



Barberton Railway Station



Enterprise and exploitation

MPUMALANGA IS richly endowed with natural resources, both above and below ground. This bounty has played a major role in its economic development, including the growth of its farming, mining, and tourism sectors. Today, Mpumalanga is the fourth richest province in the country in terms of per capita income.

However, resources need to be identified and exploited, and will only create wealth if they are used efficiently. The minerals hidden underground have to be found and dug up; fertile land needs to be cleared, cultivated, and nurtured; and flora and fauna and other valuable natural features need to be protected and made accessible to tourists. This requires investment and capital, but also the skills, creativity, and efficiency of entrepreneurs – people willing to risk everything in search of greater wealth. Mpumalanga has certainly had its share of extraordinary entrepreneurs as well as pioneering corporations.

In this chapter we will examine how wealth has been created in the province. First, we will look at the activities of a selection of pioneering entrepreneurs. Next, we will look at the development of some major economic sectors in the 20th century, and the activities of important private companies as well as parastatal corporations. As always, the way in which these people and organisations have exploited these endowments and created wealth have had broader social consequences – not all of them positive. These will also be briefly addressed in the course of this chapter.

Abel Erasmus: the (in)famous entrepreneur

Abel Erasmus was one of the most influential figures in the eastern Transvaal in the late 19th century. He was a leading member of the Boer community in Lydenburg. He married well, and established connections with important people all over the ZAR, including people in government.

Like many others at that time, he started by earning money as a hunter, but also grew crops and kept cattle on his farm, Krugerspost, outside Lydenburg. Unlike most others, though, Erasmus invested the money he made from his other activities in his farm; he built fences and irrigation dams, and used

Facing page: The first train arrives at Barberton railway station, 1 April 1896.



Abel Erasmus and members of his family crossing a bridge over the Spekboom River during the South African War.

fertiliser to improve the soil. He also made a lot of money from buying and selling land. He had many friends in government, and always knew what land would later be needed for some government purpose. Today this would be known as 'insider trading', but back then it was all part of appropriating what one could in a frontier society.

In 1881 Erasmus became the 'Native commissioner' of the ZAR for the Lydenburg district, and exploited this position to advance his own interests and those of his community. Notably, he used various forms of violence and coercion to obtain labour and tribute from neighbouring African communities and chiefdoms. Many of the white farmers in the area benefited from Erasmus's efforts, but Erasmus benefited the most. He took his share of tribute, and used cheap labour on his farms. As a result, he was fêted by settlers, and feared and hated by Africans.

Erasmus was successful partly because of his connections to the ZAR government. But this also meant that his own fortunes were tied to those of the

ZAR. When the British annexed the Transvaal in 1877, Erasmus went through a difficult period; conversely, after the ZAR had regained its independence, he recovered lost ground, and actually reached the high point of his wealth. Finally, the South African War of 1899–1902 signalled the end of his influence in the region, despite his switching sides to support the British. His sons were left a sizeable fortune, but they no longer had the influence that had made their father so successful. Erasmus's story seems to show that a lasting legacy could not be built on patronage and coercion alone.

H L Hall & Sons

By contrast, another early pioneer, H L Hall, built a farming and business empire that endures to this day. Hugh Lanion Hall moved to South Africa from Britain as a boy of 11, and later came to the eastern Transvaal looking for adventure and opportunities. Like other adventurers, he initially made a living as a hunter and transport rider. In those roles he travelled around the region, and got to know it well. He came to know other English-speakers around Barberton and Pilgrim's Rest who had been drawn by the promise of gold, and also forged personal links with traders in the eastern Transvaal and at Delagoa Bay. He was an outsider to Boer society, but this might have helped him when he began farming; he didn't have to work nearly as hard to 'break the mould', because he was never stuck in the mould in the first place.

In 1890 Hall obtained a long-term lease on a farm near Nelspruit, on the banks of the Crocodile River. He called it Mataffin. He used money he had made from hunting and transport riding to develop his farm. He farmed on a large scale, and tried something no one else had dared to try in the region: farming all year round. Hall wrote as follows about his early years of farming:

The Boers used to bring their sheep down from the highveld for winter grazing, and as they trekked away again with the approach of summer they shook their heads as they passed my place and predicted that they would find our bones when they returned. It is true we had a long fight with malaria, and for a time we had a highveld farm where we could recuperate, but Mataffin, as it is now called, has always been our foothold in Africa. We stuck to it through war, pestilence and misfortune. Sometimes our hold was precarious, but we never let go and in the end it repaid our loyalty.

Hall's farm was successful because he had many contacts, such as traders, and others he could approach for help. He also had resources that enabled him to survive the usual pitfalls of farming: an unpredictable environment, and

Johannes Abel Erasmus, field cornet and later native commissioner of the ZAR in the Lydenburg district.





