

# Work ethic, education and Afrikaner empowerment: Sanlam and the mobilization of Afrikaner savings, entrepreneurship and work ethic, 1918-1950.

Grietjie Verhoef

University of Johannesburg<sup>1</sup>

## Abstract

The Weberian thesis of a causal relationship between economic advancement and the Protestant work ethic, has been widely advocated ( ) Recently more critical studies have raised questions about the alleged relationship between the protestant work ethic and economic growth. A broader context of papers studied the association between religion and economic outcomes. Quite generally, religion is an important expression of culture (Guiso, Sapienza, and Zingales 2006), and as such is viewed as a possible fundamental cause of economic growth. Thus, Barro and McCleary (2003; 2005) study the association between different religions and economic growth. More recently Acemoglu, Johnson & Robinson (2001; 2005) have rejected any direct link between economic growth and religion *per se*. More recently closer attention was paid to the link between literacy and economic growth, since it was argued what Luther had propagated was improved literacy in order to enable people the ability to read the Bible, which had the overall effect of improved literacy and that contributed to increased human capital formation, which brought higher growth. For an explanation to the rise of Afrikaner capital and entrepreneurial advancement since the first decade of the twentieth century, this paper will explore Weberian thought in the speeches, publications and public statements by leaders associated with the establishment of early Afrikaner business in South Africa. In this respect the insurance company SANLAM played a decisive role, but was not the exclusive promoter of Afrikaner entry into the mainstream of the economy. The paper will analyse the manifestation of Weberian thought in the formative years of Afrikaner business in South Africa. The first Chairman of Sanlam, W J Hofmyer used references such as 'the responsibility of men to provide for their families; the responsibility of the people to contribute to the growth of the entire economy; and dedicated work towards the upliftment of themselves, pointing towards elements of Weberian thought. This paper will also analyse promotional material to trace the underlying rationale for mobilising Afrikaner savings, entrepreneurship and hard work towards their economic empowerment between 1918 and 1950. A critical assessment of the conceptual overlap between Weberian thought and the history of Afrikaner upliftment will be investigated.

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## Introduction.

A local economy gradually took shape at the Cape only after the monopolistic *Vereenigde Oost-Indische Compagnie(VOC)* released nine officials from their service to engage independently with the market economy. The mercantilist VOC market monopolisation prevented free trade in agricultural produce and soon farmers moved beyond the official frontiers of the VOC control. By the time the Industrial Revolution transformed the British and led the European economies, no market economy existed at the Cape. Pastoralist farmers on the remote frontiers barely sustained themselves and the people on the outskirts of society were poor and marginalised from formal education (Neumark,1957:38; Van der Merwe,1938:23). By the beginning of the eighteenth century only around thirty families could be described as affluent at the Cape (Wilson & Thompson, 1969:198). The

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establishment of British colonial rule gradually led to the opening up of a market economy, but political conflict with the British authority resulted yet again in around 25 000 Afrikaners leaving the colony between 1836 and 1838 and establishing themselves in the interior where they barely managed to sustain themselves (Müller, 1979). Although a number of wealthy Afrikaner wheat and wine farmers remained in the Cape Colony and a few sheep (wool) and maize farmers in the Boer Republics lived comfortable lives, the majority of Afrikaners lived very elementary lives. Sadie comments, "Their living conditions offered no incentive to exert greater effort than that involved around the home (or tented wagon) and the tending of the flocks" (Sadie, 2002:6). Afrikaners lived in isolation of urban centres, where their lives, according to De Kiewiet "have a tenacity of purpose, a power of silent endurance, and the keenest self-respect. But the isolation sank into their character causing their imagination to lie fallow and their intellect to become inert" (De Kiewiet, 1941: 17). This elementary life-style resembled much of the African peoples inhabiting the area, but one distinction was made by the Afrikaners – they were "Christians" and the Africans predominantly "heathens". The Christians read the Bible and distinguished a higher form of civilisation as opposed to "heathens" (Van Jaarsveld, 1971: 34; Scholtz, 1970: 64; Van der Merwe, 1938:257). The mineral discoveries of the late nineteenth century offered the first opportunity of wealth to the Afrikaner people, but in the South African War of 1899-1902 Britain crushed the independent Boer Republics, resulting in massive long term impoverishment as a result of the "scorched-earth" war tactics of the British forces (Scholtz, 1978:142 ;Verhoef, 2008:695-96). Towards the end of the war Afrikaners were around 556 000 (49%) of a total European population of 1 117 000 (Schumann, 1938:38; Sadie, 1978:16). A series of events contributed to further impoverishment of the Afrikaner people – the long drawn-out post-war depression which lasted until 1906, consecutive droughts, the Spanish Flu epidemic of 1918 and the Great Depression of the late 1920s (Verhoef, 2006a). Rural impoverishment led to urbanisation, for which Afrikaners were ill prepared and ill-equipped (Schumann, 1935: 97-103). The *Carnegie Commission* reported in 1932 that a conservative estimate between 1929 and 1931 put around 300 000 Europeans (17% of the European population) in the category of "poor whites" – primarily Afrikaners. These people were landless farmers, stock herders, farm workers, destitute persons living around river beds, hunters, unemployed mine workers and wage labourers (Grosskopf, 1932:vi-viii). The Afrikaans community's contribution to the mainstream economy was less than 3%, more than 81% were rural in 1904, but by 1930 more than 50% lived in urban areas. How do people escape from such marginalisation? The Afrikaans community took agency through the mobilisation of the entire resource base at its

