

**THE ROLE OF BUSINESS IN SOUTH AFRICA'S FUTURE.****1. The Political Economy of Apartheid.**

South Africa is a unique country. It is not a colony but for the majority of the black people, the country has features of colonialism. There is domination and exploitation by a regime and ruling class drawn exclusively from the minority white population. This minority white population enjoys political and economic privileges denied to the black majority within the same country.

The South African socio-economic and political system is therefore characterised by this subordination of the black majority in all spheres of social, political, cultural and economic life. The apartheid system has for decades thrived on this structure. The colonial nature of South African society is the fundamental basis for the racial division of labour. Race divisions are an essential feature of the country's relations of production.

The system of apartheid, based on the intense exploitation of black labour power, has, for decades, benefited the country's business community (predominantly white business). The post-World War II era of rapid growth of the country's manufacturing sector was mainly financed by super profits extracted from the brutal exploitation of cheap black labour power in the country's gold mines.

The history of this manufacturing industry and indeed of the whole economy clearly shows that apartheid has, for many decades, guaranteed huge profits for South African business. The growth and prosperity of capital has been inseparably linked to the socio-economic and political policies of the state. As a result of this close collaboration between state and capital, there has emerged a socio-economic structure in which wealth is concentrated in literally a few countable white monopolies while the majority of the people live in abject poverty. Black poverty and white affluence have become the hallmarks of South African society.

There are more than enough examples of business collaboration with the apartheid state. Perhaps the most shameful record of business acquiescence with apartheid has been in the area of labour relations. Business has benefited tremendously from the suppression of trade union rights for the thousands of black mine workers who have through their sweat and, indeed, blood, developed the mining industry. Police brutality has frequently been used to protect the interests of capital during workers' strikes.

Most businesses have not conceded to the 'legitimate demands of black workers. Working conditions for black workers in the country's mining and other industries still rate amongst the most hazardous in the world. Black workers' real wages are far below

those received by their white counterparts. In spite of the formal removal of the job reservation provisions in the statute books black workers are still grossly discriminated against with regard to access to certain job categories. The job colour bar still remains (albeit in a veiled form) in all the country's industries. Apartheid in the work-place continues to be the norm.

Through corporate taxation, purchase of government bonds, payment of salaries for army conscripts, and participating in various state security programmes, e.g. the National Security Management System (NSMS), the business sector has been subsidizing and propping up the apartheid regime.

At the height of the people's revolt and socio-economic crisis of 1984-86 the business sector was quite vocal in its disquiet about the continued existence of the apartheid system, and moved closer to the opponents of apartheid ( a visit to Lusaka took place during this period, led by Gavin Relly of Anglo-American ). But when the regime imposed the state of emergency, restricted people's organisations, banned and imprisoned thousands of people, the business community was at best very quiet, at worst moved closer to the regime and came out in support of the state of emergency and the restrictions.

Business says it is opposed to apartheid but it is doing very little, if anything, to change apartheid.

## **2. The ANC's Perspective of the Future.**

The perspective of the ANC as regards the role of business in the future non-racial democratic South Africa has been spelt out on numerous occasions. The basic approach is that which is contained in the Freedom Charter and is currently being developed in the discussions and debates around the Constitutional Guidelines.

The economic clause of the Freedom Charter says, in part, that the mines and other monopoly industries shall be transferred to the "ownership of the people as a whole". It goes on to say that "all other industries and trade shall be controlled to assist the well-being of the people. All people shall have equal rights to trade where they choose, to manufacture and enter all trades, crafts and professions".

In a significant reference to post-apartheid South Africa, the January 8th Statement of the ANC in 1987 said that of critical importance is the crucial requirement that "the new South Africa must guarantee the masses of our people freedom from hunger, disease, ignorance, homelessness and poverty. The democratic state will...therefore be called upon to ensure that the wealth of our country increases significantly and continuously and that it is shared equitably by all the people to ensure their material and

spiritual well-being". Therefore the movement links the question of redistribution of the country's wealth and resources to the equally serious task of maintaining high rates of economic growth for the country.

" To achieve these objectives ", the statement continues, "the new democratic order will necessarily have to address the question of ownership, control, and direction of the economy as a whole to ensure that neither the public nor the private sectors serve as a means of enriching the few at the expense of the majority".

The liberation movement is committed to a future South Africa in which the various sectors of the economy contribute to all-round and healthy development for all. Since our focus here is on the role of business, it should suffice therefore to mention that the ANC has no intention of closing down all private business, be they black or white-owned. On the contrary the Freedom Charter recognises the importance of maintaining a non-exploitative and non-monopoly private sector.

But there should be no ambiguity as to the role that the state should play in that future economy. The democratic state will have to play an active role in determining the course of economic development. As the ANC Constitutional Guidelines say, the future democratic state "shall have the right to determine the general context in which economic life takes place". The state will, for example, be called upon to enact such laws as may be deemed necessary to ensure healthy labour relations, in order to protect "workers' trade-union rights, especially the right to strike and collective bargaining". These interventions shall be in line with the free and democratic nature of the post apartheid society which is envisaged.

