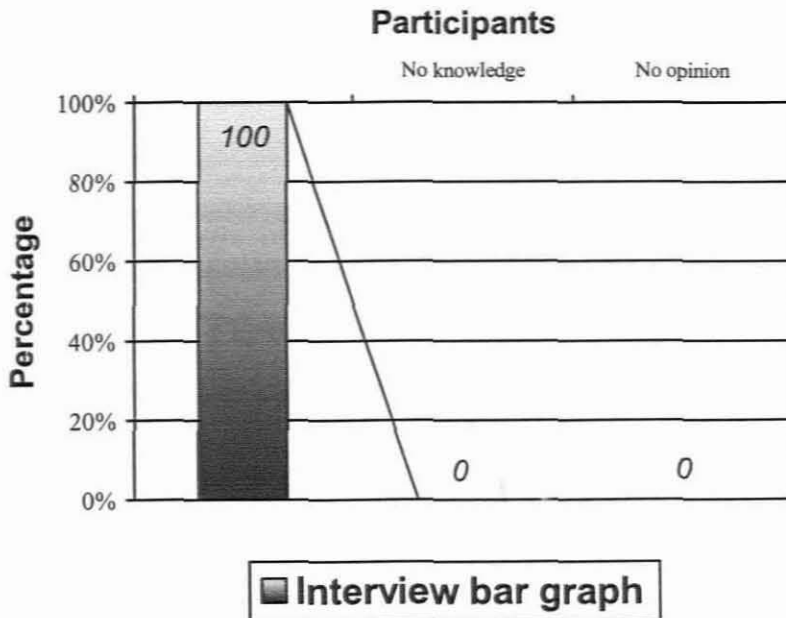


Forty percent of the participants stated that they had no opinion with regards to the importance of culture in the selling process. According to the other 40 percent of participants they believed that people preferred working with people that they understand and in the building of professional relationships.

Twenty percent claim that culture does play an important part of the process. *"Culture does play a major part at any point if you are dealing with people and their feelings in terms of providing the correct information to the client and therefore satisfying their needs, building good communities and eradicating barriers across the various race groups."* All respondents felt that there should be a basic selling process but that it is not standardised.

### I-Graph 6

Is there a future for a prospective Black estate agent?



One hundred percent of the participants stated they believed that there was a future for Black estate agents. One respondent stated: " *For the first time there is a future for Black estate agents... they are entitled to learnership funding for 12 months and can also register and train to become a specialist residential property valuator. This is a one year programme in which they must study and pass the required examinations... Earning commission income could still present a problem as the selling and buying of property is consumer driven.*"

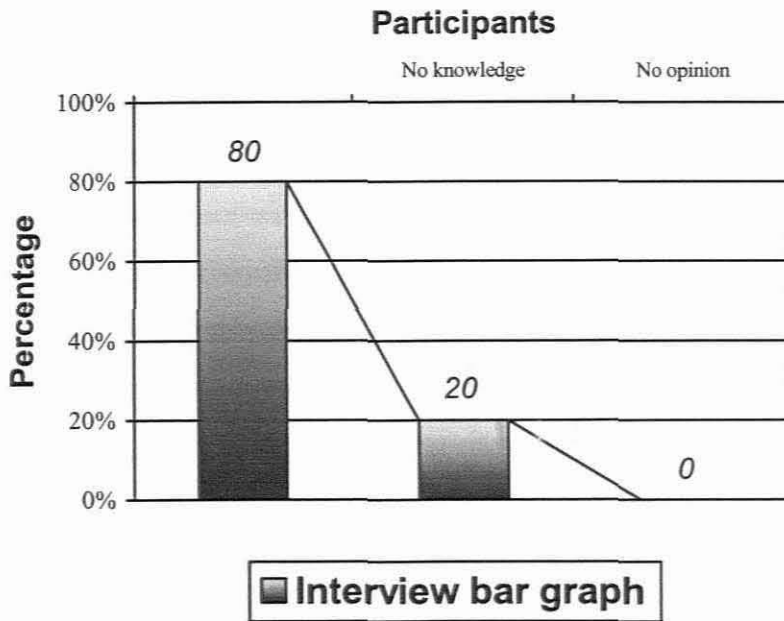
One of the other participants claimed: " *There is definitely a future for Black estate agents in the Western Cape... The new mentoring program at the Institute of Estate Agents seeks to address this with the next group at the present being interviewed for the course scheduled towards the end of the year. This mentoring program is given free of charge.*"

There was another participant who stipulated: *"Yes there is, simply because the industry is working vigorously and positively towards finding solutions to the obstacles caused by apartheid and an industry dominated by White estate agents through the establishment of a Real Estate Charter."*

The fourth participant stated: *"There is a lot of future because there is such a huge market out there... only in the last two years alone we have seen a significant increase in a number of properties that have been bought by Blacks... clearly there is a massive, massive market."*

### I-Graph 7

Is there a resistance against using Black estate agents by other racial groups?



Eighty percent of the participants stated that they believed that there is a resistance against using Black estate agents. The other twenty percent of participants did not answer the question.

One participant qualified their statement and said: *"There is, but only to the extent of the attitudes that we still carry and that can easily be solved through the formalisation of proper structures for the industry as a whole."*

One of the other respondents stated: *"In the present market which is known as a sellers market... the seller will choose who they wish to represent them as their estate agent... and as the majority of property owners are White there is a natural tendency to choose a White estate*



*agent with whom they identify... not just any White estate agent or any agent for that matter."*

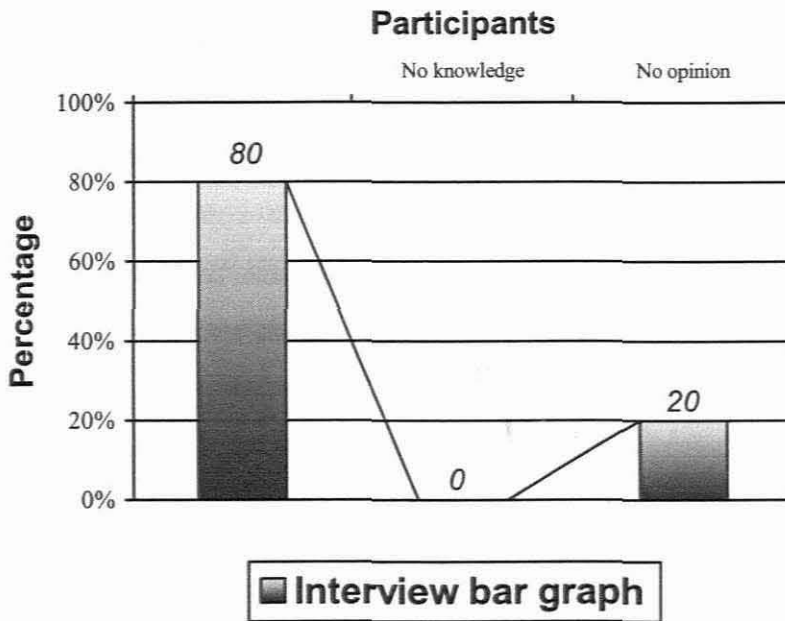
*A third respondent stipulated: "Especially in the Cape I do believe that other racial groups are prejudiced against the Blacks particularly when it comes to business... I don't know why it is like that... Particularly I don't see colour and I wish it was not necessary to do a study like this."*

*A fourth respondent confirmed: "I would be naive to say there is not... I would imagine that there must be a certain element of that by a certain people... but generally speaking I still believe that there is a huge market out there. I think that the majority of South Africans would be more than happy to deal with a professional, well groomed, well qualified estate agent whether he is White, Black or Green."*

**Note:** The researcher has endeavoured to begin each graph on a new page for aesthetic reasons and to prevent any confusion.

### I-Graph 8

What are your views on Blacks working in areas that have traditionally been reserved, due to apartheid, for Whites? Would they excel?



Eighty percent of the participants stated that they believed that it would be difficult but that it was possible that Black estate agents would succeed in these areas. They qualified their statements as below:

*"They would providing they are adequately equipped to do so through the eradication of obstacles such as the lack of structured collaboration between Black and White business... lack of mentorship... negative attitudes... lack of confidence... an overall lack of structures to deal collectively and constructively with the upliftment of Black estate agents."*

*"If you are living in your area... that you are working in your chances are much better of being successful... than someone from another area coming in and selling... the same applies to Blacks and maybe even*

*more... because they are not only from outside (the area) they are also from other racial groups... which is still in South Africa a problem... whether you want to believe it or not."*

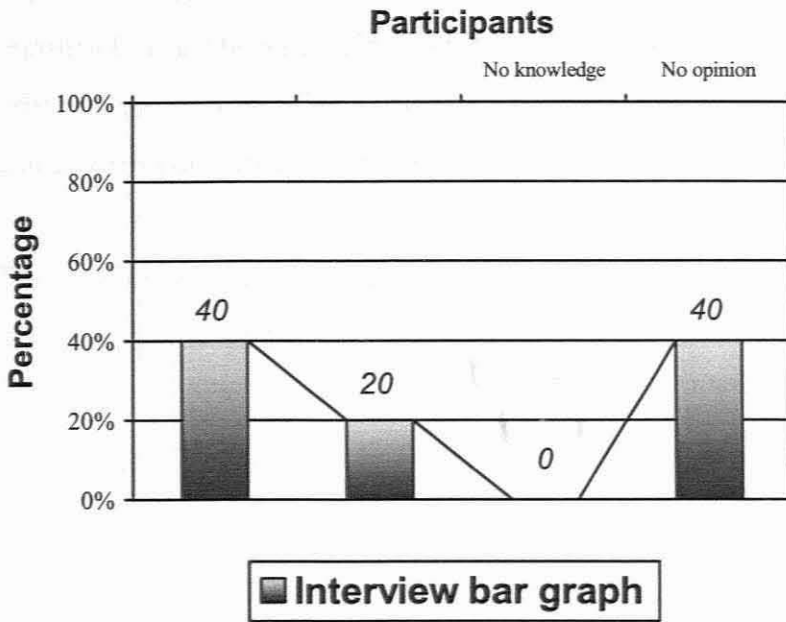
*"It will be tough... because our success is based on networking. It is not going to come easy... when you think how successful you will be based on how well or how big your network is. So they will always have it difficult for quite some time... until such time as they build up that network around them or their database. So it will be tough... they would need sponsorship to sponsor them initially."*

*"There is no reason why well trained, experienced Black Agents could not excel in the traditionally White areas, but the most successful Agents are those who work in the area they live in. In other words if one is part of the community, one is more likely to succeed."*

There were twenty percent of participants who did not have an opinion.