The entrepreneur
Hugh Lanion Hall with
his family.

fluctuations in the prices of agricultural produce. Hall continued to expand his activities, and his sons joined him in running a productive mixed farming business. The business became a formal company in 1921.

Hall & Sons continued to grow, mainly focusing on citrus and vegetables. During the 1950s it became the largest producer of citrus fruit in the Commonwealth. The company invested heavily in land and also diversified into numerous other sectors, including property development and international marketing. Today, H L Hall & Sons is a major farming and property development company that still focuses mainly on investments in Mpumalanga.

Hall had personal attributes – courage, confidence, and determination – that are the mark of a true entrepreneur, and also built his business in a way that allowed it to endure. As the Hall & Sons website states:

‘We have been around for more than a century, and plan to be here for the next. ... Hall’s pioneering and enduring spirit is evident in a family business that has not just survived, but has grown for seven generations.’

Esreal Lazarus

Esreal Lazarus emigrated from Lithuania looking for a better life in South Africa. He started out as a trader in the Bethal district. By 1911 he had established a chain of shops, and invested the profits in land. Like other Lithuanian Jews who bought land in the eastern Transvaal, he established good relations with established financial institutions. Lazarus made a huge success of his farms. He invested a lot in his soil; he used 2 000 to 3 000 tons of fertiliser a year, saying that ‘what you take out of the soil you must put back again’. This paid off handsomely. As an observer noted, Lazarus’s farms began as

ordinary farms with land of not much more than average quality and average yields. Yet by the mid-1920s Lazarus had made them the Transvaal maize producing showpieces. A plant less than eight or nine feet high was a rarity and many were twelve or thirteen feet ... So immense were the fields that from some points of view a visitor could have imagined he was on a planet clothed with growing maize. Equally as striking as the magnificent uniformity of the crop was the cleanliness of the soil on which it grew. Weeds had a very thin time on [Lazarus’s] estates.

Lazarus managed to run such a successful farm by employing large amounts of labour. But the way in which he obtained and controlled labour was similar to the coercive practices of other large farmers at this time.

Apiesdoorndraai

In 1902 Jacobus Manok – a self-styled Shangaan chief and entrepreneur – bought the farm Apiesdoorndraai in the Lydenburg district. He struggled with the same problem faced by most farmers in the district: dry fields. Winter was a harsh season, sucking moisture out of the soil and not giving any back. So every year when spring came with the first rains, it took some time for the soil to replenish. In order to avoid this, Manok built irrigation canals that would water his fields in winter. When the growing season came the soil would produce more. His investment and hard work paid off. In 1918 he produced more than 1 000 bags of wheat in one season – far more than any other farmer in the western and northern regions of Lydenburg had ever produced. He became known as one of Lydenburg’s most progressive farmers. He even



A mule-drawn
mail coach crosses
Joes Luck Drift in
the De Kaap River,
18 September 1905.



Old and new,
eastern Transvaal,
early 20th century.



Amersfoort's main street, photographed in 1905.

The post office and bank in Amersfoort, 1905.

A modern business
complex under
construction outside
Witbank.



Witbank in the 1930s.



became chairman of the white-dominated farmer's union – a remarkable achievement in an era of extreme racial prejudice. In the 1940s the farm was divided between Manok's eight sons, who continued to derive their income from farming.

Boomplaats

The farm Boomplaats was not run by an individual entrepreneur but by a whole entrepreneurial community, led by a Pedi chief, Micha Dinkwanyane. It had a remarkable history of innovation, courage and determination. In 1865 the forebears of the members of the Boomplaats community left the Pedi kingdom to help establish the mission station at Botšhabelo (see chapter 2). Botšhabelo became a major agricultural centre; at one stage it had a better credit rating than the ZAR government. From Botšhabelo, a group of Africans went on to establish a farming community near Lydenburg called Mafolofolo. Mafolofolo also grew and prospered. But in 1876 it was attacked by a force of Boers and Africans, and was destroyed. The survivors then settled on a farm owned by the Berlin Missionary Society named Mosterthoek, and later, during the South African War, reoccupied land in the Waterval Valley.

In 1906 Chief Micha Dinkwanyane and some members of the community bought the farm Boomplaats near Lydenburg. It was arid, and worth very little; however, the community began to improve it. They built a canal to reach the nearest river, which was far away and over the land of a neighbouring farmer, and built dams to allow them to store water closer to their fields. They used cattle manure to improve the quality of the soil, and planted orchards of fruit trees. Some members of the community became migrant workers, and their earnings were also used to improve the farm. By the 1940s the community had succeeded in turning this previously almost worthless piece of land into one of the most valuable farms in the district.

As we shall see in chapter 6, in the apartheid era Boomplaats was declared a 'black spot', and the community was forcibly removed. However, the land has recently been restored to its rightful owners under the democratic government's land restitution programme.

