

If Not Sanctions, What Else?

A Plan Of Action To Give Blacks A Chance

Dr Buthelezi suggested to Mrs Thatcher that a feasible plan of action be drawn up to achieve the following objectives:

- ... **The economic upliftment of blacks and increased spending power which would arrest their present poverty and curb poverty-related behaviour such as communal violence**
- ... **Greatly increased educational opportunities for blacks**
- ... **An environment which was better conducive to family life and community development**
- ... **The social integration of all South Africa's race groups**
- ... **A redistribution of wealth**
- ... **The elimination of racial discrimination**
- ... **The stimulation of job creation**
- ... **Elimination of the exploitation of labour**
- ... **Protests against apartheid**
- ... **Enhancement of the quality of life for blacks**
- ... **The encouragement of industrial decentralisation to stimulate economic growth in rural communities.**

To achieve these objectives the following plan of action could be considered.

A Conditional Trade/Investment Strategy

This alternative plan of action to sanctions could address all the stated objectives in feasible terms and take into account the likely foreign policy actions of countries who would wish to support the principles contained in such a plan. It should consider the likely economic effects on the entire sub-continent and the practicalities regarding implementation, the mechanics of control, the likely attitudes of the South African Government and the plan's probable acceptability to other major players such as foreign and local business.

A Conditional Trade/Investment strategy would offer substantial benefit to all major participants including the currently disadvantaged peoples of South Africa, overseas investors, foreign governments, the SA business community and all the people of sub-Saharan Africa. Conditional Trade/Investment offered a prescribed code of conduct to all firms operating in South Africa (foreign and local) requiring them to accept certain practices which, if accepted on a large scale, should provide the driving force behind the desired transition of society.

Finer details of the plan, Dr Buthelezi stressed, were open to further debate as to how maximum effect could be achieved. The strategy, as itemised, should therefore be seen in a broad context with the emphasis on its value as a viable, integrated and solid strategy which, with further imaginative input, could be brought to fruition.

A) EDUCATION :

- (a) Employers to offer literacy and basic skills programmes to all black employees. This addresses the need of those generations who, through lack of basic formal education, find themselves disadvantaged.
- (b) Employers to run modern world orientation education for employees and their families. This could be by video showing on such topics as : How to use the legal system ; How to plan personal finance ; Personal health care ; The importance of education ; The role of the trade unions ...etc.
- (c) Employers to offer subsidised education to a certain number of children (two for the sake of argument) of every black employee with more than a stipulated minimum period of service.
- (d) Employers to introduce strategic staff training with a view to promotion of black skills on the factory floor and the integration of Blacks in the upper strata of the corporate hierarchy.
- (e) Employers to offer university/college bursaries to a selection of deserving black individuals.

B) ECONOMIC UPLIFTMENT :

- (a) Employers to pay all employees equal wages for comparable work.
- (b) Employers to at least meet predetermined minimum wage levels for workers especially those classified as industrial labour.

OUTLINE OF CONDITIONAL TRADE/INVESTMENT COMMITMENTS :

(c) Employers to consider productivity and initiative-linked incentive pay schemes.

(d) Employers to conform to stringent criteria that discourage retrenchment.

C) EMPLOYEE RELATIONS :

(a) Employers to encourage racial mixing by initiating social gatherings and sports activities among staff.

(b) Employers to insist on courtesy code in all employee interaction.

(c) Employers to encourage a constructive

labour union involvement, to advance labour interests.

D) WORKING CONDITIONS :

(a) Employers to enforce non-segregation of races in any part of the working environment.

(b) Employers to comply with predetermined conditions at the workplace - especially on the factory floor.

E) TRANSPORT :

(a) Employers to take sympathetic action in

respect of the commuting difficulties experienced by many employees.

F) HOUSING :

(a) Employers to introduce revolving loan schemes to assist employees with their housing requirements.

G) HEALTH :

(a) Employers to offer a regular clinic facility to black employees and their families.

(b) Employers to encourage black employees to join an established medical aid scheme.



(c) Employers to provide disability-type insurance for employees.