disposal and by the late 1960s their leaders resolved that the 'poor white problem' was solved (Du Plessis, 1964:124 ). This paper will analyse the Weberian Protestant motivation employed by Afrikaner leaders to effect the upliftment of their own people. The Weberian concepts are explored in a collective context, where Afrikaner leadership employed concepts such as 'work ethic', 'calling', 'responsibility' and others to mobilise an economic consciousness movement for self-salvation or redemption from poverty.

Weber, work and economic achievement.

The Weberian thesis of a causal relationship between economic advancement and the Protestant work ethic, has been widely applied in studies seeking to explain economic progress and growth (Ashton 1948; Marshall, 1980; Landes 1998; Cohen 2002; McCloskey 2010; Munro 2010; Wallace, 2012) Different aspects of Weber's thesis on the relationship between the Protestant Christian religion and work and well-being have been explained by McKinstry and Ding (2013). They identify five elements to Weber's thesis: first, the notion of a Christian calling to one's occupation or work; second, earthly life is a unity and therefore work is part of that life and one's whole life should be dedicated to serve God; third, wealth accumulation is desirable, since it can be used to serve God through welfare distribution; fourth, the reinvestment of wealth ultimately benefits the whole society; fifth, expenditure on selfish gratification is not desirable (McKinstry & Ding, 2013: 723; Becker & Wötmann (2009:538). They criticised studies relying too heavily on treatises of what Weber said, rather than actual analyses of how the entrepreneurs actually conducted their businesses (McKinstry & Ding, 2013:725). Some critics of Weber interpreted the causal relationship between Protestantism and economic growth too simplistic to the exclusion of other religious communities and therefore sought to refute the idea, such as Jacobs (2010) on the lack of 'Protestantism' to spur capitalism in East Asian countries and Japanese, or Becker & Wötmann (2009) who proposed a human capital theory based on the Protestant emphasis on literacy, as propagated by Martin Luther.

A broader context of papers studied the relationship between religion and economic outcomes. Quite generally, religion is an important expression of culture (Guiso, Sapienza, and Zingales 2006), and as such is viewed as a possible fundamental contributor to economic growth. Barro and McCleary (2003; 2005) study the association between different religions and economic growth. Mughal, Ezad, Siddique & Shazad (2011) found Protestants to work harder and therefore questioned the wisdom of secularisation for the modern economy. More

recently Acemoglu, Johnson & Robinson (2001; 2005) have rejected any direct link between economic growth and religion *per se* and Norris & Inglehart (2004) dismissed the Weber thesis outright. Another perspective of inquiry explored the links between social change influenced by non-conformists (Protestant Evangelicals or dissenters, the US Gilded Age and Jewish entrepreneurs) in the USA and Britain (Ashton, 1948; Hagen, 1962; Jeremy, 1988, 1990, 1998; Godley, 2001; Godley & Casson, 2010; Baghdiantz et al, 2005; Barro & McLary, 2003). The expansion of Christianity into countries of the south and the increasing integration of the world economy bringing south and north economically in closer alignment, yet again calls to a reassessment of the Weberian thesis, albeit in more general terms. Van Hoorn & Maseland (2009) recently confirmed the link between Protestantism and work ethic, thus suggesting a more nuanced investigation into the nature of this relationship. Jones and Wadwhani (2008) cautioned against ‘causal empiricism’ in the application of the Weberian thesis, although it was admitted that such analytical tool addresses the subject of investigation, the entrepreneur, better (Jones & Wadwhani, 2008:508).