The citrus growers

On the banks of the Crocodile River, from Nelspruit to White River, lie huge citrus plantations. Citrus growing is one of the main forms of agriculture in the province. It had a late start in the region, and only took off in the 20th century. In 1905 the first citrus fruit from the eastern Transvaal was exhibited at a horticultural show in London. By 1916 South African growers were exporting 65 000 cases of citrus a year. In the 1920s citrus growing expanded rapidly; in some years as many as 2 million new trees were planted. Many people, especially returning soldiers after World War One, tried to 'make it' in citrus farming. But citrus farming was not for the inexperienced and underfinanced. To succeed, one needed to plant huge numbers of trees over a large area, and invest in costly inputs such as fertiliser. Moreover, citrus trees only begin to bear a lot of fruit after four or five years. For these reasons, only big corporations ran citrus farms, at least until the 1930s.

From the 1920s onwards citrus growers began to experience serious problems. Most of their produce was exported to Britain. But in the 1920s there wasn't enough space on ships to carry the large crates of citrus. Those who couldn't export their fruit made losses. These tended to be the smaller growers. Larger growers had more influence with the freight companies, and managed to get space on the ships. This made it clear that bigger organisations had more influence than smaller ones. For this reason, the Fruit Growers' Exchange was created, and in 1926 the South African Cooperative Citrus Exchange was established. These organisations managed to reduce shipping time and arrange for more refrigeration on ships. They provided packing materials and access to Land Bank loans, set up pre-cooling plants, and built relationships with British buyers. This helped fruit growers tremendously. Their worries about transportation, and finding a market, had been taken care of. The British fruit buyers also benefited – they had fresher oranges to eat.

After World War Two, when citrus exports slumped, the Fruit Growers' Exchange made sure that smaller growers would not go bankrupt. Larger companies effectively subsidised smaller ones. But while this solved some problems, it created others. There was less incentive for individual companies to reduce their costs, improve the quality of their product, and compete more effectively against other companies.

In 1988 the Fruit Growers' Exchange was renamed Outspan International, and continued to market South African citrus fruit throughout the world. In the early 1990s it became a private company. Today there are many fruit export agents in South Africa that support citrus farmers in the region, provide



Mechanisation enters the growing citrus industry.

information on markets, and assist emerging or previously disadvantaged farmers.

Many large citrus farms were developed by white farmers on land previously occupied by Africans, and some have been subject to land claims under the democratic government's land restitution programme. On others, white owners have introduced schemes for broadening ownership of the land and agribusinesses to Africans. Some of these farms are functioning well; however, on others production has slumped because of problems in the course of the restitution process. Broadening ownership of land while also retaining the skills and expertise needed to manage complex farming operations remains a major challenge in the region.

Coal mining

Coal mining has played a major role in Mpumalanga's economy. Coal mining began in the late 1880s in the Witbank area, where large coal fields are situated. During the next three decades many collieries were opened in the area, and more coal was produced. Collieries competed against each other. This led to a drop in the price of coal, and the Transvaal Coal Owners' Association was formed to deal with this problem. It regulated 'both output and price', and ended 'ruinous competition'. It also led to more efficient sales to international buyers. As the Association stated:

Instead of each colliery going in for the shipping trade and the internal trade, the Association is able to allot the export trade orders to certain collieries who have the necessary quality, the railway trade to other collieries who have the quality required for the railway, and the internal trade, that is for industries, to other collieries, who do not perhaps enjoy the same high value of coal.

But the price of coal continued to drop. The remedy for this was to produce more coal, and spend less money on labour. The best way to do this was to introduce machinery. The mines began to use compressed air cutters to cut the coal from the seams. When technology improved, they used electrical coal cutters. More coal was produced every month while less unskilled labour was required. It cost less to produce more.

By 1946 the coal industry was huge. There were 34 large collieries in the Transvaal, which produced 99,7 per cent of the province's coal. Some 23 collieries were situated near Witbank and Middelburg, and six at Ermelo. Smaller collieries began to complain that the Transvaal Coal Owners' Association was stifling competition by raising standards of quality unnecessarily high.

Big collieries benefited more from the association than small collieries, and it was difficult for small collieries to join it. Meanwhile, all collieries entered a period of uncertainty. Between 1940 and 1960 coal output increased from 13 million to 25 million tons. But from the 1950s the demand for coal both locally and internationally decreased as industries switched to using oil. A large local market for coal was created when the South African government began to convert coal into oil, but more markets were needed. In the 1960s the Anglo American Corporation began three research programmes aimed at finding overseas markets for South African coal. It researched the nature and potential of South African coal, launched a marketing programme in western Europe, and undertook a transport study. This initiative paid off, benefiting



Coal mine under development in the Witbank district in the late 1940s.