### I-Graph 9

Are enough Black estate agents being trained? In what language are they trained?



Forty percent of the participants stated that there are not sufficient Black estate agents being trained. Their statements are below:

*"No, not enough (have) been trained but I am delighted to say that I am part of the Institute and we are doing as much as we can... they are only training in English and Afrikaans."*

*"Unequivocally no. There are not enough being trained."*

*Forty percent of the participants did not offer an opinion as to whether sufficient Black estate agents were being trained. One participant however, stated: "I have offered training to the general public to become estate agents. I offered courses in English and Afrikaans... I have all my*

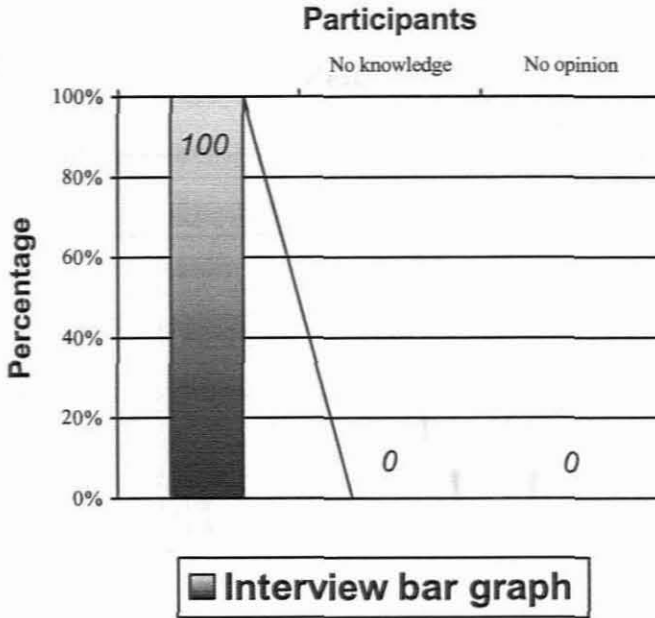
*notes translated into Xhosa... I do find however that Black people prefer their training in English."*

Twenty percent of the participants stated that there are sufficient Black estate agents being trained. "Enough are being trained the market is just not conducive right now. They are trained predominantly in English but we do make provision as a Board for the other languages."

Note: The researcher has endeavoured to begin each graph on a new page for aesthetic reasons and to prevent any confusion.

## I-Graph 10

Where do you see the Black estate agent in 10 years time?



One hundred percent of the participants stated that they saw Black estate agents playing a more prominent role in the industry. The participants differed regarding the degree of the development of Black estate agents. Their comments are below:

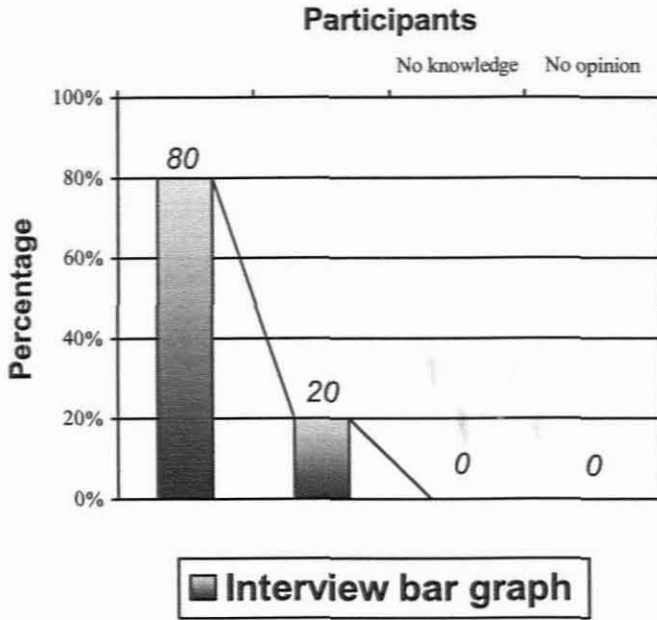
*"I see them working in an industry and market where the playing fields have been reasonably levelled granting all estate agents across the board equal opportunity to trade."*

*"More involved in the property market due to redistribution of wealth"*

*"In ten years time we are hoping that we will have a good percentage of top Black agents."*

### I-Graph 11

Could buyers' mandates instead of sellers' mandates be a solution, in order to work in the White markets?



Eighty percent of the participants agreed that this could be a part of the solution in order to get Black Estate agents into the property industry. Their statements are below:

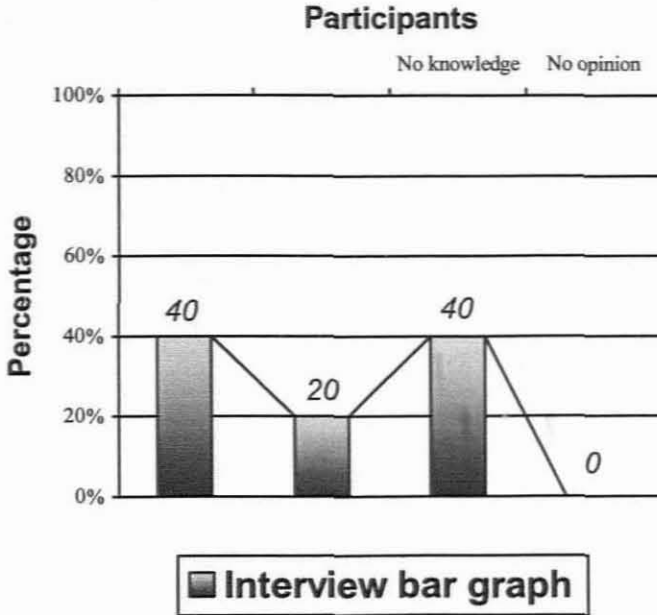
*"I don't believe in a buyer's mandate but if you look at it from that angle it might be the way to do it. It might be the way to get into a different market from the one you are operating in... It actually opens up the market."*

*"I think that it is an excellent idea... Buyer's mandate is something relatively foreign in the South African set up... I think that there is a huge market for a buyer's mandate."*

Twenty percent of the participants were not sure that it would work.

### I-Graph 12

Would the size of the buying sector of the Black population and the proportion of Black estate agents be related?



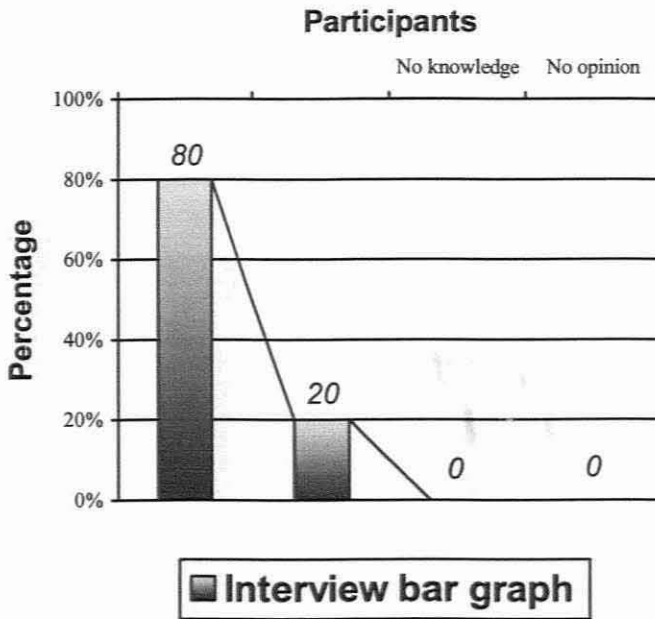
Forty percent of the participants had no knowledge. Furthermore, forty percent of the participants agreed that the size of the buying sector of the Black population and the proportion of Black estate agents are related. The remaining twenty percent of the participants stated that the situation would not be related. A statement is below:

*"They are not related because that buying sector is far larger than that of the estate agency sector."*



### I-Graph 13

How lucrative is the market for the Black population in the Western Cape to own property? Is it properly serviced?

