

A warning

Some time before Pravin Gordhan was removed as finance minister along with others in a cabinet reshuffle at the end of March 2017 – sparking a late-night media feeding frenzy that predictably “hurt the rand” and had the ratings agencies keeping a wary eye over the “South African situation” – one of South Africa’s most well-known ministers was summoned to talk to a member of a family that has often found itself in the headlines for various reasons, including allegedly wielding an inordinate amount of influence over the state and the business sector as a whole.

The minister understood that he needed to go and speak to the representative of this family because, when people in this particular family call, government has had a history of listening and jumping. What this family says, thinks and does matters and has far-reaching effects on South African society. They have always valued and even flaunted the fact that they can get the ANC government to do exactly what they want and, in return, have made billions out of the South African state and the economy as a whole. At one point, they famously received state funding to bail out some of their struggling businesses. They’ve never had to repay any of that money, despite the public protector of South Africa raising serious questions about it and financial investigators suggesting that it wouldn’t be that hard to recover these lost billions on behalf of the South African taxpayer.

This family had already benefited handsomely from the state’s policy of economic empowerment, which effectively saw public money invested in their businesses to ensure that they could compete with the more established corporations, especially those with links back to the British empire that had profited through their control of the mining, financial, construction, retail and most other

business sectors in South Africa.

With a keen sense of self-preservation and the value of their family name, they had also hired one of the most influential and expensive public relations firms in the world, Bell Pottinger, to handle their image and ensure the world saw them as the good guys.

The minister in question was Fikile Mbalula. At that time, he was overseeing the sports and recreation portfolio in President Jacob Zuma's cabinet. Later, he was to become the minister of police.

The member of the family you have just been reading about was Johann Rupert, the son of Anton Rupert, one of the most successful products of Afrikaner nationalism and economic empowerment during apartheid.

There are many others like Johann Rupert, but none so famous.

By the time Mbalula was to talk to him, his father Anton had passed on, leaving a business empire to his son that has regularly seen him being described as either the "richest man in South Africa" or somewhere very close to it, with a net worth of around R90 billion.

In the 1960s, Johann's father had been touted as a replacement as head of state for the so-called "architect of apartheid", Hendrik Verwoerd. The more progressive, more educated and wealthier beneficiaries of apartheid's policy of getting Afrikaners to ascend the ramparts of the previously English-dominated business sector wanted the most rigid of apartheid's laws to be relaxed because these laws were preventing them from making even more money.

That never happened, though, and Verwoerd was eventually replaced after his assassination by an even stauncher supporter of rigid apartheid, BJ Vorster. So eventually Anton Rupert threw in his lot with some of the English mining and industrial magnates who were working to reform the recalcitrant apartheid state and were even recruiting young, promising black leaders into their civil society foundations. This book will tell you a bit more about that later.

In this way, the Ruperts were eventually accepted as "reformists" who had helped to bring about a negotiated settlement in South Africa. Along with the Oppenheims and the Menells, many within the ANC came to treat these wealthy owners of our economy as their friends and patrons whose philanthropic gestures were always much appreciated and their advice on economic matters always "taken on

board”.

Even when, in the 1990s, it emerged that Rupert’s company Rembrandt (later renamed to Richemont) had been among several struggling Afrikaner-owned conglomerates that had benefited from an illegal R30 billion apartheid-era bailout courtesy of the South African Reserve Bank, the country’s first black president, Nelson Mandela, and his government decided to look the other way.

They allowed their new friends to continue to make their profits and enjoy the pickings of the shiniest fruits of our democracy that had been hard won by the ANC and others from across the liberation front who were covered in the dust, sweat and blood of the trenches of the struggle; those who had been tortured and murdered in custody; others who had wasted away behind bars; all those who had given their lives in myriad ways in the pursuit of freedom.

I don’t know if those people made those sacrifices so that our first black finance minister, Trevor Manuel, could eventually leave the ANC and politics to openly join the Rothschilds as an expert in global finance. Maybe that was part of the purpose of the struggle, because ultimately Trevor Manuel and other black people are free today to follow their dreams, and that, at least, is something a man like Chris Hani would happily have given his life for.