Coal mine at Brugspruit, early 20th century.



Open-cast coal mining,
eastern highveld.

coal producers in the eastern Transvaal. In the 1970s Eskom opened new power stations in the area, using even more of the province's coal.

While markets for coal were expanding, technology improved as well. A particularly impressive piece of machinery, called a walking dragline, was introduced, for use in open-cast coal mining. They cost millions of rands and were so enormous that bridges between Maputo harbour and the Witbank mines had to be reinforced before the machines could cross them. Their productivity matched their size. At Rand Mines' Middelburg Colliery a record was set for production when one machine removed 3,6 million tons of overburden from the coal seam in less than a month.

Once again, however, there are two sides to economic growth. Coal mines are responsible for some of the worst environmental damage in the country. Besides blighting the landscape, mine dumps and abandoned mines poison ground water reserves that feed the soil and supply water for use by humans. Many coal mines, smaller mines in particular, do not invest in processes that mitigate some of the damage they cause. The environmental effect of large-scale open-cast coal mining is particularly evident in the Witbank area.



Mine dump outside
Witbank.

Sappi

Sappi literally changed the face of the eastern Transvaal when it entered the region in the 1960s and began planting the massive timber plantations that now cover huge tracts in the region. Formed in December 1936, the South African Pulp and Paper Industries Limited (Sappi) was initially based in Springs on the East Rand, and its only role in the eastern Transvaal was to buy timber. In 1963, however, Sappi established an enormous paper mill at Ngodwana. It was one of the largest mills in the southern hemisphere. It revolutionised papermaking in South Africa by using new techniques and new technology. In 1982 Sappi expanded by absorbing the Novobord Group, which made hardboard, and a new timber mill using the latest technology was built at White River. Meanwhile, the paper mill at Ngodwana was also expanded and modernised.

New commercial plantations in the Sabie district, ca 1950.

Sappi also planted trees so that it could rely less on other growers. By the end of the 1960s Sappi had 50 000 hectares under timber in many parts of the



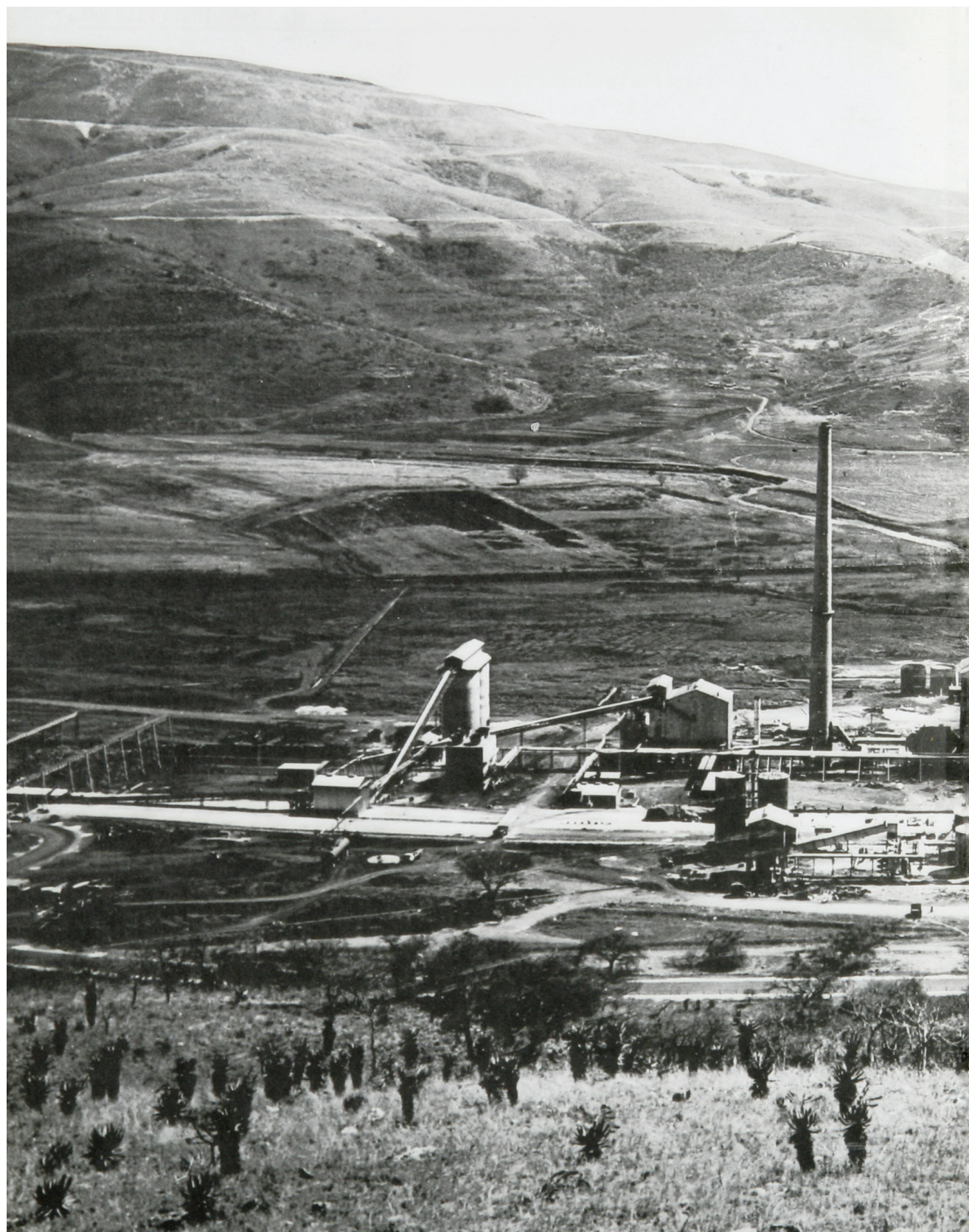
region. Sappi also introduced innovative ways of managing its plantations: it built lookout towers for spotting fires, replanted harvested plantations, and used recycled effluent from the paper mill to irrigate and fertilise the timber. In these ways it reduced its risks and their costs. It also created significant numbers of jobs in the region. In the 1990s Sappi became a global company, listed on the New York Stock Exchange. It continues to invest in Mpumalanga, bringing employment and wealth.