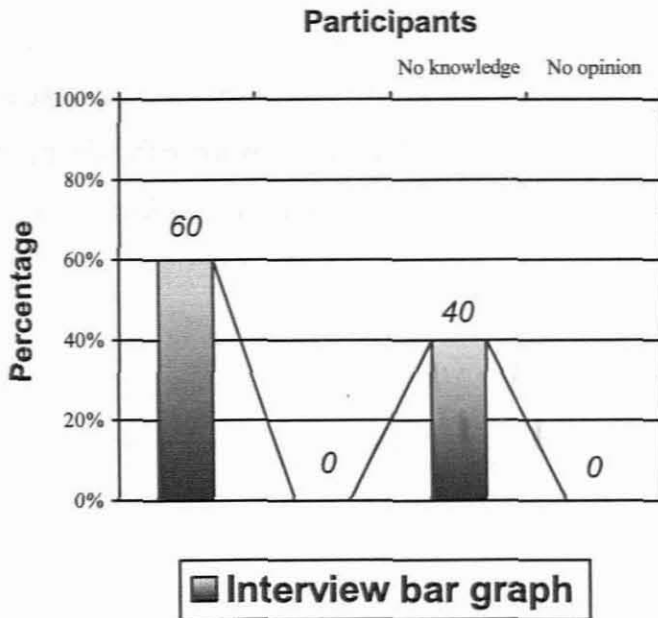


Eighty percent of the participants believed that the market was lucrative. Most of the participants did not believe that this market was properly serviced. Furthermore, 20 percent of the participants did not agree that the market was lucrative due to lack of finance. This statement is below:

*"It can't be very lucrative for the Black population without a secure consistent source of finance for the end purchasers. We have no means to measure the quality of service."*

### I-Graph 14

What should still be done in order to make this sector of the buying population a more viable one?



Forty percent of the participants stated that they did not know. The remaining sixty percent offered their suggestions. Their statements are below:

*"There are a few organizations around the country who are trying to make a difference by providing housing under certain participating conditions... Government is also providing a subsidy to first time home owners... To make this viable perhaps Government should donate serviced land to small property developers who are then taught skills to continue to develop after the completion of the project... This could be done using a mentorship programme."*

*"I think that the banks here play a positive role in firstly giving bonds in the Black areas... They (people) will then buy in the more affluent*

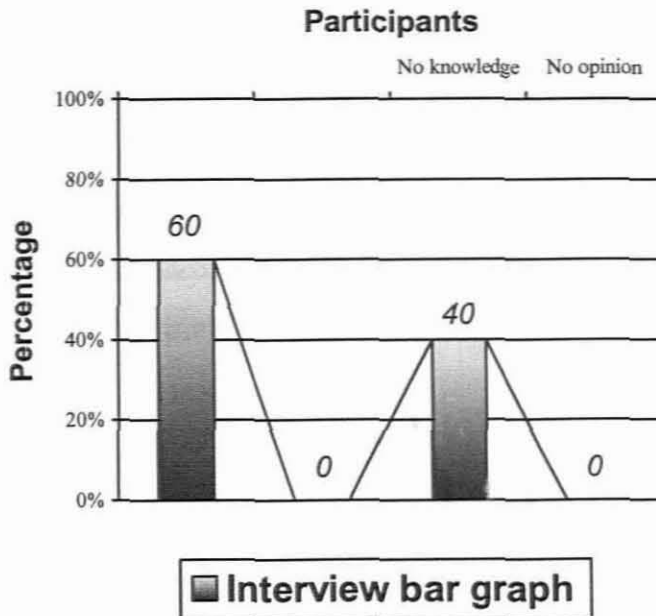
*areas... The banks are still very reluctant to extend their bonds into the Black areas... More empowerment in general throughout the industry could be brought about sooner with various companies coming into play making the market more accessible to the Blacks."*

*"There are issues and problems which need to be addressed if the market is to move in the direction it should be going... Lack of land being made available more quickly for building houses... Eradication of corruption with regard to waiting lists... Town planning is vital for happy communities."*

Note: The researcher has endeavoured to begin each graph on a new page for aesthetic reasons and to prevent any confusion.

## I-Graph 15

Who should be doing this?



Forty percent of the participants stated that they did not know. The remaining sixty percent offered their suggestions. Their statements are below:

*"Government has the resource."*

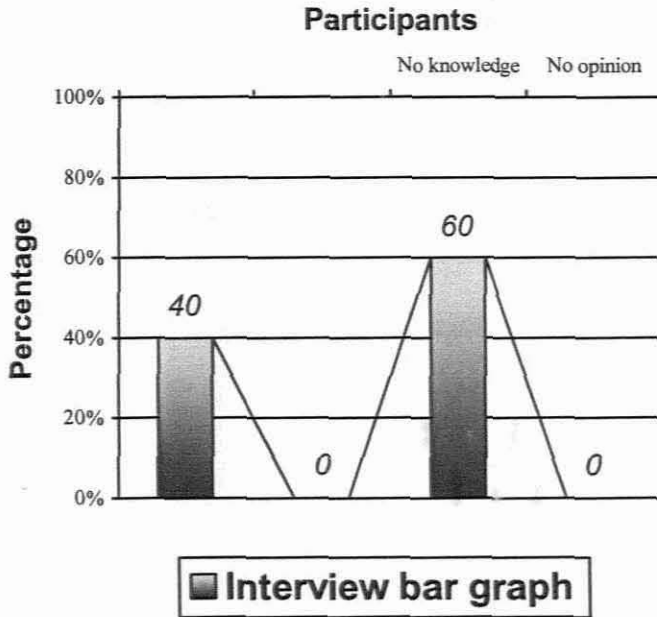
*"I think that the banking councils could do a lot to listen to us to bring about change. Secondly, the mortgage originators out there belong to Whites. There is not one Black originator of note."*

*"Perhaps the most pressing issue is the power of the Township Committees which need to be dealt with. I suggest the combined efforts of the City Councillors in those areas and each Township to have a 24 hour Municipal Court to enforce the rule of Law... It is a basic human right that Buyers who have bought their own home should be allowed to*

*live in it... The continuing condition of powerful street committees preventing legitimate owners moving into their own home is detrimental to the growth of the market (street committees decide who lives where even if the house has been sold to a new owner)... It means that people (presently) are not able to move up or down according to their income... It will then also mean that the Banks and the Building Societies will start to lend again in these areas (if street committees are dealt with effectively) and the economy can then proceed and South Africa in the Western Cape can grow."*

### I-Graph 16

How would you change the status quo in your position?



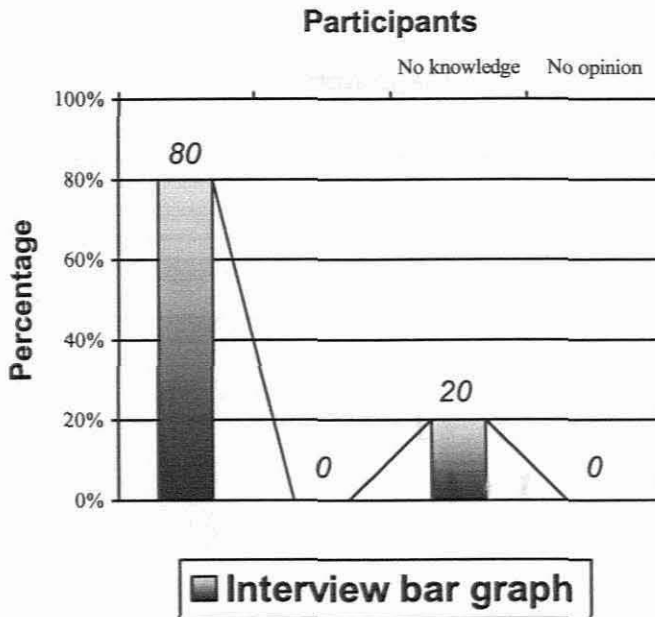
Sixty percent of the participants stated that they did not know. The remaining forty percent offered their suggestions. Their statements are below:

*"To educate. Simple. I think that education is the basis of meaningful change... in any corporation, in any organisation, in any situation I think that education is the perfect answer."*

*"By lobbying bodies such as the Department of Housing to speed up their housing programmes."*

### I-Graph 17

Is upmarket property ownership seen as belonging only to Whites?



There were 20 percent of the participants who stated that they did not know. The remaining 80 percent stated that upmarket property ownership was seen as belonging to Whites. Their statements are below:

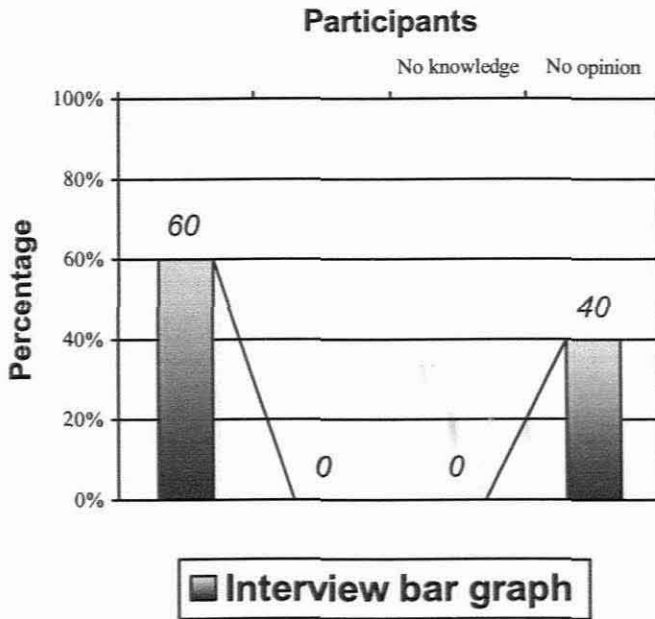
*"I think in general it could be... but I know differently because I know who our buyers in the company are... there are some very prominent Black buyers and Black property owners."*

*"Yes, as it is a fact."*

*"Yes, at the moment that is how it is perceived... and the perception is not wrong because at the moment... the financial power is still predominantly with the Whites of South Africa."*

### I-Graph 18

Have Black businessmen missed the boat with regards to upmarket property ownership?