What I’m less sure of, though, is whether Hani would have been pleased that the economy has largely stayed in the control of white hands, even two and a half decades into democracy.

Curiously, Johann Rupert’s father created a wine brand called Rupert & Rothschild with the Rothschild family in France in 1997. They continue to share their “prestigious partnership” in wine production 20 years later.

When Manuel joined the Rothschilds (a different company sharing the famous name) in 2014 as a senior advisor to the group worldwide and deputy chairman of Rothschild in South Africa, very few eyebrows were raised. It was almost as if it was all too easy to accept that government and big white-owned business were so closely interwoven that one could morph into the other without much effort.

The biggest critics of this have called this nothing less than collusion, which you will also read more of later.

At the time that Trevor Manuel joined the Rothschilds, his wife,

Maria Ramos, a former Reserve Bank governor, was the CEO of Absa, a position she still holds as I write these words. Absa was one of the companies that had taken over Bankorp, one of those firms that had received funding from the apartheid-era bailouts that were never repaid.

Being rich is not a crime. It's not something to be ashamed of, *per se*. I personally far prefer having money, and lots of it, to having less of it.

But it's the entitlement of people like Rupert that I cannot stand. They actually believe the economy belongs to them, and exists to make them richer.

And that was why Minister Fikile Mbalula was about to have the following encounter with the then 66-year-old Rupert in Stellenbosch at a wine auction in the first few months of 2017.

Rupert called him to the sidelines of the auction at a multimillion-rand estate in the picturesque settings of the winelands as the sun was casting its orange rays on to the postcard-like mountains of the Jonkershoek, Drakenstein, and Simonsberg mountains in the east.

Rupert first of all asked Mbalula if it was true that President Zuma was planning to remove Pravin Gordhan as the finance minister in yet another cabinet reshuffle.

Mbalula replied that cabinet appointments were strictly the preserve of the president, and he could not say.

At the time, there was much speculation and even near certainty that the former CEO of Eskom, Brian Molefe, would be made the finance minister, a move Rupert declared would be totally unacceptable.

Rupert seemed to be in a bad mood.

"I want you to go and tell your president that I looked after Mandela. But if he fires Pravin Gordhan and Mcebisi Jonas, I will destroy this economy. My friends and I will make it look worse than Zimbabwe."

It was no idle threat. The last time President Zuma had made an appointment to head the finance ministry that "the markets" did not approve of, South Africa's main stock market, the JSE, lost somewhere in the region of R500 billion almost overnight and the rand plummeted to nearly R18 to the dollar.

Rupert, a member of the so-called Stellenbosch Mafia – a half-playful term that has attached itself to all the wealthy businessman from the town – also had a strong presence in the banking sector, especially Standard Bank, FirstRand, Nedbank and Absa.

So he could definitely trouble the economy if he wished to.

Mbalula wanted to interject, but Johann Rupert was not yet done.

“I would also appreciate it if you stop talking about this ‘white monopoly capital’ thing. I see even you have been going on about it. There’s no such thing.”

At this, Mbalula could not keep quiet any more. He told Rupert: “Look, if you are not white monopoly capital, then I don’t know what you are.”

“I’m not the enemy here, Minister. I’m feeding 17 000 school-kids.” He also mentioned other philanthropic work he and fellow businessmen were engaged in.

Mbalula shook his head. “That’s the problem: it’s just handouts. Our people are dependent on your generosity.”

A small argument ensued between the two, with Mbalula then asking him: “How do you expect President Zuma to talk to you when you think you can make such threats?”

They eventually seemed to agree that the discussion may have started on the wrong foot.

Mbalula told him he would convey his concerns to Zuma about the finance minister’s possible removal, but he had a question for Rupert that had been on his mind as the minister of sport for some time.

“Why do you never invite me to the Laureus Sport Awards?”

“Oh, that. I’ll tell you what,” Rupert responded. “I will invite you next time, on one condition.”

“Which is?”

“If you can guarantee the nation that you and the ANC will never change the Springbok emblem.”

Mbalula wanted to laugh, but remained diplomatic. He later duly conveyed Johann Rupert’s message to Jacob Zuma.

Jacob Zuma fired Pravin Gordhan and Mcebisi Jonas anyway.