My study explores the Weberian concepts employed in the emerging network of Afrikaners seeking to address absolute impoverishment of fellow Afrikaners through the mobilisation of work ethic, their sense of responsibility and their sense of a ‘calling’. Individual entrepreneurs were born, but this study is on the mobilisation of the Protestant work ethic in Afrikaner self-empowerment. The interpretation by Becker & Wötmann (2009) that it was rather the emphasis on literacy and education influenced by Martin Luther’s conviction that all Christians should be able to read the Bible themselves, which led to higher human capital and therefore higher economic affluence in protestant countries. They challenge the alleged causal relationship posited by the literature interpreting Weber’s thesis, between work ethic and economic prosperity, because ‘work ethic’ is a ‘value’ which is virtually impossible to measure or test empirically (Becker & Wötmann, 2009:539-541). The alternative interpretation of Weber’s thesis is that through the teachings of the eternal priesthood of believers, Christians were ‘called on to ensure that their children receive a decent education’ whereby individual utility was optimised and overall benefit to the economy maximised (Becker & Wötmann, 2009: 541). Becker & Wötmann do not refute the Weberian thesis that Protestant regions were generally more affluent than non-Protestant regions, but the channel through which this outcome was achieved, they posit, was rather literacy benefits than ‘work ethic’ (p. 581). In this paper I argue that a less deterministic interpretation of Weber’s thesis on the relationship between work ethic and economic prosperity could be applied in the analysis of the Afrikaner economic mobilisation since the 1920s in

overcoming poverty and achieve relative economic affluence by the 1950s. Weber's broad explanation of the responsibility of Protestants, their calling to work to serve God through wealth creation, provided justification for capitalism and feeds into a wider social responsibility towards fellow Protestants, in this case, impoverished Afrikaners. The ultimate goal was the economic upliftment of poor Afrikaners and the acquisition of a larger share in the mainstream economy of the country. This paper traces the Weberian message in the speeches, public presentations and publications of the Afrikaner leadership between the onset of widespread Afrikaner poverty after the South African War at the turn of the nineteenth century, and the 1950s.

### Addressing marginalisation and poverty- 'Save ourselves'

Three agents emerged to address the economic marginalisation and the growing socio-economic plight of impoverished Afrikaners – the church, the Afrikaner leadership and the state. The Dutch Reformed Church (DRC) was the most prominent of the Afrikaans churches and the ruling South African Party in the new Union of South Africa Parliament in 1910 enjoyed a fair degree of Afrikaner support. In 1924 only did the National Party of General J B M Hertzog rise to power in alliance with the Labour Party. The National Party introduced legislation to protect white labour by means of the reservation of certain employment categories for white skilled persons. (Davenport & Saunders, 2000:301; Natrass, 1982:76). The so-called 'civilised labour' policy indeed contributed to address unemployment, but the problem was not 'unemployment' but unemployability. State policies to establish a protected labour market indeed assisted in giving unemployed people work, but did not address the psyche of a dependent impoverished people.

White poverty was identified in the Cape Colony as early as the mid-1850s, but by 1890 the synod of the DRC noted that it had acquired crisis proportions. Only 1,2% of the children attending schools in the Cape Colony by 1883 was in the sixth grade and 55,4% of white children at school had not progressed beyond the ability to read one syllabus words. Only 6,15% of white children and 4,0% of the entire Cape school going age population attended school (compared to 12,9% in England) (Malherbe, 1932:38,51-52), which shows that employment in the non-agricultural urban sector was doubtful. Substantial amounts were also allocated for welfare to poor 'burghers' by the ZAR state. The DRC discussed the phenomenon of white poverty regularly and in held congresses in Cradock in 1916 and Bloemfontein in 1923 to discuss the matter. Initiatives were taken to resolve poverty, such as

the establishment of a number of industrial schools and labour settlements for the white poor (Grosskopf,1932:20; De Kock, 1924: 465-467). The state and church initiatives did not address the fundamental question of changing the inclination of poor Afrikaners towards work and responsibility for their own lives. Grosskopf noted that state assistance over more than 25 years to prevent impoverishment or alleviate existing poverty, achieved little, since it perpetuated dependency and fostered a spirit of begging. He advocated leadership and self-help (Grosskopf, 1932:219,235-237). The notion of the poor's responsibility to restore self-pride, confidence and independence through self-agency was clearly communicated.