There were 60 percent of the participants who stated that they did not believe that Black people had missed the opportunities to own prime properties for various reasons. The reasons are quoted below:

*"They have not missed the boat, it has never come into the harbour... They have not had the opportunity."*

*"No, because the market is growing all the time... so without a shadow of a doubt they have not lucked out."*

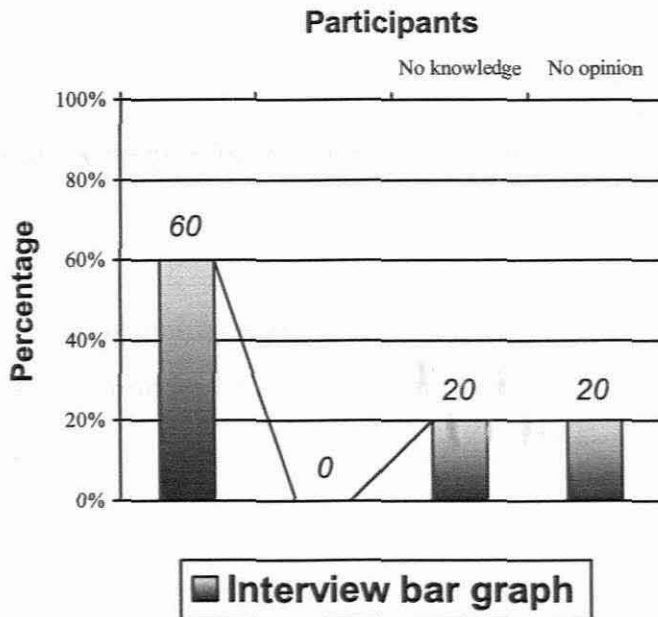
*"I think the market is out there in a supply and demand situation."*

The remaining 40 percent had no opinion on the matter.



### I-Graph 19

Is there a market in Langa, Gugulethu and Khayalitsha, etc for property ownership?



There were 20 percent of the participants who stated that they had no knowledge. A further 20 percent indicated that they had no opinion on this subject. The remaining 60 percent stated that there was a market and offered various reasons in qualifying their statements. The statements are below:

*"There are hundreds of thousands of people living in those areas whether they are staying in shacks, plots or conventional structures... There is a market... The banks have redlined certain areas for many years due to non-payment where they do not pay their bonds... but there is also historic prejudices against lending in those areas."*

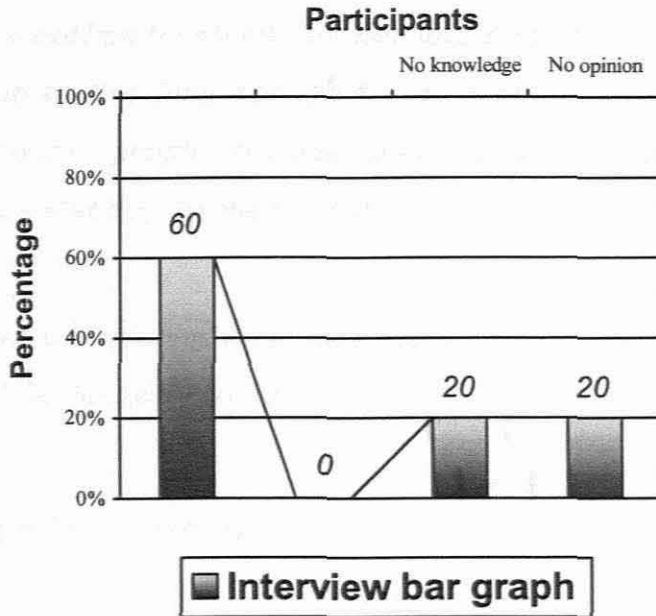
*"Yes there is, certainly to my mind there definitely is. I believe that a lot more could be done to eradicate the problems that are out there, such as bringing local housing to remove a lot of the shacks... That would already start to bring in a lot of stability and work for Black estate agents."*

*"Black business people have and will continue to buy in all areas in Cape Town."*

**Note:** The researcher has endeavoured to begin each graph on a new page for aesthetic reasons and to prevent any confusion.

## I-Graph 20

Where do you see Black property ownership in 10 years time?



There were 100 percent of the participants who stated that they believed that Black property ownership would increase. A small percentage of this group stated that although this would increase they did not know what the market would be like in ten years time. Their statements are below:

*"I would not even know what it is at the moment in terms of what percentage of the properties that are registered and owned by Blacks but it can only but increase."*

*"I cannot tell you exactly where it will be, but definitely on the increase."*

*"More involved in the property market due to redistribution of wealth ... As the redistribution of wealth gathers pace... more and more previously disadvantaged folk are moving into the upper market... This will take*

*time and even then it is not necessary that when it comes to sell that they will use a Black estate agent exclusively."*

*"I am very optimistic about the housing market over the next 10 years and I hope to live long enough to see a whole new group of educated vibrant young people become home owners... for that will lend tremendous stability to our country."*

*"I think we will have a very good mix in 10 years time... and also many people will be housed generally."*

#### 4.4 The focus group

The focus group was comprised of six individuals. They were especially selected by the researcher to provide valuable insight on the results of the questionnaire. There were two Blacks, two Coloureds and two Whites. Their ages ranged from 24 to 61 years of age, consequently they represented the views of young, middle aged and seniors within the Western Cape.

The group was comprised of 50 percent male: 50 percent female. Four members of the group were married and all the members had bought property either as a primary shelter or as an investment. The members came from Kenilworth Park, Grassy Park, Gugulethu, Rondebosch, Tokai and Woodstock. The members did not know each other and this was their initial point of contact. Three members of the group had tertiary qualifications and were professional people; a fourth was a student; a fifth was an artisan; and the sixth member was a receptionist.

The Rawson Properties group provided their board room as the venue for the group to meet. The session took place on Saturday, 20 September 2003. The researcher provided refreshments throughout the session, which had a duration of 150 minutes with the consent of the group. There were two intervals of five minutes each. Hence total input amounted to two hours and twenty minutes.

The findings of the group were summarised at the conclusion of every point and this was recorded with the permission of the group. All recorded material was verified by the group, both before and after the recording had been made. The atmosphere was friendly, co-operative and enlightening.

#### 4.4.1 The procedure.

The group was gathered in a circle around the board table where they could see each other. Each member was required to fill in the questionnaire before the session began. This took five minutes. (The researcher and his assistant noted that without exception the results from the survey was aligned almost exactly with that of the focus group. This information was withheld from the group until the session was nearly concluded in order not to influence the members. Thereafter, each member was given the findings of the survey, which the researcher and his assistant had tallied beforehand.)

When the session began, each member of the group motivated why they had filled in their particular answer, the member had approximately 30 seconds to accomplish this without interruption from anybody else. After each member had an opportunity to explain the reason as to their choice regarding the statement, a controlled general discussion was allowed if

the group deemed it necessary. The researcher acted as the facilitator and kept the necessary control. On 11 of the statements it was deemed necessary to have a discussion. Consequently, the member could change their opinion and was allowed to fill in a new answer. The session was conducted in a friendly and pleasant manner.

#### 4.4.2 The focus group's outcomes

1. Upmarket property ownership is seen as belonging only to Whites.

The group is unanimous that upmarket property is seen as belonging to Whites. They all agreed.

2. Blacks own a high percentage of upmarket property.

Blacks own a high percentage of upmarket property, the group is unanimous that in that they disagree. They feel that Blacks do own more property than what was the case previously.

3. The agent must be a resident in the suburb in which I want to live.

The group is divided as 40 percent disagree whereas 40 percent were neutral while 20 percent were strongly in favour of agreement.

4. I relate better to an estate agent of the same racial group.

The group's decision is that 40 percent were neutral due to belief that the estate agency would employ the suitable expertise. The other 60 percent felt they had to disagree.

5. The area I purchase property in would influence my decision on the race of the estate agent.

The group was split down the middle as 50 percent were neutral and 50 percent were in agreement with the statement. The group was of the opinion that the respondents probably did not want to show their true feelings when answering this question in the survey. They felt that respondents were therefore not altogether honest.

6. For my property requirements, the race of the estate agent would be relevant.

Eighty per cent of the group felt that they had to disagree, 20 percent of the group felt they strongly agreed.

7. I would utilise a Black estate agent to find property in the suburb of my choice.

It was an 80 to 20 percent split, with 80 per cent in agreement and 20 percent remaining neutral. However, this picture only emerged after an open discussion. Initially the group mirrored the survey.

8. I would utilise a Black estate agent to sell my property if he / she did not live there.

The group was split in a ratio of 60 : 20 : 20 with 60 percent in disagreement and 20 percent in agreement. The remaining 20 percent were neutral. The group believed that the survey did not show a true reflection as those who were neutral (32 percent) may not have wanted to come across as being racists.

9. I would utilise a White estate agent if he / she did not live there.

The group was split in a ratio of 60 : 20 : 20 with 60 percent in agreement and 20 percent in agreement. The remaining 20 percent were neutral. The group believed that the survey did not show a true reflection as those who were neutral (34 percent) may not have wanted to come across as being racists.