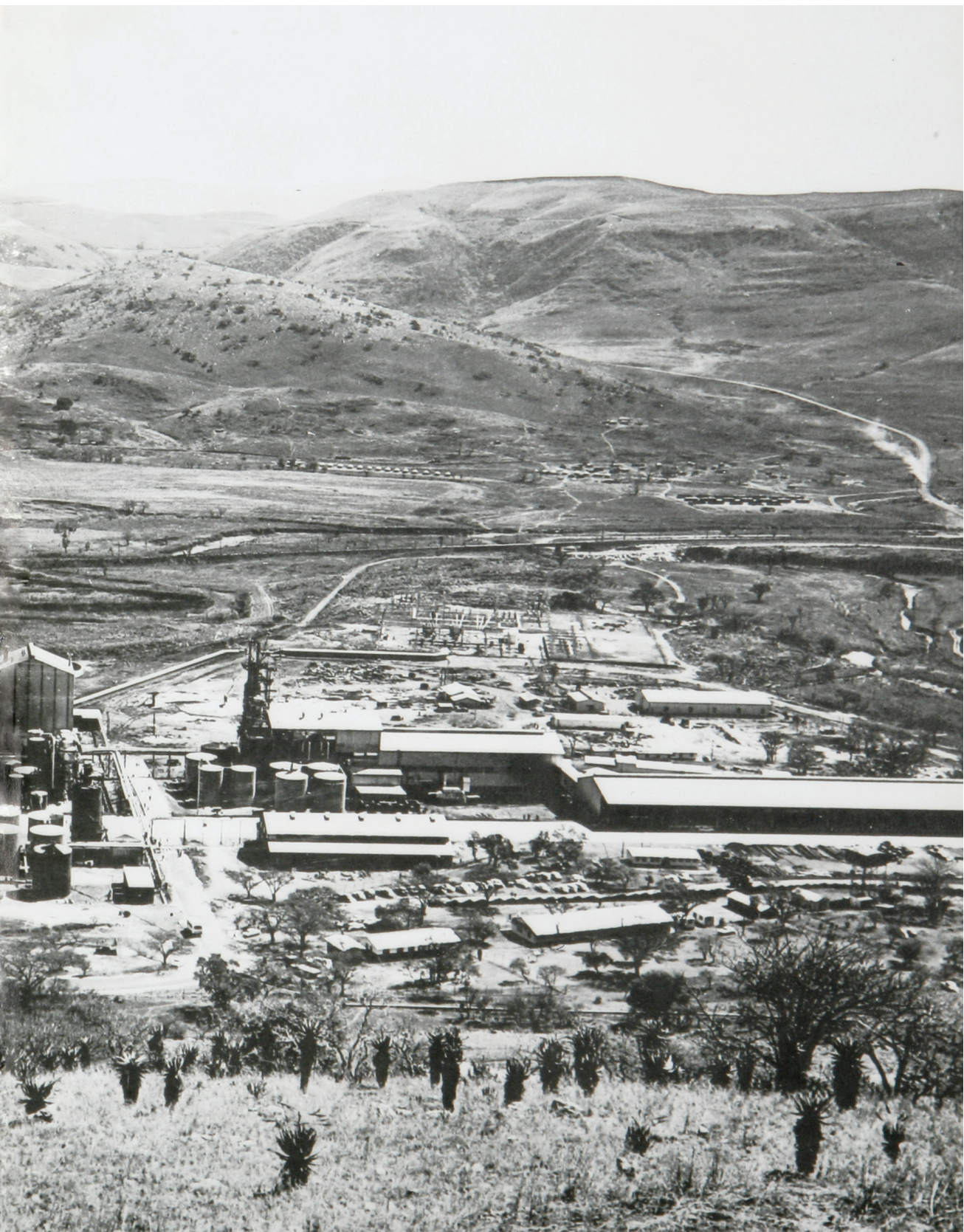
But the timber and paper industry has also had negative consequences for the region. Large timber plantations have transformed the natural landscape, and consume huge quantities of ground water. Paper mills release toxic smoke and fumes, and the chemicals used in paper manufacturing cause further environmental damage.