The *Carnegie Report* ignited Afrikaner leadership into action. During the first decade of the twentieth century Afrikaner businessmen in the Cape established *De Nasionale Pers* (1915) and SANTAM (South African national trust and insurance Company) and SANLAM (South African national life assurance company) (1918). In 1934 *Volkskas* (People's Bank) was established by Afrikaners to render banking services to Afrikaners (Verhoef, 1992:116-118), but the reality of the persistent poor white problem prompted consciously mobilised collective action. The existing Afrikaner enterprises had established a foundation for a stronger and more comprehensive dedicated economic effort. In addressing a Sanlam regional meeting in 1934 Louw stated that the initiatives launched by Afrikaner business aimed to secure for Afrikaners, in relation to their relative ratio of the total population of the country, a larger participation and share in the commerce and industry of the country – this had commenced using existing businesses, but required the expansion and development of new enterprises. He commented, “on this foundation we must build carefully and systematically, capitalising on a goodwill of clientele and utilising expert leadership, a well-trained workforce, own mobilised capital and credit facilities” (SA: MS Louw, address Sanlam Western Cape Regional meeting, 8/10/34). His words echoed the persistent message delivered by the Chairman of Sanlam, Mr W A Hofmeyr. Hofmeyr, the son of DRC minister and his mother was the daughter of a Scottish minister who immigrated to the Cape Colony, was a member of the “oude Kaapsche families” who were characterised by very religious conduct, a strong emphasis on education and a remarkable sense of responsibility towards their own community. Hofmeyr was a member of the Afrikaans language Movement and a founder member of *DE Nasionale Pers*, with its newspaper *De Burger* (Scholtz, 1970:132-133; Muller,190:51-51; Giliomee, 2003:199-201). Hofmeyr was a major source of inspiration and energetic work to establish *De National Pers*, with *De Burger* as its daily newspaper. This newspaper had to express Afrikaners' opinion. The newspaper was simultaneously also

a vehicle to address broader social, cultural and political issues pertaining to the Afrikaner, but Hofmeyr was not content only to politicise the phenomenon of Afrikaner poverty ó he wanted action. The newspaper could serve as an enterprise for empowerment and employment of fellow Afrikaners, poor and affluent, but all concerned with the destiny of fellow Afrikaners. In the first editorial the new paper was called a 'child of tragedy and hope' and signal of the awakening of a national unity which would lead to the redemption of past injustices (Le Roux, 1953:73; Muller, 1990:119). Hofmeyr was the first Chairman of the Board of Directors of *De National Pers*. With a newspaper as an instrument of empowerment, the establishment of an insurance company (Santam and Sanlam in 1918), measures were in place to effect the process of recovery of the Afrikaner people. It was especially as chairman of Sanlam, that Hofmeyr addressed the responsibility of work, education and discipline repeatedly.

To Hofmeyr Sanlam was a 'volkstaak' (a calling of the people) (Malan, 1977:416; Le Roux, 1953: 108; *Die Sanlam Fakkkel*, December 1947: 2; *Die Sanlam Fakkkel*, November 1953:24 ó 31). In his first Chairman's Address in 1920 Hofmeyr said that the aim of management was to grow the company rapidly, but also to build a solid foundation capable of supporting a large building. He explained that the intention was to make a substantial contribution to the upliftment of its policy holders, but also to develop the economy of 'our country' The notion of a wider responsibility towards not only policy holders, but also the society at large, was expressed when he stated that he expected policy holders to feel a sense of pride in being able to make such a vital contribution to the building of their country( SA: Sanlam Chairman's Report, 22/12/20:3). The collaborative work effort of all Afrikaners 'in the broadest sense of the word' was praised and encouraged (SA; Sanlam Chairman's Report, 21/12/21:3: 30/09/25:3). Underpinning the successful implementation of the vision of a South African insurance company, was a more fundamental issue of social responsibility. Hofmeyr linked the contribution of the company to the development of the South African economy on the other hand to the personal responsibility of policy holders to provide for their families ó a 'holy duty to provide for their dependents'(SA: Chairman's Report, 23/12/19:2). The responsibility of policy holders was to ensure access to education and training of their dependents, which in future would secure employment and self-sufficiency. Sanlam was presented as the vehicle through which small dedicated contributions to insurance policies could realize the expectations of the people. The policy holders were encouraged to persist with prudent savings behavior, using policies as one instrument to achieve future goals. At

the time of the establishment of Sanlam, rural Afrikaners were still staggering under the effects of the devastation of the South African War and persistent droughts. The Sanlam management message emphasised that despite poverty, they had a responsibility to work towards the restoration of economic self-sufficiency. This could be achieved through mutuality, which was the organisational form practiced by Sanlam (SA: Chairman's Report, 20/11/22:4). Mutuality was portrayed as a self-help mechanism as well as a collective action expressing the social responsibility of policy holders towards each other ( SA: Chairman's report, 8/12/25:5). Hofmeyr described Sanlam as the big co-operative (*saamwerk*) in the country (SA: Chairman's Report, 1/12/26:6). This notion of 'mutuality' and co-operation was carried forward into the deliberations of the *Volkskongres* where the concept of a shared responsibility was a golden thread in the messages conveyed by the leaders.