10. I believe that culture plays a part in the selling process of the property.

The group was divided. Twenty percent strongly agreed. Forty percent agreed. Twenty percent were neutral while twenty percent disagreed. There is a strong correlation between the focus group and the results of the survey.

11. There is a future for prospective Black estate agents.

Eighty percent of the group stated they were in strong agreement. The remainder was in agreement.

12. There is a resistance against using Black estate agents by other racial groups.

Sixty percent of the group was in strong agreement and the remaining 40 percent were in agreement. The group believed that the survey did not show a true reflection as those who were neutral (30 percent) may not have wanted to come across as being racists.



13. There is a resistance against using Coloured estate agents by other racial groups.

Sixty percent of the group said they were in agreement. Twenty percent were neutral and the remaining 20 percent strongly agreed. The group believed that the survey did not show a true reflection as those who were neutral (38 percent) may not have wanted to come across as being racists. The group felt that this figure was extremely high.

14. There is a resistance against using Indian estate agents by other racial groups.

Sixty percent of the group were in strong agreement while 20 percent were in agreement. The remaining 20 percent said they disagreed. The group believed that again the survey did not show a true reflection as those who were neutral (41 percent) may not have wanted to come across as being racists. The group felt that this figure was extremely high and that at least half of this figure must have been in agreement or disagreement.

15. There is a resistance against using White estate agents by other racial groups.

Twenty percent of the group say they strongly disagreed and 60 percent said they disagreed. Twenty percent stated that they were neutral. The group is of the opinion that as regards this statement in the survey, the result of the questionnaire would be incorrect and they strongly disagreed with the result.

16. Blacks working in areas traditionally reserved for Whites due to apartheid will excel.

The group feels strongly that the results of the questionnaire are incorrect. The group is divided 80 to 20 percent with 80 percent in disagreement and 20 percent in strong disagreement. The group stated that there would be many respondents who would also disagree but would not say so in front of a researcher who is there for only 10 minutes. They felt that their own positions had changed from their initial responses as meaningful communication was taking place.

17. Trust and all racial groups are linked in a positive way.

The group feels that the results of the questionnaire are incorrect and the bulk of the group, 60 percent, disagreed with the statement. Twenty percent were neutral while 20 percent strongly disagreed.

18. Black estate agents are trusted as much as a White estate agent.

The group feel that the results from the questionnaire are incorrect and that the neutral respondents have not been honest with their true feelings. The group is 80 percent of the opinion that they strongly disagree while the remaining 20 percent disagreed. The group noted that the results of this statement seemed to be more honest.

19. Black estate agents are trusted as much as a Coloured estate agents.

The group feels that the answers given by the respondents to the questionnaire have not been as honest as they should have been. They

feel that it is a combination of strongly disagree and disagree. Eighty percent said they disagreed and 20 percent strongly disagreed.

20. Most estate agents are White.

The group was unanimous in that they all strongly agreed with this statement. They said that the survey results were also a more accurate reflection, probably because it was strong public perception.

21. The Black population cannot afford to live in White or Coloured areas.

The group was 80 percent in agreement, however they also felt that there are a number of members of the Black population who can afford to live in White or Coloured areas and therefore the respondents in the questionnaire would not be totally incorrect with their disagreement. They believed that if the respondents were given a lengthy period in which to weigh up the situation, the respondents would agree. Twenty percent of the group said they were in strong disagreement.

22. Blacks prefer living in the townships.

The Black component of the focus group is of the opinion that in general Blacks do prefer living in the townships as it is safer, they can look after each other. It is cheaper, they grew up in the area, there are traditional practices and they prefer being with their communities. However they also feel that the younger generation does want to move out of the townships and want to be in environments where other South African population groups live. After this input the group was divided with 40 percent in agreement, 40 percent remaining neutral and 20 percent in

disagreement. The 20 percent disagreeing because of the youngsters moving out of the townships and the 40 percent agreeing because they believed that Blacks enjoyed communal living.

23. The Black population prefers dealing with White estate agents.

The group feels that the questionnaire respondents (31 percent) were correct and 80 percent of the group also disagreed with the above statement while 20 percent remained neutral.

24. There should be significantly more Black estate agents in the Western Cape.

Eighty percent of the group strongly agreed and 20 percent agreed. The group was of the opinion that the respondents in the questionnaire were correct. They believed that although there was a fairly high percentage of respondents remaining neutral, this was because there is fear in general, from both Whites and Coloureds, of affirmative action.

25. In 20 years time the number of Black estate agents in all areas will greatly increase.

The group was unanimous and agreed with the statement and with the results of the questionnaire.

26. The Black population will be the largest group buying property in 20 years time.

The group was 40 percent in agreement, while 40 percent remained neutral although twenty percent disagreed due to influences such as Aids. They felt that the survey results were in line with their thinking.

27. The property market will be significantly bigger in 20 years time.

Eighty percent of the group believed that this was a true statement, while 20 percent felt that they strongly disagreed due to people leaving the country and AIDS changing the patterns of consumption. They believed that the results of the questionnaire were correct.

The focus group agreed with 15 out of the 27 statements.

#### 4.5 Conclusion

The quantitative research with the survey and the interviews has provided important information regarding the state of the property industry and estate agents in the Western Cape.

Leaders in the industry expressed their sentiments apropos the Black property market and that of Black estate agents. The research was discussed quantitatively, but emphasis was given qualitatively through the inclusion of direct quotes.

It has been established that there is a thriving property industry in the Western Cape and that there are not sufficient Black estate agents to service the industry.

The next chapter will focus on the researcher's recommendations based on the discussion of the analysis.

# Chapter Five

## Discussion and recommendations

### 5.1 Introduction

The researcher has primary data, obtained from the interviews and the survey. There is also the secondary information that was provided through the focus group, their primary task was to examine the results and the analysis obtained from the survey.

The author placed greater emphasis on the focus group as opposed to the results of the survey. This is for the following reasons.

The researcher spent between 5 and 10 minutes with each respondent when conducting the survey. Respondents may not have been completely honest when the questionnaire was filled in, as the neutral options reflect.

Respondents may have wanted to agree or disagree with the statement but due to being concerned with the researchers opinion as to their choice, and not wanting to be perceived as being racists, they took the option of being neutral.

The focus group also filled in their questionnaires along the same lines as the respondents in the survey, initially agreeing with 27 out of 27 of the respondents views. The number of neutrals again being a prominent figure. The members of the focus group changed their position and points

of view, but only after meaningful dialogue had taken place. The process of communication had aided the group to apply their minds, taking other points of view into account.

Thereafter, the group agreed with only 15 of the 27 findings from the survey. The focus group spent a total of 2 hours and 30 minutes analysing the questionnaire and they were able to speak to each other, thereby giving a quality outcome to the survey.

## 5.2 Evaluation

The researcher found that the political and social history of the country had shaped a negative interaction, in the provinces, between the various racial groups. This would be true also of the Western Cape. The question can be posed whether the past has to have an indefinite effect on the future?

The author whilst admitting that the South African past has deprived the majority of its citizens of freedom, opportunities and of basic human rights, is of the opinion that the past does not have to contaminate the future. This means that South Africans in the Western Cape have to work together in order to create a prosperous future for all members of its population. The estate agent industry and the property market is just one example where much work has to be accomplished in order to provide equity.

The researcher has found that the majority of estate agents are from the White population group and they have served a property market that has been dominated by Whites for decades. This position is validated by the

research that was obtained through the interviews, survey and the focus group. The interviews revealed that there are serious shortfalls within the industry regarding Black estate agents and the existing property market.

### 5.3 Discussion of the survey

- Upmarket property ownership is seen as belonging only to Whites.

The respondents and the focus group have agreed that this is the case. The researcher believes that, in general, this statement would be correct as the White population representing a minority group do own more upmarket property than any other racial group. Examples to validate this situation would be Bloubergstrand, Camps Bay, Claremont Upper, Constantia, Noordhoek, Punt's Estate and Welgemoed.

- Blacks own a high percentage of upmarket property.

Blacks do own upmarket property but they are the exception to the statement. This has already been emphasised in the above paragraph.

- The agent must be a resident in the suburb in which I want to live.

The respondents were more inclined to agree while the focus group was divided. The researcher has been a marketing manager of a large real estate agency and has operated as a successful estate agent. His experience and the experience of other estate agents would not agree with the divided opinion of the focus group. The resident agent must be a resident of the suburb in order to sell a property for a seller. The seller



would feel confident that a person who was competent, and knew what his or her area had to offer, was selling the property.

- I relate better to an estate agent of the same racial group.

The researcher believes that the respondents and the focus group are correct in this regard. This would not have been the case 10 years ago but racial pressures in the Western Cape have eased, due to the manner in which democracy has changed the way in which racial groups conduct themselves. Tolerance is a prevailing factor. The ability to form a relationship with the client and to be competent is an overriding factor when dealing with prospective purchasers and sellers.

- The area I purchase property in would influence my decision on the race of the estate agent.

The respondents did not believe this to be the case and disagreed, whereas the focus group was divided between neutral and agreement. The researcher believes that the ideal of having any estate agent to choose from in a previously White dominated area such as Bishopscourt is commendable, however reality dictates that Whites do serve a White dominated area. This is because most prospective Black estate agents would not have the financial means to live there. However, if the Black estate agent had a buyer's mandate this would be possible.

- For my property requirements, the race of the estate agent would be relevant.

The researcher concurs with the respondents and the group that race is irrelevant. What is important is competence and ability.