Overleaf: An early photograph of the Sappi paper mill at Ngodwana.

Timber yard, Barberton.









African assistants
holding claims for
gold prospectors near
Barberton, 1913.

Transvaal Gold Mining Estates

Transvaal Gold Mining Estates (TGME) was founded in 1895, primarily to mine gold at Pilgrim's Rest. It was chaired by Lionel Phillips, and financially backed by H Eckstein and Company. Eckstein's was part of an international financial network with experience in gold mining, and could therefore help TGME to access development capital. These needs were considerable: TGME had to undertake extensive exploration before it found ore that could be mined, and had to invest in electricity generation, tramways, and ore crushing mills. TGME's connections also allowed it to acquire skilled managers and engineers.

The eastern Transvaal was relatively unexplored and had little infrastructure, so the people who worked for TGME also had to have good local knowledge. TGME mined for almost 80 years in the Pilgrim's Rest–Sabie area, and developed many ways of mining more efficiently and increasing its profits. It centralised milling, constructed electric tramways to transport ore, continued to improve its hydroelectric power station, and installed innovative anti-flooding devices underground. It also increased its profits by making use of land it owned but did not need for any of its mining activities.

In the early 1900s TGME decided to experiment with small wattle plantations. This was a success; by 1927 the company had 1 457 hectares under wattle, and began to make modest profits. It then employed Nils Ekbo, a Norwegian trained in America and considered to be a 'leading authority in afforestation'. Ekbo managed to achieve economies of scale – in other words, to reduce costs and increase profits by planting trees on a larger scale. Again, this required considerable capital investment. By the 1930s the company had 12 000 hectares of plantations, yielding substantial profits. TGME's success was largely due to its ability to recruit skilled and experienced managers and engineers, and its ability to 'think outside the box' and make use of available resources in interesting and profitable ways.

TGME was later taken over by Rand Mines, which became part of the Barlow Rand group when, in 1993, this group was unbundled, TGME became a wholly owned subsidiary of Simmer & Jack Mines Limited. Today it still mines actively in the Pilgrim's Rest–Sabie area.



Gold prospectors
setting up camp
near Lydenburg.

Great Sheba Gold Mine,
Barberton district.





Workers under escort
carry the Sheba Gold
Mining Company's
output for January 1896
down Elephants Kloof.



Sheba Gold Mine
outside Barberton, late
19th century.



‘French Bobs mining machinery’, Barberton district.

Overleaf: President Paul Kruger, Commandant-General Piet Joubert, Secretary of State Dr W J Leyds, and other members of the Volksraad and government of the Zuid-Afrikaansche Republiek at the opening of a gold mine in Barberton, 1898.





Highveld Steel

The region's mineral resources made it possible to manufacture steel and vanadium. By the 1960s the Anglo American Corporation – South Africa's premier mining group – was looking for ways to enter vanadium and steel production in the eastern Transvaal. It tried to find a partner, but did not succeed. It then approached Iscor, the state iron and steel corporation, and was turned down. Anglo then made a decision that Harry Oppenheimer, its chairman at the time, later described as 'a major act of faith by private enterprise in the future of South Africa': it decided to shoulder all the risk and go it alone. It created a new subsidiary called Highveld Steel and Vanadium Corporation, and bought an existing vanadium factory outside Witbank owned by a company called Minerals Engineering. When Anglo inspectors went to examine the factory, they found that it was highly inefficient. The 'design was inadequate, staff were inexperienced, and controls were chaotic'. As it was, the factory stood no chance of success. But, as one inspector noted, 'all that was

An early photograph of the Highveld Steel plant at Witbank.



needed was to bring in people of the right kind and to tidy up the shortfalls', and Anglo proceeded to do so. As a large corporation it had the capacity, organisational ability, and expertise to hire the best engineers and scientists, use the latest technology, and exploit local and international markets.