### **3. The Challenge to Business Now.**

In order to arrive at the envisaged non-racial democracy and socio-economic structure, we have to focus on the present state of struggle in which the seeds of the future are already being sown. There are various arguments that are being advanced concerning the political role of business.

Theorists of the " Reformist Model" argue that business is a source of subtle pressure on the apartheid regime. In private consultations, the argument goes, some sectors of the business community have urged the regime that apartheid is economically inefficient and therefore must be abolished. True, the state has in the past yielded some minor reforms due to this kind of "pressure".

But the role of business has not always consistently and unfailingly been supportive of moves to undermine the apartheid

status quo. In fact as we have already stated business has a long record of collusion with the apartheid state as long as that has safeguarded high profit margins. Our argument is that the behaviour of the various sectors of business has essentially depended basically on this consideration. During times when the racist regime has displayed a strong capacity to suppress and contain resistance, business has not come out openly in support of the oppressed. Conversely, when the balance of power seems to be shifting towards the forces for change, business gets very worried about its own fortunes and then we hear the business community making loud, albeit politically weak, pronouncements for the speeding up of reforms.

Today, because of the intensification of the national liberation struggle in all its forms ( including armed struggle ), the growing unworkability of the apartheid system and the concomitant economic crisis, there is a growing realisation on the part of some sections of the business community of the need for the speedy removal of apartheid.

It is our view that the business community has an important role to play in the struggle to eradicate the apartheid system in South Africa. We are also convinced that it will be in the long term interests of the business community to make a choice - between supporting the forces of liberation and progress representing the noble ideals of the democratic majority, on the one hand; and being on the side of a dying and condemned system, on the other.

There can be no middle road for business. The assumption by the theorists of the "Neutrality Model" that business is politically neutral - that the sole business of business is business - is a fallacious one. The most pressing business of business at this historical moment is to actively support the forces working for democratic change.

Our view, which is based on our demand for immediate democratic changes (sometimes referred to as the revolutionary approach) is that the business community should maintain a dynamic relationship with the mass democratic movement inside South Africa. Although our ideals challenge the interests of business, nevertheless an alliance between business and the mass democratic movement can and should be entered into.

Our formulations in the Freedom Charter may be seen by monopoly capital to be incompatible with their interests. But these differences should not of necessity imply that these monopolies must be left alone to continue their marriage with apartheid. Where possible, they have to be engaged in discussions and concrete programmes of action to end apartheid. To this end, the Anti-Apartheid Coalition provides one important channel through which this "engagement" can take a concrete form. It remains an important organisational focus for all democratic forces in South Africa at

this historic period.

Other forms of positive engagement include the recent consultations between the MDM and the progressive forces within business, i.e., the Consultative Business Movement (CBM). These links between the business community and the mass democratic movement deserve special encouragement because they are vital to the building and consolidation of forces for socio-economic change in South Africa.

The business community cannot hope to bring about change alone in some behind-the-scenes "pressures" in isolation from the broad movement for fundamental change. It is also crucial that the concept of change should be seen to be broader than just the removal of the Nationalist Party from office in some distant future.

There are issues now which require the immediate attention and action on the part of the business community. The business community is the employer of the labour power of millions of South African workers - black and white. The Labour Relations Amendment Act is an issue right now which is of immense concern to the working people. Business has to take a stand on this issue. The state of emergency and all repressive actions of the regime need to be challenged. The banning of political opposition is an issue for all to challenge.

#### **4. Summary.**

It is the ANC's considered view that business has a crucial role to play in the eradication of apartheid and the construction of a united, non-racial and democratic South Africa. It is possible, despite the close historical linkages between the colonial state and capital, to engage business towards active opposition to apartheid. This political engagement of business has to be seen within the context of the liberation struggle in which the mass democratic movement plays an important part.

A number of challenges face business in the form of a basic platform:

- \* to deracialise the labour process.
- \* to stop paying salaries of conscripts on SADF service.
- \* to stop paying various forms of corporate tax.
- \* to engage in affirmative action within the black community as a contribution towards the alleviation of poverty.
- \* to engage in the training of personnel required for a non-racial and democratic socio-economic system.
- \* to declare, defend and gainfully use their right to enter into dialogue and agreements with the trade union movement and the mass democratic movement at large.
- \* immediately to campaign together with the trade union and the whole democratic movement against the Labour relations Amendment Act.
- \* to campaign for the release of Nelson Mandela and all political

prisoners and detainees.

\* campaign for the unbanning of the ANC and other organisations. Individual businessmen have taken courageous steps in this 'non-business' direction. Business organisations and fraternities ought to follow this correct and long term profitable lead.  
end.