- I would utilise a Black estate agent to find property in the suburb of my choice.

While the results of the survey display a more conservative opinion, the focus group agree with the statement. The author believes that the group is correct as race is of no consequence, the underlying abilities to service the market will overcome initial prejudice. The estate agent does not have to be resident in the area, in this particular scenario, thereby allowing access to the market.

- I would utilise a Black estate agent to sell my property if he / she did not live there.

The respondents were divided on this issue and neutral was the answer given in 32 cases which is high, there were 38 percent of respondents in varying stages of disagreement. The group was 60 percent in disagreement and 20 percent in agreement. The remaining 20 percent were neutral which is a true reflection of the statement. The author is in line with the focus group because when selling property on behalf of a seller it is important, in the South African context, to live there for the reasons that have been previously mentioned. The marketing approach is also different, but this will be dealt with in the next chapter.

- I would utilise a White estate agent if he / she did not live there.

The respondents mostly maintained a position of neutrality or disagreed with the statement. The researcher believes that they were probably not as honest as they could have been, this is verified when utilising the answers given by the respondents in questions one to four of the questionnaire.

Fifty eight respondents had used the services of an estate agent, in 38 cases the estate agent was White, this amounts to more than 65 percent. Coloured and Indian estate agents made up the rest. The focus group concurs with the researchers assertions.

- I believe that culture plays a part in the selling process of the property.

The respondents and the focus group have agreed that this is the case. The researcher believes that, in general, this statement would be correct when looked at from a racial point of view. However, if the situation was approached from a charismatic person's point of view, the agent would be successful regardless of the culture. To illustrate, if the Black agent was professional, knowledgeable and was able to show the necessary empathy, enthusiasm and initiative amongst other qualities needed then that agent would be successful. These qualities and characteristics could be developed by any agent, regardless of their race or culture.

- There is a future for a prospective Black estate agent.

The respondents and the focus group have wholeheartedly agreed that this statement is true. The researcher also believes this to be the case and that there is definitely a future for Black estate agents.

- There is a resistance against using Black estate agents by other racial groups.

The group and the respondents would only have spoken about their perceptions of prejudice with regards to this statement as not one person

had come into contact with a Black estate agent. The author believes that there is prejudice but that this can be overcome.

- There is a resistance against using Coloured estate agents by other racial groups

Members of the group and some of the respondents have utilised Coloured estate agents and this answer only reflects fear of the unknown. The focus group, when reacting to this statement, said that they thought there might still be prejudice amongst members of other population groups. The researcher believes that the group was correct with their assumptions.

- There is a resistance against using Indian estate agents by other racial groups

The answer is similar to that of the above. Essentially only one member of the group knew of an Indian estate agent. The researcher believes that the group was once again correct with their assumptions. South Africa is still evolving as regards to democracy and prejudice is therefore a reality.

- There is a resistance against using White estate agents by other racial groups.

The respondents mostly maintained a position of neutrality (37 percent) or disagreed with the statement. The researcher believes that they were probably not as honest as they could have been, this is verified when utilising the answers given by the respondents in questions one to four of

the questionnaire. The researcher believes that the neutrals did not want to commit themselves.

Fifty eight respondents had used the services of an estate agent, in 38 cases the estate agent was White, this amounts to more than 65 percent. Coloured and Indian estate agents made up the rest. The focus group have also concurred with the researchers assertions.

- Blacks working in areas traditionally reserved for Whites due to apartheid will excel.

Only 35 percent of the respondents disagreed with the statement whereas all members of the group had disagreed. The group stated that there would be many respondents who would also disagree but would not say so in front of a researcher. The author believes that the group was correct with their assumptions but is strongly of the belief that professionalism and a desire to succeed will ensure that agents prevail against the circumstances.

- Trust and all racial groups are linked in a positive way.

Forty percent of respondents disagree with the statement and 40 percent were neutral. Eighty percent of the focus group disagreed with the statement. The researcher is of the opinion that trust amongst racial groupings is still based on skin colour and not on individual circumstances. The author believes that South Africans have not as yet built up trust.

- Black estate agents are trusted as much as a White estate agent.

The researcher believes that although the focus group and the respondents have given their feedback, the above statement is not able to be substantiated as yet and should be the subject of further research.

- Black estate agents are trusted as much as a Coloured estate agents.

The researcher believes that the focus group and the respondents have given feedback, but after limited research the above statement will not be able to be substantiated and should be the subject of further research.

- Most estate agents are White.

The respondents and the focus group have agreed that this is the case. The researcher has also proved this to be factual and the statistics were given in the previous chapter.

- The Black population cannot afford to live in White or Coloured areas.

The group was 80 percent in agreement whereas there are 47 percent of respondents who believe the statement is incorrect. The author believes that there presently only a minority of Blacks who can live in traditional White or Coloured areas.

- Blacks prefer living in the townships.

There were 52 percent of respondents who believed the statement is incorrect, the focus group was divided due to the input given by Blacks within the group. The researcher believes that in order to do justice to

this issue, it should be the focus of a detailed study. He therefore does not offer an opinion on this statement.

- The Black population prefers dealing with White estate agents.

The respondents and the focus group have disagreed with regards to the above statement. The author believes that the bulk of the group and the respondents have mostly bought real estate from White estate agents and that as there are few Black estate agents in the Western Cape, the above statement is therefore speculation and not fact. Blacks have bought property through the researcher and his colleagues but as the Blacks in the Focus group have said, it is professional service that Black clients are seeking.

The author concurs with this as a number of his Black clients have stipulated they want good service. This is usually because they are first time buyers, due to lack of opportunities, and buying property is a big venture.

The author believes that if there is a preference to working with White estate agents, it would be due to the fact that Whites were working in the industry for most of the last century confirming the belief that the industry is a White driven industry. It is for this reason that there is a perception that they are proficient. However, it is also for this reason that the author believes that the industry should undergo a major change.

- There should be significantly more Black estate agents in the Western Cape.

The group and the respondents agreed that this should be the case. The author also believes this to be the case and it is one of the reasons why this study was initiated.

- In 20 years time the number of Black estate agents in all areas will greatly increase.

The group was unanimous and agreed with the statement and with the results of the questionnaire. The author also believes that this will be the situation but that it will be more successful if a holistic approach was applied to recruiting and selecting Black estate agents.

- The property market will be significantly bigger in 20 years time.

The group and the respondents agreed that this would probably be the case. The author believes that Blacks will definitely have more buying power but that there are too many variables such as AIDS, immigration and emigration factors to make an accurate forecast. The author believes that as the Black market is targeted, property prices will significantly increase and pressure to develop cluster housing schemes will increase. This will be in order to make maximum usage of available land with minimal usage of materials and increased productivity and profitability.

- The property market will be significantly bigger in 20 years time.

The focus group, the respondents and the author believe this to be the case. The competition, with a major Black market combined with the existing markets, will ensure significant growth.

## 5.4 Discussion of the factors

### 5.4.1 The Population

The number of Black estate agents are minuscule compared to the overall number of estate agents in the Western Cape as has been verified



in the interviews. This situation is also the same when comparing the figures at national level. When the population of the Western Cape is taken into account, there is no doubt that the Black population has considerable potential with regards to home ownership and offering career opportunities.

However, the researcher believes that the position with regards to the property market will change positively, due to the rising demographics in the Western Cape and the opportunities that will arise from an emerging Black middle class.

In 1911, Black people comprised 67 percent of a total population of six million, rising to 78 percent of 45.5 million people in 2002. Over the same period, the proportion of Coloured people decreased from 8.8 percent to 8.6 percent, Indians remained the same at 2.5 percent, but Whites dropped from 21.4 percent to 10.0 percent (South African Institute of Race Relations 2002/03 Survey : 2).

The estimated population by race in the Western Cape by 2002 is as below (See appendix A).

	Black	Coloured	Indian	White	Total
Population	975 109	2 315 508	47 854	978 952	4 317 423
1996-2002 Growth rate	Black	Coloured	Indian	White	Weighted Average
Percentage	2.15	1.49	1.70	0.43	1.39

The highest growth rate is that of the Black group with 2.15 percent and by maintaining that growth they will be the second largest population group in the Western Cape by 2010. This would mean that they would represent and offer substantial economic potential. In fact the unemployment rate in the Western Cape is the lowest in the country standing at 18.6 percent.

#### 5.4.2 Property market

It must also be taken into account that with various empowerment programmes in place, encouraging employment and investment opportunities, the Black population would provide impetus in a property market that is escalating in value. Prime properties that are in sought after traditional areas will not increase numerically as there is no land available in order to provide competition.

There are no large tracts of land available for building properties in prime areas such as Claremont, Kenilworth, Plumstead and Rondebosch. These suburbs are close to the CBD and are in the upper market. Durbanville, Parklands and Brackenfell have extensive tracts of land for development however, they are situated on the very outskirts of the greater Cape Town Metropolitan area.

This would have the effect of establishing inflationary prices in the traditional housing market, due to the market forces of supply and demand. Therefore if the emerging Black market is added to this equation house prices will certainly increase in the prime northern and southern suburb regions. This certainly augers well for the property market as a whole as the effect will be filtered through to a lesser extent to Bothasig, Grassy Park, Kraaifontein, Maitland, Parow and other

suburbs. Swellendam, Tulbagh and Worcester have experienced rapid growth recently in the property market.

#### 5.4.3 Affirmative action

Affirmative action is a programme that is used to create a system of equality. It means that those who are labelled as "have nots" should, in essence, become through a process, one of those that are regarded as "having".

