"The re-distribution of wealth must be given priority. However, there are conflicting opinions on how to do it in a time period that will satisfy people . . . if you have a democratic government with elections every five years, then the government has five years in which to produce sufficient re-distribution of wealth."

Saunders added that business should spend less time telling Nelson Mandela about the pitfalls and more time telling him that five years was enough time to secure re-election and introduce re-distribution.

Offering his summary of the discussion, McCarthy said there was a clear necessity for co-operation between the different groups in South Africa. Labour, the government and business would need to embark on more discussions. Trust and mutual respect needed to be developed. The public good would be served only if the bona fides of each side were accepted.

He added that the cost of experimentation was high. While doctors buried their mistakes, economists tended to get off scot-free when they offered poor professional advice.

"The outcome of bad economic advice is worse than anything one can contemplate. Unemployment, instability and poverty have a high social cost," he said.

Among the practical suggestions offered during the last session of the conference were tax system revisions and the investment of pension funds in social reconstruction.

Dave Geary of Investec/Metboard suggested that if five percent of the pensions industry (currently valued at about R130 billion) was channelled into the development of housing, some R6,5 billion would be released to help meet immediate needs.

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Nationalisation: reaching beyond the rhetoric

By Sue Valentine

THE thorny issue of nationalisation was discussed by conference delegates at length in what at first appeared to be a "debate of the deaf".

Although no agreement was reached, progress was made insofar as delegates moved away from the extreme stereotyping that has characterised exchanges between the two "sides" thus far and started listening to each other.

ANC researcher Rob Davies stressed that he was not authorised to make specific pronouncements on ANC policy. However, he said nationalisation was only a small part of what the ANC was looking at.

ANC thinking was not committed to punitive action through nationalisation. Any intervention in the economy would take place through legal and constitutional mechanisms. "We are not motivated by revenge," he said. "Our watchword is affirmative action."

Nationalisation was likely to be embarked on when it contributed to restructuring the economy and meeting the needs of the people, but as yet nothing could be spelt out as to what would be included in the state sector, he said.

Pieter le Roux (UWC) and Dennis Davis (UCT).

"The general view is that the major utilities should remain in state hands. We see the utilities as having a major role in redirecting the economy. We don't believe efficiency is improved by privatisation."

Davies said the ANC opposed recent moves by the South African government to privatise public companies. Such action was unacceptable and any privatised enterprises would be subject to re-nationalisation in the future. However, the ANC's belief in a mixed economy approach implied that whatever sectors were promoted by the state, space should also be left in the economy for private capital.

Anglo American Corporation's Michael Spicer reacted to the "unknown" dimensions of ANC policy, saying that certainty was needed if foreign investment was to be encouraged.

He said the curse for the South African economy would be if foreign investors were left unsure about developments in the country and thus adopted a "wait and see" approach.

Anglo American economist Aubrey Dickman said there was agreement on the problems facing the South African economy, but the reason the right sort of growth had not occurred was that the market was distorted. He said if business did not meet the needs of the people it would not survive. It could not afford to go in for experimentation.

The all-important first year in a post-apartheid society would be critical for the new government which would be expected to deliver the goods, said Dennis Davis.

To do this a stable, socio-political environment was needed. He said the double bind in which South Africa was caught up – the need not to threaten investment by nationalisation, but the simultaneous need for a just system which would avoid an explosive break-up caused by the socio-political conditions in society – had to be confronted.

JCI economist Ronnie Bethlehem said business had to acknowledge the "legitimate" concerns of the ANC – that the insistence on privatisation by business could be interpreted as a desire to strip the state of economic leverage, or a strategy by whites to perpetuate apartheid by shifting it to the private domain.

He added, however, that from a liberal/conservative view, there was disillusionment over the role of the state and its ability to intervene beneficially.

"We must persuade people to withdraw from the notion of conflict between the state and the private sector. It is an alliance. Only through the growth of the South African economy do we have any chance of meeting the needs of the country," he said.

Offering a summary of the discussions on nationalisation, academic Colin McCarthy quoted Milton Keynes saying the short-term was important because in the long term we'll all be dead!

Short-term results were important, but how the economy would or should be adjusted in a politically democratic South Africa remained a question. Equally important was the need for the development of skills. Steps and proposals were urgently needed to address this problem, which was the result of long-term neglect.

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telecommunications as instruments of policy to redress the inequality of living standards. Nationalisation beyond this point, such as in regard to the mines, was a point of debate in Cosatu. It may make no sense in that the present levels of state income through taxation may be the maximum that can be demanded. On the other hand, he said that there was a strong feeling that the resources generated by the industry could never be effectively used while the industry remained in the hands of the four or five conglomerates which presently dominate the economy.

Erwin said this view held that the record of these conglomerates showed an inadequate commitment to social need before profit and that the mining conglomerates had been the major exporters of capital over the last 10 to 15 years.

Whichever was the most appropriate approach, Erwin made the point that resources generated in the mining sector would need to be more equitably and efficiently utilised inside the South African

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