One of Highveld Steel's greatest strengths was its innovation; it used methods and ideas from Norway, Russia and Sweden, and combined them with local knowledge to develop a new way of producing vanadium. This was a highly complex process, but produced vanadium far more cheaply and efficiently than traditional methods. Highveld Steel soon became the largest producer of vanadium in the world. It continued to expand; in the 1990s it bought two smaller vanadium companies, entered into a partnership with Samancor and the Industrial Development Corporation, and built the Columbus Stainless plant outside Middelburg, the largest stainless steel producer in the world.



The Columbus
Stainless Steel plant
at Middelburg.

Eskom

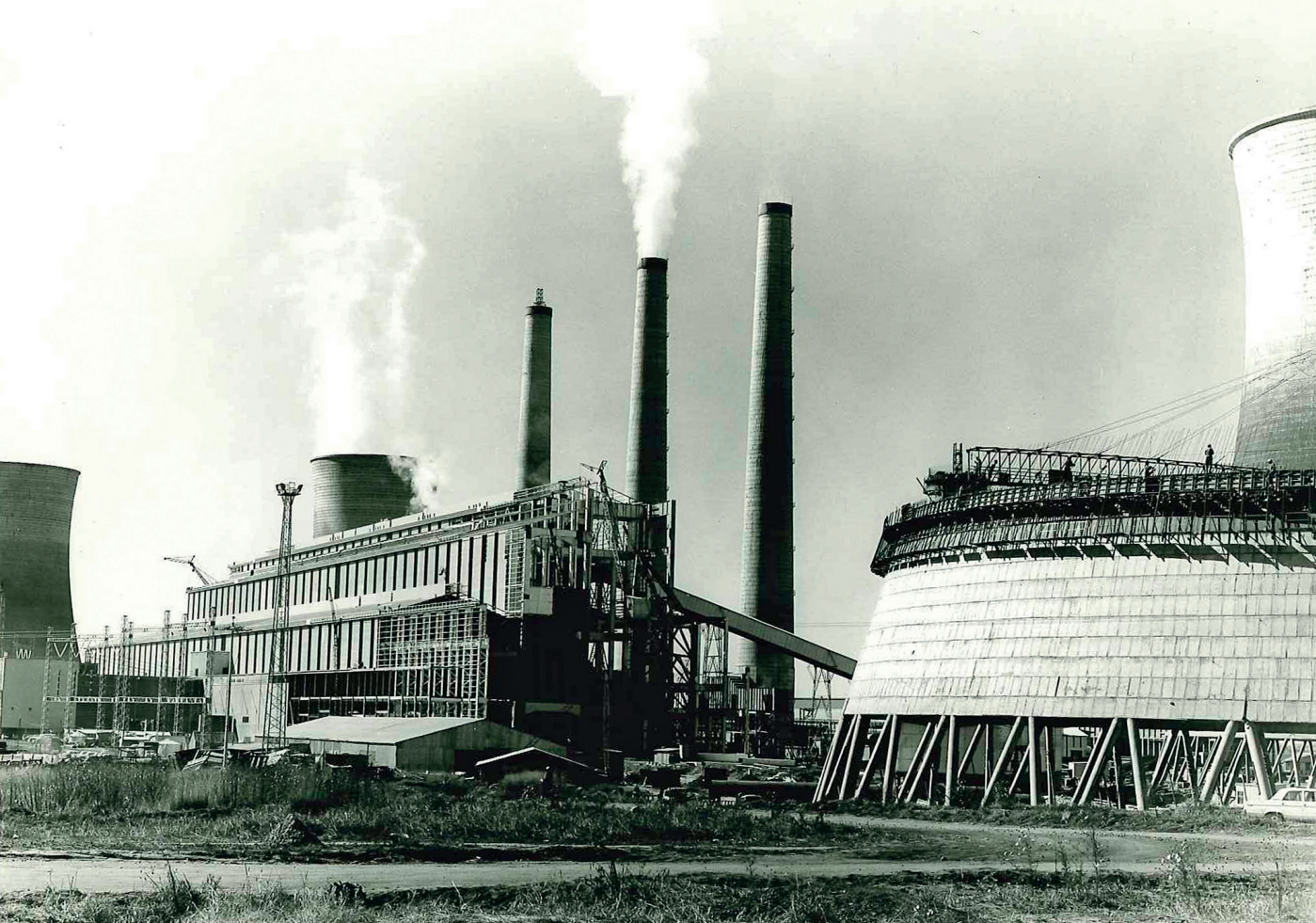
South Africa's richest coal deposits occur on the Mpumalanga highveld. As a result, the region has attracted two major industries dependent on coal. The first is South Africa's power generation industry. The province harbours ten huge coal-fired power stations that generate most of South Africa's electricity. All are owned and operated by South Africa's state-owned power utility, Eskom.