Economic self-empowerment was the main message Sanlam propagated as a goal that could be realised by accepting the 'duty' and 'responsibility' for themselves. By encouraging fellow Afrikaners to do the same policy holders' benefits would be optimised and at the same time also that of the country, since no funds or dividends are remitted outside the country (SA: Chairman's report, 12/1923:4). Such action, Hofmeyr stated would secure the 'future of our people in our country' and contribute towards the 'strengthening of confidence and independence' of all Afrikaners and South Africa (SA: W A Hofmeyr 'Message to the Chairman and Management of the *Sanlam Fakkel*, 1(1):15/12/32:4). Sanlam offered professional management and guidance on financial management, whereby policy holders would 'grow with Sanlam' (*ōgroei saam met Sanlam*) (SA: Chairman's Report, 30/9/28:2). In the aftermath of the depression and the devastating drought of the early 1930s Hofmeyr persistently called for the 'cultivation of a culture of saving' since that would be a suitable response to the demand for investment funds to assist in the recovery of the South African economy. Such savings would in Sanlam serve to generate more employment opportunities for 'Afrikaner sons and daughters' (SA: Chairman's Report, 8/12/24:5; Minutes of the Board of Directors, 17/6/32; Sanlam Chairman's Report, 11/12/35:6).

*De Nasionale Pers* and Sanlam served as vehicles for Afrikaner economic empowerment through an emphasis on three aspects of the Weberian work ethic as work (self-help), save, responsibility towards the greater benefit of all (family, community, fellows). In December 1938 a minister of the DRC, Reverend J D Kestell publically called for 'a perpetual act of salvation' (*aanhoudende reddingsdaad*) by Afrikaners themselves, that Afrikaners should

work together, support each other and salvage each other to overcome poverty, because assistance by the state can only be temporary. Kestell was suggesting a strategy to alleviate what Dr Nico Diederichs, an academic from the University of the Orange Free State, called the undermining of the integrity of the people caused by poverty (Dommissie,2005:67). An economic congress of the people (*Ekonomiese Volkskongres*) was organised in Bloemfontein in 1939 to assess the options Afrikaners themselves could exercise to address Afrikaner marginalisation in the economy as well as white poverty systematically and permanently (Verhoef, 2006a, 2006b, 2008, 2009). A network of enterprises developed over forty years whereby Afrikaner economic empowerment was set on firm foundations and poverty eradicated as a social problem (FAK, 1950; Davenport & Saunders, 2000:665).

Kestell delivered a call to the Afrikaner people to *redeem itself* (*’n volk red homself*). In his opening address to the *Volkskongres* Kestell called for a collective effort by Afrikaners, poor and affluent, in extinguishing all forms of dependency and working towards economic prosperity (*ekonomiese welvaart*). This act of redemption had to be repeated (*gedurig herhaal*) and undertaken in the name of God. (FAK,1939:5-7). Reverend W M Nicol, also a minister in the DRC, and chairman of the organising committee of the congress, called for the translation of an *’economic awareness* into entrepreneurial activity, because *’commerce and trade is a public service* (*die handel moet ook beskou word as ’n openbare diens*)(FAK,1939:9). Other speakers emphasised active participation in the production side of the economy through skilled work and investments (of their savings), as well as on the consumption side as consumers of their own industrial production (FAK,1939:35-38). While the congress was motivated by the Carnegie Report on perpetual white poverty, the leadership realised the strong base of existing capacity from which the empowerment could be constructed. Professor C G W Schumann cautioned against the over-emphasis on the poor whites, since they comprised only 25% of the 1,2 million Afrikaners. He called for the strengthening of the *’strong* as vehicle for empowerment and people who are prepared to work very hard and make sacrifices for many years (*’i bereid wees om vir baie jare hard te werk, op te offer en te ontbeer*) (FAK,1939:41,55). To achieve the economic goals Afrikaners were called upon to embrace the capitalist system and mobilise their savings/capital, out of the predominantly popular mortgage bonds, but into industry and mining through investment in shares of new Afrikaner ventures in those sectors (FAK, 1939: 60-01). The SANLAM actuary M S Louw translated these general directions into practice by explaining the technical operation of a finance house for industry capitalised by Afrikaner capital and savings. This

core finance institution would combine investment returns, production capacity, processing of agricultural input or resources extracted, wholesale and retail trade, distribution, training and employment opportunities as part of the economic 'act of redemption' strategy (FAK,1939:63-67). The realisation of the economic empowerment goal was constructed around three concepts ó hard dedicated work, mobilisation of capital/savings, and focussed training and education of human capital in a capitalist economy.

