

REPORT OF GROUP B: COMMISSION 5.

Commission 5: The Role of Business in South Africa's Future.

Introduction.

The Commission was attended by 16 people. Its aim was to "look at the strategic role business can play as an actor in socio-political change in South Africa". There were four questions to serve as our terms of reference. The presenters were: Max Sisulu (ANC), Ronnie Bethlehem, Christo Nel (CBM) and Alex Anderson (Business and Economy Forum of FFF).

The discussion was characterised by a serious and indeed business-like mood. The atmosphere was open and no-dogmatic. This enabled the Commission to get down as deep as possible to the issues before it.

Summary of Presentations.

1. Max Sisulu.

He concentrated on three issues: a) The relationship between business and the apartheid state, b) The ANC's Perspective for the Future and, c) The Challenges to Business.

Concerning the Relationship between the apartheid state and business, Max noted that there has been a history of close relationship. Business has benefitted from the existence of the apartheid system. The intense exploitation of black workers with the resultant high profit margins have been possible thanks to the racial division of labour and the national oppression of black workers. White affluence and black poverty have come to characterise South African society. South Africa has a worse record of wealth distribution. Through corporate tax, salaries for conscripts into the SADF and involvement in the JMCs, the business sector has subsidised the apartheid system.

On the ANC's Perspectives for the Future, Max noted that most issues in this regard had been dealt with in the Commission on Socialism, Nationalisation and Free Enterprise. He however emphasised that the ANC drew its guidance from the Freedom Charter. Recently, the ANC has put out a set of Constitutional Guidelines in which the ANC's perspective on the economy is further elaborated. He noted also that the ANC was committed to a future in which the non-monopoly business sector would find an important role to play within a productive economy. The ANC had no intension of closing down private business.

Then he posed a number of challenges to Business. Business has to contribute towards liberation. Business cannot make this contribution in isolation behind the scenes. It is important that

business makes an alliance with the MDM. The CBM was cited as deserving special encouragement. Business is called upon to deracialise the labour process, not to pay salaries for SADF conscripts, to engage in affirmative action, train personnel amongst black people in particular, forge links with the MDM and campaign for the release of Nelson Mandela and other political prisoners.

2. Alex Anderson.

Business recognises that there are inequalities. According to the Gene Index for South Africa calculated by Stellenbosch academics, our country ranks number one in inequality. The issue is what can business do for the future. Business cannot be silent about inequality, but must expose it. The Business and Economy Forum of the FFF. There is a need to create alliances in the process of change. There is need for openness in discussing issues.

Business can be persuaded to recalculate its self-interest. There is need to find a new vision. The socio-political environment is still the hinging factor. Business must not continue to be a victim of the environment but must find ground in debate and action towards non-racialism. The government is not a problem solver. The previous support for conscription must be challenged by business.

3. Ronald Bethlehem

Interest of business is shifting away from apartheid. It has become clear that socialism is accepted in the black community. So there is acceptance of capitalism and socialism within the country. Business is for a market economy. Internationally, particularly in the Soviet Union, there is a move towards market socialism. Market socialism accommodates socialism and capitalism. The role of business in South Africa is to make sure that the market economy survives in future. This role should be worked out together with the MDM. The global economy is changing and we need to come to terms with this. We need therefore to engage in strategic planning, addressing both the internal and external environments.

4. Christo Nel

The issue here is to clarify the how business can participate in change. Business has to meet the challenges of the MDM. There is a need to democratise the political and economic environment. But how do we do it. It is correct to say that people will contribute in this process of change if they derive some benefit out of it. We need to take certain steps to make the majority come into ownership. We need to use privatisation to enlarge ownership. This enlarged ownership should be addressed to the black workers. Disinvestment can also be used to broaden ownership. There fore business must move towards employee ownership. The union movement must engage capital in the democratisation of business. There is a need to find strategies for transformation which will involve the "creative minority" and the MDM. Through debate and consultation,

we can be in a position to find these transformative strategies.

The Open Discussion

The discussion was wide ranging. Below is a summarised version of the discussion.

1. It is important not to view business in the narrow micro-economics textbook fashion. We should perhaps use more the behavioural theory of the firm, which takes into consideration the firm in a wider context: employer, creditors, suppliers, consumers, govt, managers and employees. If we use this approach, then the business of business is to take full cognisance of its environment.

2. Is it not possible to build an understanding between the union movement and business using the recent experience of NUMSA and the West German unions which built into an agreement a set of principles to be followed by West German companies in SA ? Perhaps we need to think about this and debate it.

3. There was a general recognition that business has not done much in respect to social-political change. This is a challenge to business to actively take its role in this regard. Business has to realise that in order to bring about a new order, sacrifices have to be made. Could business for example consider financially supporting the liberation movement as did some companies in Zimbabwe ? Could business as well not take a more vigorous approach towards the sponsoring of research ? It was recognised that business is playing some role here already. But business today in South Africa would find it difficult because of the regime to come out openly in support of the liberation movement. Business must not cut its links with the govt. If it does this then it loses its influence.

4. The govt does not take the likes of Christo Nel seriously, i.e., the individuals in CBM. But CBM has so far managed to mobilise some influential business people in JCI, Gencor, Anglo, AECI, ESCOM, and others. The CBM could influence the govt through the numerous people surrounding FW but not directly.

5. On taxation, it was realised that the possibility of companies to refuse to pay tax was actually limited. The govt could easily declare the company bankrupt and nationalise it. Or before that, the Chief Executive could be fired by shareholders.

6. Companies and civil disobedience. In the area of Group Areas, business has made pressures against the act. The recent consultation between the CBM and the Soweto People's Delegation indicate that there are more possibilities for close working relationship with the MDM organisations. The question of conscription has been given some attention. Business has been pushing for alternative service., If business refuses to pay a conscript, this could be interpreted in law to mean an unfair labour practice. The question of paying the salaries of detained employees was an issue that is being given attention by the CBM and

the Detainees Employment Centre. This question should also be looked at together with the ex-Robben Islanders.

7. Then, in business manner, we asked every person to state their opinion on question 3 of our terms of reference. In summary.

a) consultation with the MDM was seen as crucial in business playing a role towards non-racial democracy. There will be a number of joint campaigns which will emerge during these consultation, eg, on the LRAA and conscription. White opinion has to be mobilised for genuine political change in the process.

b) Business must be more responsive to the community. There is need for training for example.

c) There is need to advance small business. The black business community is one such example of small businesses to be supported.

d) There is a need to develop a South Africa business Charter. The charter could address issues like cheap labour and skills transfer.

e) There is a need to consolidate the progressive wing of business.

f) there is a need for business, particularly those in the media, to endeavour to publish the views which are usually excluded from the mainstream press. The business community could for example make a concerted effort to encourage publicity around the Constitutional Guidelines particularly those clauses dealing with the economy.

g) Business must take positions in relation to accommodation and the environment. The environmental question is being neglected.

h) Business must show the openness of the ANC to the wider South African community. Business could for example assist the ANC to communicate to the white community. Business must continue to engage the ANC. It will be important too that business campaigns for the release of Nelson Mandela and other political prisoners.

Conclusion.

My assessment is that because there were no dogmatic positions, the discussions was very open. Perhaps the business of business is to do business openly, including political business!!