The Electricity Supply Commission (Escom) – renamed Eskom in 1987 – was established by government in 1923, and tasked with providing electricity to government departments, local authorities, and industry. It soon set out to build power stations in various parts of the country. Its first project in the eastern Transvaal was the Witbank power station, built together with the Victoria Falls and Transvaal Power Company Limited (VFP). Surplus electricity was provided to the Witwatersrand. In the early 1950s Eskom built the Wilge power station near Ogies on the Witbank coal fields, partly to provide power to new uranium mines in the area.

The newly built Komati Power Station, 1966.

In the 1960s and 1970s, as the South African economy boomed and needed more power, Eskom built seven giant power stations on the eastern Transvaal highveld, situated on the coal fields in the Witbank area and elsewhere. In the





1980s it built three more, among them Kendal, the largest coal-fired power station in the world. These imposing structures – and the open-cast coal mines that feed them – are landmarks on the N4 route between Gauteng and Nelspruit.

Eskom's presence in the region has sparked considerable economic development, and created many jobs, both directly and indirectly. However, it has also had one major negative impact on the region, namely air pollution. Coal mined on the highveld is low grade; when burnt, it emits a toxic smoke which is difficult to purify. Costs and strategic considerations are involved; while Eskom has implemented measures to 'scrub' smoke emissions, cleaning them further would be very expensive, as would be switching to other sources of power, and the cost of electricity has major implications for the national economy. For the time being, therefore, South Africa has no option but to continue generating power from coal.

The Camden power station under construction.

A coal bunker under construction at the Sasol 2 complex at Secunda.



An early photograph of the Sasol 2 complex.



Sasol

The second major player attracted by Mpumalanga's coal deposits is South Africa's oil-from-coal industry. South Africa has no crude oil, but does have abundant coal, and investigations into the feasibility of establishing an oil-from-coal industry began as early as the 1920s. This was seen as a way of protecting the country's balance of payments against the need to import growing quantities of crude oil.

Planning accelerated after World War Two, culminating in the formation, in 1950, of the South African Coal Oil and Gas Exploration Limited (Sasol). Sasol was established by the Industrial Development Corporation (IDC), a state-owned entity, and was wholly government-owned.

Sasol began by building an oil-from-coal plant on a large coal field in the northern Free State. The plant was built on open land, and a new town called Sasolburg was built next to it. The first diesel and petrol produced by the plant was sold to the public in 1955. Sasol also began to supply raw materials extracted from coal to the chemicals industry.

In the 1970s, following the international oil crisis, Sasol commissioned two new synthetic fuel plants on large coal deposits near Bethal in the eastern Transvaal. Built by an international consortium, the plants cost more than R7 billion – a huge sum at that time. It was also thought to be the largest engineering project in the world. Again, a new town – Secunda – was built to house construction workers as well as permanent staff.

In 1979 Sasol was listed on the Johannesburg Stock Exchange, and the IDC's shares reduced to a minor holding. However, while Sasol was no longer state-owned, it was still closely associated with the government's vision of a 'fortress economy' that could sustain itself – and the apartheid order – in the face of international sanctions. As such it was a prime target for Umkhonto we Sizwe (MK), the armed wing of the African National Congress (ANC). In June 1980 an MK operative planted limpet mines in the massive Sasol complex at Secunda. One went off, causing damage estimated at R66 million (see chapter 7).

Sasol recovered, and has diversified and expanded its operations. Today the group operates in more than 20 countries, and exports its products to more than 100 countries worldwide. It is one of the top five listed companies in South Africa, and is also listed on the New York Stock Exchange.

In 2008 Sasol launched a black economic empowerment scheme for selling 10 per cent of its shares to blacks. Sasol said it intended to allocate the shares to up to 200 000 individual black investors.



Nelspruit, 1933.

The Nelspruit central
business district today.



Challenges and opportunities

While there is much to admire about these endeavours, Mpumalanga's economic development has also had some negative consequences, which endure to this day and have helped to create major social and other challenges in the province that its present and future leaders still have to overcome.

As in the rest of South Africa, wealth in the eastern Transvaal was largely created by white entrepreneurs who enjoyed a privileged social status, while blacks found it increasingly difficult to take part in the new economic life of the region before being excluded completely in the course of the 20th century.

White entrepreneurs frequently relied on cheap black labour in order to make bigger profits. The poor payment of black workers (as well as the determined exclusion of blacks from business and enterprise) has contributed to poverty in the region, and enormous disparities of wealth between black and white. Black workers in colonial and later apartheid times were often exploited, and sometimes abused. Over the years this has led to distrust between workers and management, although this is not always the case.

The prolonged exclusion of Africans from business and enterprise, and the lack of skills development, has also led to scarcity of skills in the region and a lack of capacity which is a barrier to continued economic growth. Mines, other industries, and timber plantations have also contributed to the extensive water, air and soil pollution that is a major concern for the province today. But, despite these problems, Mpumalanga has a dynamic economy that has the potential to sustain all those who live in the region.