M S Louw told the congress that Afrikaner were saving around £20 million per annum, but only invested around £2 million in risk ventures and the rest in mortgages and financial institutions. In his address to the *Volkskongres* he emphasised the following key elements to succeed in achieving the goals: perseverance, unity as a people, love thy neighbour, join forces in working together to realise the 'act of redemption'(reddingsdaad)(SA, 1939: MSLouw handwritten speech). To mobilise ordinary Afrikaners to help themselves, the *Reddingsdaadbond* (RDB) was formed. The RDB was a national organisation of Afrikaners to which subscriptions were paid (FAK, 1939:210-215). The funds of the RDB was used to assist in welfare work, investment in emerging enterprises and education for members' children. By 1950 the RDB had collected a fund of more than £183 325 which was allocated to the different dedications (FAK, 1950:149). Louw prepared several documents in which he explained the different types of investments and what the risks and benefits thereof to members (SA: RDB Voorligtingsreeks, No 4, 23/8/443). The RDB was one strategy to develop an economic consciousness among ordinary Afrikaners and to encourage them to contribute to the people's effort from the grass roots level. The collective effort of ordinary members of the Afrikaner-community was typically demonstrated by M S Louw when he addressed a meeting of the AHI in 1947. He emphasised the vital contribution of each 'pound, shilling and penny' in making up a healthy balance sheet, but also the human element of each businessman taking care of employees' welfare (SA: *Die Oosterlig*, 5/8/47).

Although the serious poverty under Afrikaners led to the *Volkskongres*, the idea was not only to address the welfare concerns, but to empower Afrikaners to enable themselves to acquire a meaningful part in the mainstream economy. For that purpose it was vital to render support to Afrikaners entering the world of business, formerly dominated by English-speaking South Africans and foreigners. This mutual support to emerging Afrikaans businessmen was mobilised through the *Afrikaanse Handelsinstituut* (AHI ó a chamber of commerce of Afrikaans businessmen). Louw motivated the formation of the AHI as a vehicle to assist Afrikaner businessmen to make a more substantial contribution to the economic development

of our country by capitalising on fellow businessmen's expertise, experience and support to grow the skills of new Afrikaner entrants ó an enormous task, but one all Afrikaner businessmen had the responsibility to support (SA: M S Louw address; AHI, 12/10/50).

Louw was instrumental in preparing the prospectus for the share issue of the industrial finance house to be established in 1940 ó *Federale Volksbeleggings Beperk (FVB)*. Only 20 000 shares of £2/-- each were issued and by October 1940 17 000 shares were acquired by private individuals, and community organisations, such as the *Helpmekaar Vereniging (Cape)*; Orange Free State Teachers' Union, Transvaal Teachers' Union, Farmers' Unions etc (SA: FVB Prospektus, 9/9/39; FVB Annual Report 1940). In 1942 FVB had already issued 180 000 shares, had working capital of £250 000 and invested in small new manufacturing industries (*Die Burger*, 2/11/42). FVB was a private initiative of Afrikaners who were interested in gaining a foothold in the industrial sector, but lacked both capital and experience. A supportive network of the AHI, funding through FVB and the gradual awakening of an economic consciousness fostered by the RDB, soon nurtured an context where young Afrikaner entrepreneurs gained sufficient confidence in their own ability to take on the market. One of those young entrepreneurs was Anton Rupert.

Rupert had studied chemistry at the University of Pretoria and was appointed lecturer in chemistry by 1938. In the same year he attended a meeting addressed by revered J D Kestell (Vader Kestell), calling for action by the Afrikaner people to redeem themselves. Rupert was impressed by the dignity and deep honesty of the message delivered by Kestell. Shortly after the *Volkskongres* Rupert joined the RDB, travelling the country to mobilise Afrikaner economic consciousness. He had visited many industrial plants as chemist while working in the RDB to develop small Afrikaner enterprises, but finally he was attracted to business himself. He established a dry cleaning enterprise, (*Chemiese Reinigers, Beperk ó Chemical Cleaners Limited*) with a partner Dirk Hertzog in 1941 and the RDB advertised their enterprise calling on Afrikaners to support the 'pure Afrikaans dry cleaning enterprise'. Rupert had serious reservations about the world of business, since his father was a lawyer, his friend Hertzog was a lawyer and there seemed to be much better security in a university appointment. It was Kestell's word that convinced Rupert that he could also serve his people by entering into business. Kestell's word calling for 'a perpetual act of redemption' convinced Rupert that as a businessman he could contribute to the empowerment of his people. He admitted that it was a very distant thought that a minister of the church had swung him towards business. Soon Rupert established the *Voorbrand Tabakkorporasie* (Voorbrand