H) SOCIAL :

(a) Employers to join together in sponsoring social/sports facilities in black townships - especially facilities for the youth.

I) REDISTRIBUTION OF WEALTH

(a) Firms to do business wherever possible with small black businessmen, including the informal sector.

(b) Employers to negotiate share ownership schemes for black employees.

(c) Many of the practices mentioned above amount to a redistribution of the firm's profits for the upgrading of Blacks.

J) JOB CREATION/PROTECTION

(a) See I) (a) above.

(b) Major firms to consider the franchising of production processes to black entrepreneurs.

(c) Employers to use excess profits to create new ventures instead of buying out competing firms and rationalising activities at the cost of jobs.

(d) Firms to consider the employment of venture capital in rural industrial development programmes.

K) POLITICAL CHANGE POLICY :

(a) Employers to bring pressure to bear on the Government to rescind apartheid legislation.

(b) Employers to encourage the Government to work toward a democracy based on full participation by all South Africans.

Dr Buthelezi added : The above suggestions have implications for the earnings of employer firms. They are asked to forfeit a percentage of profits to meet the financial requirements of implementing these principles. Certain protagonists of disinvestment might be motivated by morality and altruism. The plan might appeal to others because it offers a stable environment in which they can continue to operate profitably. However the plan's success would depend on the number of subscribers. It clearly requires additional incentives which make it the natural course for the

business community to subscribe - and perhaps disincentives to resisting subscription.

Suggestions include :

A - FOREIGN COMPANIES IN SOUTH AFRICA

(a) Subscribers to have the blessing and encouragement of their own governments and be granted a degree of trade advantage.

(b) Subscribers are allowed to receive further investment from their foreign parent companies.

B - LOCAL COMPANIES

(a) Foreign governments open their internal markets to the products of subscribers, where they compete on their own merits.

(b) Foreign governments allow locally-based subscribers to import the latest technology and expertise. Previously embargoed raw materials are also made available to subscribing companies.

(c) International business forums are opened to participation by the staff of subscribing companies.

(d) Advanced educational opportunities are made available by foreign interests/governments to staff (and their families) of subscribing companies.

(e) Other restrictions against South Africans are lifted in respect of subscribing firms and their staff members.

(f) Non-subscribing firms are disadvantaged by consumer resistance, staff dissatisfaction and ostracism by subscribing firms.

ATTITUDE OF THE SOUTH AFRICAN GOVERNMENT :

It is unlikely that the South African Government would intervene against the Strategy because :

(a) It does not challenge its authority.

(b) Its position against sanctions and disinvestment is close to the Government's own position.

(c) It serves to stimulate the free market and benefit the economy as a whole.

(d) Reduction of poverty would have a positive effect on problems in the black townships.

(e) The stimulation of trade would favour South Africa's balance of payments.

IMPLEMENTATION AND CONTROL :

A body would have to be established to evaluate applications for subscription to the plan and equate the practices to the particular firm's profitability and resources - the degree to which it can meet its requirements. Experts would have to devise appropriate formulas. Monitoring of individual firms' adherence to the practices could be undertaken by any one of various organisations such as :

- a specially constituted "watchdog" body
- The South African Institute of Chartered Accountants ; or
- Specially trained shop stewards.

OTHER POSSIBLE ADVANTAGES :

The process could be the beginning of a future integrated South African society with the integration of cultural value systems and the ending of racial estrangement. There would be immense implications for all the states of the sub-continent of Southern Africa where there are such benefits to be had from co-operation. The plan offers foreign countries the opportunity to make positive foreign policy input to South Africa - as opposed to the negative input being urged on them by the sanctions/disinvestment lobby. There would also be decided economic advantages to the international community in South Africa achieving democratic liberation without the destruction of the economy. Dr Buthelezi concluded : The plan outlined strays into a number of political, social and economic minefields and is open to various criticisms. It must be emphasised therefore that the objectives and fundamental principle are intended simply to offer a framework for a viable alternate plan of action to disinvestment/sanctions. Debate should be encouraged, as should further development of the plan.