

Bank appointment sends shivers through financial markets

By Gumisai Mutume
Special to Sentinel-Voice
JOHANNESBURG, South Africa (IPS) — The South African government's recent announcement that Labor Minister Tito Mboweni will become the new Reserve Bank Governor has already started to send shivers throughout financial markets.

While some financial commentators say that the market is shaken by the fact that Mboweni will be the country's first Black bank governor, others say it is his lack of experience that caused the jitters.

"The markets are not bothered (about) whether Mboweni is Black or White; it is the experience he has and the political connections that he represents that will not go well with the markets," said a stockbroker on the

Johannesburg Stock Exchange. Mboweni has served as Labor Minister since 1994. An economist by training, he is a member of the ruling African National Congress' (ANC) executive committee and has had running battles with industry over labor reforms he supported.

Generally, the captains of industry have not welcomed his appointment and the opposition National Party (NP) has condemned it as "short-sighted."

"This appointment is an extremely short-sighted step for which the country will pay dearly," said Dirk Bakker of the NP. "It is a political appointment which cannot in any way be justified on merit."

The "Nats" (NP) are the former rulers of South Africa and chief architects of apartheid. Chris Stals,

Mboweni's predecessor, was widely viewed as an independent Governor, but of the old order, while Mboweni is seen as part of the ANC's move to consolidate power. Stals' deputy, James Cross, was seen by the private sector and the NP as the best candidate for the post.

"As a minister, Mboweni cannot boast a record which will create investor confidence," said Bakker.

The rand fell to its lowest level ever as a result of the furor created around Mboweni's appointment in

early July, trading at 6.78 rands to the U.S. dollar.

Over the last six weeks, the rand has lost 22.5 percent of its value, which is more than it lost during the record depression of 1996. The prime lending rate has also risen to 24 percent, which is unprecedented since 1985.

Mboweni's appointment and the currency's instability also come at a time when the government is battling to strike a balance between its left-leaning colleagues — such as the trade unions and communists — and the

proponents of a free market system, who still control the economy.

South Africa's ANC-led government argues that its Growth, Employment and Redistribution (GEAR) strategy, which emphasizes budgetary restraint, is its best bet to increase investor confidence and spur economic growth.

Business leaders want GEAR followed to the letter, but the powerful unions say that it's a structural adjustment program in disguise, and that it will continue to erode the

pockets of the poor.

"Opposition to Mboweni's appointment is racist and the reason offered for that stance — alleged market nervousness — is really the racists' aversion to the idea that a Black man will be in charge," asserted commentator Jon Qwelane.

"Knowing it can no longer impose its racist will through constitutional means, the minority attempts to ram its will through by using its racist political parties and media to hoodwink foreigners about alleged Black incompetence,"

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Land

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independence in Southern Africa were fought over land. "Both colonial and African governments alike have shown little respect or understanding of the land tenure systems practiced by the majority of their rural people," Rukuni said. "There is a belief that traditional tenure systems are incompatible with Western or 'modern' systems of government."

Experts say that without the right to land, development programs in the region's rural areas, where 75 percent of the population live, are bound to continue failing. Eighty-five percent of the people who live in these rural areas are women. In Southern Africa, it is estimated that only five percent of women have any legal rights to land.

"The majority of these (women) are White," said Mavis Chidzonga, a member of Zimbabwe's parliament who attended the conference. "While non-governmental organizations are talking more and more about redressing the gender imbalance, governments continue to drag their feet."

Land tenure reform issues have been around in the region since the 1950s, but are more urgent now because of structural adjustment and liberalization.

Programs fall under different names across the region — registration in Kenya, villagization in Zambia, and resettlement in Zimbabwe. All have enhanced men's rights at the expense of women, said Robin Palmer, a land policy adviser at Oxfam, a human rights organization.

Marginalized communities such as the indigenous Basarwa (San) people in Botswana have fared the worst.

"Botswana has never recognized the land rights of the Basarwa people," said Samora Gaborone of the University of Botswana. "It is another form of discrimination that has overtaken racism in the land issue."

There are 65,000 San people in Botswana and none can lay claim to their traditional homelands, if the government has its way. Some 1,500 are currently preparing to take the state to court over a piece of land in the Central Kalahari Game Reserve from which the government wants to evict them.

In Zimbabwe, the land issue has been the country's hottest. It pits the Black-led government against 4,500 White commercial farmers. Caught in the middle are millions of landless Black Zimbabweans who are waiting on the 1980 election promise that land would soon be theirs.

The Harare government has announced that the current resettlement exercise would cost about 40 billion Zimbabwean dollars (\$2.2 billion), of which the government can only raise about 12.2 billion. A donors' conference to raise funds is scheduled for September.

Foreign governments say they will only participate if the exercise is carried out transparently, but Mugabe is on record several times as saying that he will not pay a cent for land which rightfully belongs to the Black majority.

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