Tobacco Corporation) in September 1946 and received a FVB loan to get the enterprise operational. That was the beginning of the Rupert tobacco empire, which resulted in what was later to be the Rembrandt Group of companies (Domisse, 2005:71-83; Du Plessis, 1964:164-167;Giliomee, 2003:438). The significance of the Rupert rise to business was that he had been inspired by the messages of Dr J D Kestell and worked as a RDB member to assist in the mobilising of Afrikaner economic consciousness. He entered business to help his fellow Afrikaners, since he was convinced by Kestell that business enterprise offered an avenue to serve his people, to comply with his responsibility to work hard and benefit the greater well-being of his people (Domisse, 2005: 83).

The demand for risk capital in industrial enterprises soon exceeded the supply. M S Louw in 1945 then proposed the establishment of a Sanlam subsidiary, *Bonus Beleggingskorporasie van Suid-Afrika Beperk* (Bonuskor), whereby policy holders could choose to invest part of their bonuses earned on policies, in a dedicated industrial investment enterprise (SA, M S Louw Memorandum, 21/11/45). From this very small base, Afrikaners established small businesses, manufacturing enterprises and financial institutions to implement the ideals of the *Volkskongres*.

Sanlam served a pivotal role in formulating strategic direction for economic empowerment of Afrikaners. Sanlam invested in FVB, Bonuskor, Saambou Building Society, but its major contribution was the business leadership extended through the work and dedication of people such as Hofmeyr and M S Louw. Louw served as the Chairman of the AHI until late in the 1960s and managing director of Bonuskor since its establishment in 1945.

Taking stock 1950.

The year 1950 was the first stock-taking exercise of Afrikaner economic action. The second economic people's congress (*Tweede Ekonomiese Volkskongres*) gathered in Bloemfontein between 4 and 6 October to assess the performance in terms of the 1939 decisions and strategies (FAK, 1950). The link between material or economic redemption, initiated by Afrikaner cultural organisations as the drivers of the *Reddingsdaad* (act of redemption), and the conviction in its Christian calling to secure the West-European Christian civilisation in South Africa, is significant. Dr D F Malan, former minister in the DRC, addressed the meeting emphasising the responsibility of the Afrikaner people to sustain the European Christian civilisation through hard work (*Inspanning van al sy eie kragte*), which would secure the future of all inhabitants of the country. Such conduct depicted the faith in the

Afrikaner people's calling (*geloof in sy bestemming*), but there was no room for self-content, since there was still much to be done. He nevertheless encouraged the audience by saying they have the confidence, faith, hope and the will-power to persevere to the end (*daar is selfvertroue; daar is geloof; daar is hoop; daar is die vaste wil om end-uit te volhard*) (FAK,1950:9-15). Dr N Diederichs, a member of the FAK Economic Institute, echoed these ideas stating that the only way to realise the full ambition of the *Volkskongres* was hard, honest dedicated labour, labour inspired by faith (*harde, eerlike doelgerigte arbeid, geloofbesielde arbeid*). Nothing, Diederichs said, strengthens a nation more than productive creative labour, labour inspired by faith and driven by an ideal. If the Afrikaners wanted to fulfil their calling, they had one unmistakable task ó that of labour ó physical labour with the hands, and intellectual labour with the mind, day by day, year by year without seeking recognition, sacrifice one's labour serving one's fellow man to ultimately secure the future of the people. This labour must be driven by faith in eternal spiritual values and the calling of our people. Such conduct will secure a sense of fulfilment in the lives of Afrikaners, fruit on their labour and God's blessing on their work<sup>2</sup> (FAK, 1950:39).

A sense of achievement was expressed at the meeting in 1950. The broad trends noted from the official 1946 census pointed towards a growing portion of Afrikaans-speaking persons employed in manufacturing, transport, banking and the professions (FAK,1950:46, 85) and entrepreneurship in commerce and industry, although Rupert estimated Afrikaner control at less than 0,5% in 1950. Afrikaner entrepreneurs had ventured into sectors such as fisheries, clothing manufacturing, wine production, production of chemical products, tobacco and cigarette production and distribution. No meaningful penetration into the resources sector could be reported (FAK, 1950;87-105).