The process of job reservation; living in zoned separate and unequal regions; treatment according to racial classification meant that the policies of segregation and apartheid benefited a particular privileged racial group. This group was a minority. The prevailing policies of the past therefore did not provide opportunities to the rest of the South African population. The process of AA was applied by adhering to race, regardless of whether the person was a "have" or "have not". This is verified when referring to the literature review, in particular the mining industry.

Presently, the policy is applied to the majority. The question could be posed as to whether it is directed at the "haves" or "have nots" or is it based on race?

AA is meant to be a process of upliftment that is acceptable to all peoples within any country. It should aim at improving the standards of living of all the people living in the country. It can even be an aid to promoting civic pride. This means that AA must be of benefit to the country as a whole. Therefore in the right context, AA is positive and can be a useful tool in nation building.

In the light of the foregoing paragraphs, the author believes that with regards to the principles of AA, there has to be a change of mindset at the highest levels of management in the political, private and public sectors.

There has to be a policy that would be aimed at all South Africans regardless of their race, religion, gender, cultural and social beliefs. While this policy has to take levels of poverty into account, it must also take cognisance of the appropriate experience that is required. This is in order to provide the necessary continuity to ensure that levels with regards to standards and service are maintained.

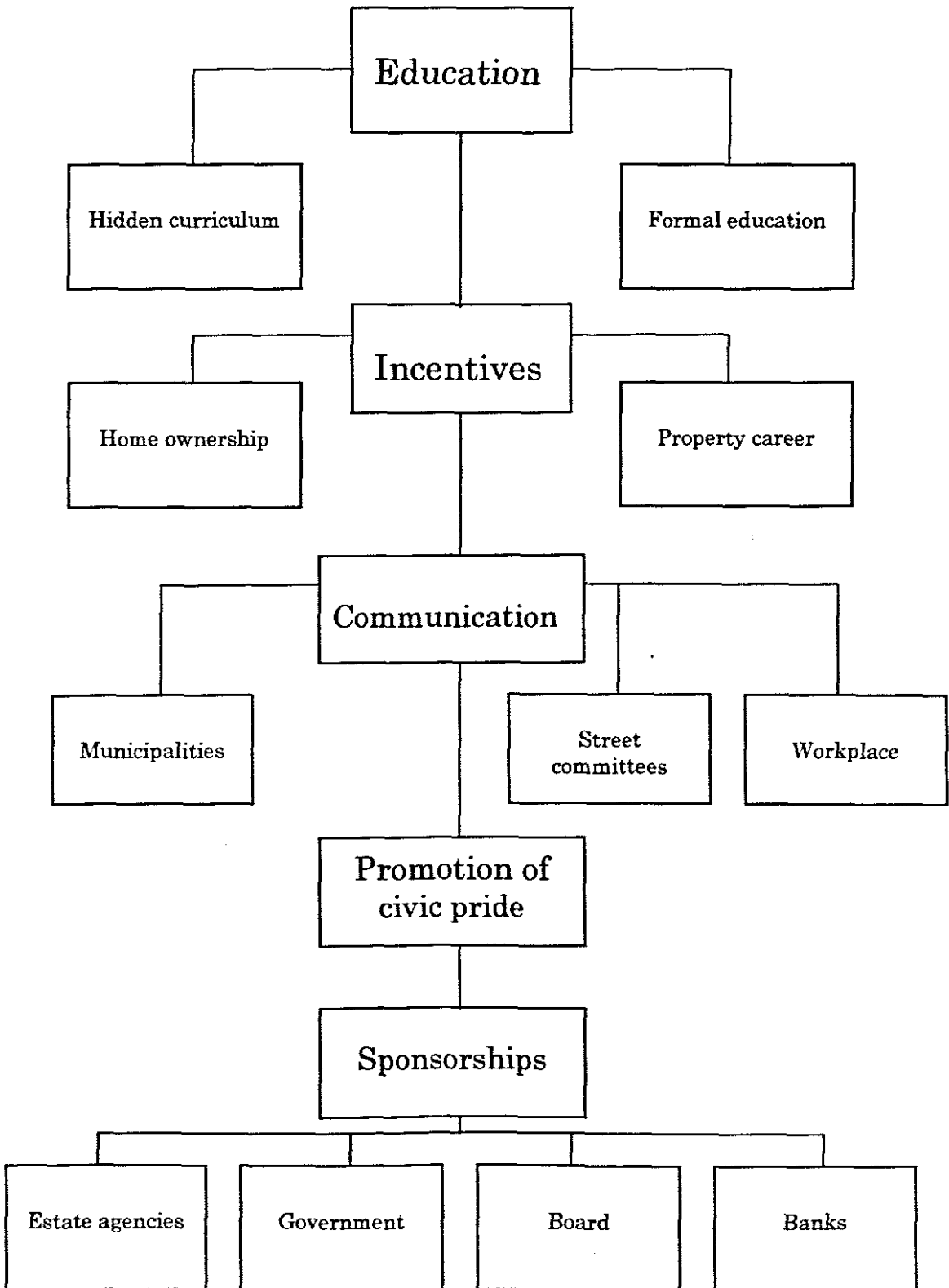
## 5.5 Model

The following model serves as an illustration to demonstrate how the problem can be addressed. The researcher believes that it is imperative to present a solution that would nullify the effects of Apartheid, which was described previously in the literature study, and to promote growth. The model utilises the expertise of those established estate agents and financial institutions, which were successful in the property industry, when the systems of segregation were in place as continuity in the property market is essential to the success of Black home ownership and to Black estate agents.

The model highlights the critical role of education and incentives that were discussed by the focus group as being necessary to effect a solution. The author believes that partnerships need to be formed in order to overcome the imbalances of the past and to provide the foundation for the future economic growth of all South Africans.

This model is therefore the provision of a skeletal framework to demonstrate the interaction between components so as to ensure the accelerated growth of Black home ownership and Black estate agents in the Post-Apartheid era. The author refers to this framework as the EICPOS model. The name is derived from the components of the model. The EICPOS model is overleaf.

The EICPOS model



The model contains five components: education; incentives; communication; promotion of civic pride; sponsorships.

### 5.5.1 Education

The most important principle is that of home ownership. It was established in the interviews that the ideal of home ownership could not be separated from the ideal of an estate agent as a career. The prospective agent needs to understand the importance of property as shelter, as a home and as an investment against inflation. Therefore he or she must have the background information to owning a home. To obtain this information the agent would either have to rent or own a home in order to have the necessary experience to conduct a transaction for a seller or buyer.

In the United States, the American dream of owning a house with a picket fence in a suburb is taught to the youth from a very young age, with every possible medium such as television and magazines, being used. However, this is expensive and South Africa does not have the financial resources to embark on such a campaign. South Africa does have educational facilities, teachers and curricula that can be used to achieve the same aims, with minimal cost.

Therefore the key to open the door to home ownership, and to a career in property, is education. This should essentially take place in primary and secondary schools using the hidden curriculum and formal education. The hidden curriculum refers to the set of values and attitudes that the educator wishes to instil in the learner. This would normally occur informally during school activities and is a strong vehicle to use, in order to prepare the learner for life beyond the school years.

The other arm of education is the formal curriculum. Subjects such as life orientation, business economics, economics, accountancy and technology would be very useful in educating the learner about the advantages of home ownership and with buying and selling property in order to make a living. Teachers should be encouraged to talk about home ownership and to prepare their learners for buying houses and even selling them.

### 5.5.2 Incentives

There is a subsidy for home owners that qualify as first time buyers. This is in the form of a grant and is available to residents of informal areas in order to promote home ownership. The researcher believes that this incentive is not enough. In Masiphumelele the department of housing wanted to encourage formal housing and not promote the shacks that were prevalent. In order to achieve this aim, the government gave grants of approximately R18 000 to the residents for housing.

These grants were only sufficient to cover the costs of services for sewerage, stormwater, lighting, water and roads. There was only R4 000 left for the basic structure and the developer provided a concrete building less than 1.5m by 1.5m. This structure housed a toilet, shower and basin. The occupant utilising the shower would get water in the basin and toilet.

In order to live on the allocated plot, the homeowner had to build a house out of wood and corrugated iron. This amounted to a shack, and a ghetto was created of concrete bathrooms with shacks. Incentives need to involve the community and training facilities, such as the Noordhoek Valley Training Centre which works on community projects with the residents of Masiphumelele.



Community projects can be sponsored by business, for example garden competitions which beautify the home. Such competitions have worked well in Masiphumelele with sponsorship provided by the local nurseries and De Goede Hoop Estate. The researcher was involved with a pilot project regarding housing and gardens in 1999 in Masiphumelele and arranged the availability of plants and vegetation for residents for the park and for houses. Local businesses should be approached in order to help raise the communities in informal and squatter areas. Formal sectors should work with civic organisations in order to raise the profiles of their areas and suburbs.

Incentives for prospective Black estate agents would certainly assist in expanding the industry. Salaries are commission based but in the case of prospective Black estate agents, small basic salaries could be introduced with a reduced commission structure. This would certainly assist the agent to gain confidence and to initiate sales without the fear of not having an income on which to survive. The researcher believes that the buyer's mandate would also assist a Black estate agent to work in White areas, as the client is the buyer and not the seller. This would entail the agent looking for a property that satisfies the buyer's requirements.