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<sup>2</sup> This quote justifies full Afrikaans reproduction: “*Daar is niks wat ‘n mens of ‘n volk so versterk, verryk en veredel as vrugbare skeppende arbeid nie – arbeid wat met geloof besiel en op ‘n ideaal gerig is. As ons ons roeping wil vervul, rus daar op ons een groot taak – die taak van die Arbeid; arbeid met die hand en arbeid met die verstand; arbeid dag na dag en jaar na jaar sonder om belonging of erkenning te vra; opofferende onbaatsugtige arbeid in diens van ons naaste, in belang van ons volk en daardeur ook ter wille van onself; arbeid wat gebou is uit ‘n innerlike gevoel van krag en besiel is deur ‘n geloof aan onverganklike geestelike waardes en aan die ewige roeping van ons volk. Alleen as ons so doen, sal daardie vreugde in ons lewe en vrug op ons werk wees en Sy onmisbare seen op al ons dade rus*” (FAK, 1950:39).

Table 1. Home language distribution of Total European labour force above 14 years, 1936 ó 1946.

	1936	% of total	1946	% of total
Total European labour force	730 561		860 422	
• Afrikaans		• 50,5		• 52,93
• English		• 44,29		• 43,36
Agriculture, forestry, fisheries				
• Total	181 409	• 24,8	167 822	• 19,5
• Afrikaans		• 86,44		• 85,5
Mining & Quarries				
• Total	46 936	• 6,4	53 557	• 6,2
• Afrikaans		• 35,6		• 44,7
Transport				
• Total	77 830	• 10,7	122 570	• 14,2
• Afrikaans		• 52,26		• 62,49
Commerce				
• Total	101 614	• 13,9	106 743	• 12,4
• Afrikaans		• 22,17		• 30,24
Banking and Insurance				
• Total				
• Afrikaans	17 392	• 2,4	33,292	• 3,7
		• 22,14		• 28,18
Civil administration				
• Total	81 282	• 11,1	70 597	• 8,2
• Afrikaans		• 58,94		• 50,5
Professions				
• Total	39 875	• 5,5	67 347	• 7,8
• Afrikaans		• 22,14		• 44,46

Source: Du Plessis (191964): 174.

The shift of the Afrikaans-speaking labour force out of agriculture and into all the other categories (except the civil service ó where English-speaking persons in the Union Armed Forces occupied a strong presence) was a source of satisfaction to the attendees to the 1950 congress, but only the beginning of a long road ahead.

The shift in economic penetration of other sectors than agriculture was ascribed to a growing economic consciousness of Afrikaners, displayed through their active participation in the activities of the RDB, support for Afrikaans retail enterprises and co-operatives, growing investment in Bonuskor (the Sanlam subsidiary investing policy holders' bonuses in industrial equity) and the growing numbers of young Afrikaans students enrolling for university education in commerce. The membership of the RDB rose to 64 771 in 1946, after which it declined as the RDB wound up its activities, having achieved its goal by 1950. The RDB invested £58 545 of members' subscriptions in shares of FVB, Sasbank, Volkscas, Sonop Ltd, various retail stores (eg. Uniewinkels, Clanwilliam Stores, Gordonia Stores), clothing manufacturing (Volkshemde- en Klerefabrieke), Saambou Permanent Building Society, and a number of co-operative enterprises (FAK, 1950:150-1153; 160-163; Du Plessis, 1964:157-166). Another £19 000 was allocated towards study loans to Afrikaans students in commerce and engineering (Du Plessis, 1964:193). The AHI was instrumental in encouraging young people to venture into business and provided support through regular meetings on matters affecting the business sector, managerial issues and financial management.

## Conclusion

The change in the economic fortunes of Afrikaans people in South Africa was dependent on co-ordination and strategic leadership. An affluent section of the Afrikaans community remained loyal to their people, despite systematic impoverishment and social degradation amongst Afrikaners. Political control did not address the socio-economic plight of the poor and it was the responsibility of cultural and religious leaders to turn the tables of fortune. This paper argues that Weber's ideas on the motivating role of a religiously inspired 'work ethic' combined with other elements to facilitate the eventual resolution of Afrikaner economic marginalisation in South Africa. By 1950 the process of Afrikaner economic empowerment was not complete. The Afrikaners had not even entered the mining sector in any meaningful measure, but the foundations had been laid by the inspirational work of cultural and religious leaders. Afrikaner empowerment commenced on the persistent reflection on the 'calling' of the Afrikaner to fulfil their role in South Africa, a firm belief in the joint responsibility of the entire people to work towards the resolution of the poor white problem and the emphasis on education as the vehicle of redemption. The achievement was inspiring: the Afrikaner people's contribution to GDP by the 1930s was less than 3% (excluding agriculture), but by the mid-1950s it stood at 13,4% (Sadie, 2000:28). This change can be ascribed to a protestant

work ethic and a sense of community responsibility, which although not exclusive to Afrikaners, served the Afrikaner people well in a time of a very real existential threat.

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