The buyer would then pay the commission for the property and not the seller. Buyers could be qualified by the agent to see what they could afford, take down the requirements and then the buyer would sign a mandate for a specific period. During this timeframe the agent would locate properties matching the buyers prerequisites in the selected area.

The advantage to the seller is that he or she would not have to pay for commission. Therefore there would be two documents in place - a seller's mandate and a buyer's mandate. The seller would not be able to sell his

property to anyone who is using a buyer's mandate unless his or her agent reached a compromise with the buyer's agent.

### 5.5.3 Communication

The researcher believes that communication is vital to the success of a prospective home owner and to the prospective agent. It was mentioned in the interviews that the street committees had enormous power and if the street committee did not want the new owner to move into the house that had been purchased, the house would remain empty.

There needs to be meaningful dialogue between municipalities and street committees. The various departments that work with the street committees must be able to state their purposes and to assist when necessary. Municipalities must not be seen as outsiders but as an essential part of the community. Councillors should work with the municipal departments and with the community representatives, such as the street committees. Negotiation, education and listening are all parts of communication. Communication must be a two - way process for it to succeed.

One of the skills that an estate agent needs is that of being a good listener and a good communicator. These skills would be needed for negotiating in the listing process and in the selling process.

The workplace is another area where communication should take place regarding home ownership, education and even the listing and selling process. The researcher has on occasion addressed employees during the lunch interval on the importance of owning property. This has led to two successful transactions taking place. The agent can ask permission from

the company to address the workforce on the advantages of owning property or to give information on Capital Gains Tax, in order to gain access to buyers and sellers. This under controlled conditions would be granted and then the agent would be able to complete his or her tasks.

#### 5.5.4 *Promotion of civic pride.*

Civic pride has been mentioned under incentives and the researcher believes that the incentive to being a good South African and to advance the concept of being proud to be a South African, is through the promoting of civic pride.

Civic pride also entails being proud of one's suburb, one's neighbourhood and one's home. It means that the person enjoys being where he or she lives. To enhance civic pride means that the standards enjoyed by the residents are of a high quality. These standards can only exist if they are communicated to the relevant local authority, councillor, civic organisation and street committee.

There has to be partnerships in order for civic pride to exist. Municipal departments such as refuse collection, clinics, libraries, engineering and town planning need to be involved with the communities. Councillors must be able to hold regular meetings with constituents where meaningful dialogue takes place.

The estate agent must ensure that his or her service is therefore community centred and that he or she is a person that can be trusted in order to deal with affairs of the community. Estate agents often have to sell houses where the owner has been transferred or divorced or the spouse has become deceased. The agent is therefore part of the campaign

to promote civic pride because the agent does not only sell a property but also an area or suburb.

#### 5.5.5 Sponsorships

To increase the numbers of Black estate agents sponsorships will have to be obtained. Education, communication and incentives will certainly assist with raising the profile of Black home ownership and of attracting Black estate agents but these are medium to long term goals.

During the interviews it was established that Blacks were making an impression on the property market, it was also discovered that there were only 440 Black estate agents available to service this sector of the market. Estate agencies will have to employ Black estate agents to work either in the buyers market or the sellers market.

Affirmative action is seen as a necessity in the South African context and its importance should be underlined as it would empower the majority of South Africans to realise better lives. AA certainly needs to address the issue of poverty and employment. The author believes that when these problems are alleviated, the vast majority of South Africans will be able to purchase their own homes.

Therefore AA and its benefits must be seen in the wider context. Black Estate agents will undoubtedly benefit from applying an AA programme in order to increase the numbers of Black estate agents.

Estate agencies must consider a scheme of sponsorship with regards to Black estate agents. Basic salary and commissions for the candidate agent should be paid, and after writing the Board exam they could earn

the tariff rate of 7.5 percent on properties sold. Estate agencies that build their Black agents up as a strong sales force will be the market leaders, and could therefore also be incentivised by the government under the provisos of A.A. legislation. These estate agents will be able to conduct their business in English and Xhosa and as the Black market is potentially the biggest market in the country they would be able to make inroads into this market. Marketing and knowledge of the market is essential for a successful estate agency.

Government has the resources to provide sponsorships and bursaries to prospective agents and the researcher believes that there should be a budget for training agents in every province. Government has a backlog with regards to housing and if they empowered agents to act on their behalf the researcher believes it would be of value. The state could also allow agents to sell plot and plan with regards to developing areas.

Therefore agents and developers and state departments would be able to work in a partnership in order to reduce the housing backlog. These measures would only apply to formal housing and not the informal market where transactions may not be traced or recorded.

The Board exists to protect the public, to enforce the Code of Conduct and to see that all estate agents are registered in order to practise their profession. All practising estate agents have to pay a registration fee to the Board and there are in the region of 40 000 estate agents. The Board therefore has funds from which to draw, in order to provide training and support programmes.

The author believes that the Board in conjunction with national estate agencies could provide funds for training, placement and basic salaries

whilst the agent is finishing the training and Board courses. The first 3 months of the agent's career could consequently be provided for leaving the agent to do his or her job.

Banks and financial institutions provide the backbone of the industry through the granting of mortgage bonds and finance. There are mortgage originators, home loan consultants, relationship managers and business development officers who assist the estate agent with approving clients bonds and loans.

These bonds bring in a considerable income for the financial institution which then invests those funds over the life of the bond or until such time as the bond is cancelled. This means that the bank is able to get in an income for 20 to 30 years on one bond alone. There are many incentive programmes available for estate agents. Absalute winners is an incentive programme from ABSA and Stanrands are an incentive from Standard Bank.

Banks should be approached to invest in a sponsorship programme for the further advancement of Black estate agents. This is also in the interests of the bank as the bank inspector who does the valuations will be working with the estate agent specialising in his or her area. These valuers and bank inspectors form close working relationships with the estate agents, because they are area specialists and they know the movements of the market.

## 5.6 Conclusion

Blacks must be encouraged to own homes and to realise that working as an estate agent is lucrative and a service to all communities. There are a number of mechanisms that can aid the advancement of Black home ownership and for Blacks to embark on a career as an estate agent.

The researcher believes that education, incentives, communication and sponsorships will be able to assist Black estate agents and estate agencies in recruiting appropriate personnel. The researcher also believes that the key for the estate agent, to overcome the obstacles of not living in the geographical area, is through employing the use of a buyer's mandate.

It is apparent that if the precepts of the above model are functionally utilised, the need and requirements for AA which at present are legal imperatives, would be obviated. As a direct consequence, Black representation within the real estate industry would become a reality and move beyond the limitations as identified in the present study.

# Chapter Six

## Conclusion

### 6.1 Introduction

The researcher asked the question: Why are there so few Black estate agents in the Western Cape?

Through the literature review there was a broad outline as to the political landscape over the last century. Abnormal social and economic consequences had transpired as a direct result of the legislation that was effected. It was evident that the affluent minority was enjoying all of the privileges South Africa offered, due to the policies of segregation, while the majority suffered in poverty.

The concept of AA was examined under the old regime and under the new democratic government. The ideals of AA were seen to be distorted through the bulk of South African history with job reservations and opportunities given on the basis of skin colour, not on merit. The author explained that in his view, AA should be implemented and applied in order to uplift the nation and not a specific culture or racial grouping.

The real estate industry in South Africa and estate agents were briefly considered with regards to the nature of the industry and the tasks that were performed. The service and skills of an agent were also discussed.



The researcher conducted a survey and utilised a focus group in order to determine the general public's perceptions of property, estate agents and racial prejudices and to obtain data. The researcher also conducted interviews with regards to ascertaining the state of the real estate industry within the Western Cape. The researcher believes that the situation is deplorable and that all participants in the industry need to make an active effort in order to address the problem.

## 6.2 Conclusion

The researcher designed a model that encompasses education, incentives, communication, promotion of civic pride and sponsorships in order to promote the real estate industry and the property market with regards to the Black population in the Western Cape.

In conducting the survey and the interviews, one of the issues that was constantly raised was that of the lack of education. Education can certainly influence the property market. The focus group believed very strongly that the ideal of home ownership must be enforced at a very early age.

The researcher believes that education with regards to property ownership must therefore be an active part of the education system, especially for Blacks as they have been denied the opportunities and need to understand the significance of the property market.

The researcher also explained the importance of incentives and the promotion of civic pride in order to build up formal and informal communities. The concept of communication was emphasised throughout the model. Presently the White, Coloured and Indian

markets sustain the property market in the advertising world. Ten years ago the White market was the market which attained exclusive coverage particularly with regards to television. Home ownership campaigns were therefore aimed at the White market. Decades of segregation and apartheid rule had ensured that this was the market that guaranteed profitability for financial institutions and estate agencies.

Therefore communication has to be explicitly directed at the Black population with regards to home ownership. Financial institutions, municipalities, estate agencies and the State have to build Black home ownership through home ownership campaigns and communication. Sponsorship pertaining to Black estate agents and property consultants needs to be actively promoted and activated through financial institutions; estate agencies; local, provincial and national government.

The researcher believes that the key for the Black estate agent, once recruited, selected and trained, in order to overcome the obstacles, must make use of the buyer's mandate in order to gain access to the property market throughout the Western Cape.

Finally the researcher believes that if the components of the model are given the appropriate attention and the principles that are concerned with each component are realised in order for relevant action to take place, the issues of Black home ownership and successful Black estate agents will be rectified.

Market forces will ensure that Black estate agents will be in demand and AA would therefore not need to be rigidly applied in this industry, as the market will have evolved naturally.

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# Appendix A