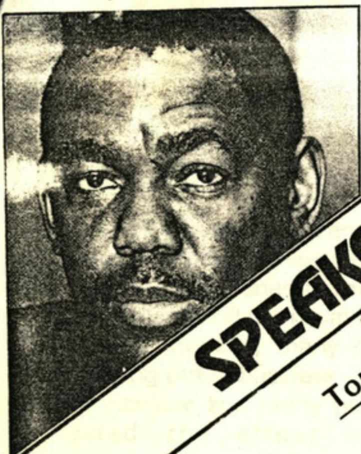

SPEAKOUT

by Tom Molete

The alternative push

An assessment of the current situation in South Africa would reveal a socio-economic political scenario so intricately intertwined that a simple solution, such as disinvestment, confederation or federation, becomes too superficial to disentangle.

The political issues alone have and are creating so much confusion abroad that external meaningful support is becoming more and more complicated.

To appreciate where we are, and where we are heading perhaps we need to understand how we got here in the first place. To do that we need to go back in time and look at this continent's experience.

PROFITS

When the scramble for Africa began in earnest in the 16th and 17th centuries the profit motive reigned supreme. The objective of the colonial powers then was to get in here, exploit the resources and cart them back home to England, France, Portugal and Spain to enrich themselves.

The indigenous African population was harnessed to serve the interest of the colonialists, to provide labour and be mere tools in the production process. Little or no attention was paid to their training and development.

Then came the 20th century, when the winds of change encouraged Africa to shake off the yoke of colonialism.

The colonial powers beat a speedy retreat from the then Congo, Ghana, Tanganika, Nyasaland, Northern and Southern Rhodesia, Angola, Mozambique, Lesotho, Swaziland to name but a few.

WEALTH

They took with them the wealth they had accumulated, their technical and other skills, leaving behind countries with poorly developed infrastructures and disorganised, underdeveloped, ill-prepared and bitter indegenous populations which now had to take over the reigns of responsibility.

The latter vented their anger, frustration and helplessness on what remnants there were of European colonialism. Current events in Uganda, Angola, Lesotho and other parts speak for themselves.

The erstwhile colonialists reacted with shock and disbelief at the events that ensued in their former colonies in the wake of their departure, forgetting that the irresponsible conduct over time had contributed to a climate conducive to strife and the world at large not understanding why the blacks in most of the continent were about 20, maybe 30 years behind in terms of development, sophistication and numbers, technical know-how and capital resources.

NEGLECT

To cut a long story short, Africa's leaders today are burdened with the mammoth task of sorting out, with limited resources, the mess created by centuries of neglect by the colonialists.

In South Africa, our forefathers did not conduct themselves and the affairs of our country in a very exemplary fashion either. Apartheid, the scourge of our country, created a highly westernised sophisticated economy run by whites and an impoverished unskilled third world country for the majority of South Africans was couched in the words of the late Dr H F Verwoerd in September 1954, when he said in his policy speech on Black Education, "My department's policy is that education should stand with both feet in the reserves (homelands) and have its roots in the spirit and being of Bantu Society. There — Bantu education must be able to give itself complete expression and there, it will be called upon to perform its real service."

LABOUR

There is no place for him in the European community above the level of certain forms of labour. For that reason it is of no avail for him to receive a training which has its aim, absorption in the European community, where he cannot be absorbed.

Until now he has been subjected to a school system which drew him away from his own community and misled him by showing him the green pastures of European society in which he was not allowed to graze!

DISINVESTMENT

Turning away to the situation on the economic front most reputable employers now subscribe to the principles of equal opportunities and merit in the employment of staff, they subscribe to one or other of the codes of employment practice, and references to discriminatory practices have as far as possible been removed from policy manuals.

In the United States today there is a wave of protest against the continued presence of American corporations in South Africa. American institutions are changing their investment policies because of South Africa's apartheid policy.

Black political organisations, the ANC, UFD, AZAPO, and COSAS, harass companies which do business with, and in South Africa. Their objective is to see all multinationals from the United States leaving South Africa.

The AZAPO, UDF confrontation, compounded by the students' stay-aways which overlap black township uprisings, tends to be seen as one by foreign observers. This, however, created confusion because it is a black against black violence. The fanfare created by Inkatha, together with its latent affinity for violence, makes a meaningful solution to South Africa more and more complicated.

RESOLUTION

South Africa's problem, with or without disinvestment, and boycotts, is still a resolution of the black majority in the country. The disinvestment, boycott issues are merely told to facilitate solutions, and whether this will be achieved is debatable.

The economic situation of South

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Africa cannot at present endure a sustained absence of investment.

As it is now, unemployment is on the increase, inflation is at its highest in living memory, many companies are going out of business — this is on the increase and many people have tasted the effect of being unemployed.

This is a very traumatic factor for both government and the private sector. Hence the superficial and meaningless — in terms of the majority aspirations — changes in the country.

MECHANISM

The objective of this article is an attempt to focus on mechanisms to foster majority economic development and participation in tandem with envisaged political changes to come.

The need for this development and participation is essential if the majority of the people are to become successful participants in a "Free Enterprise Democracy" South Africa's majority need to develop their natural entrepreneural talents by acquiring basic business skills in the professional conduct of a company.

The majority need to stop being employees and become employers, so as to acquire experience and become efficient in the conduct of business and therefore come to grips with economic sophistication. The alternative is to follow the dismal failure of the rest of Africa who have gained their political freedom.

Economically they still depend on foreign aid and cannot maintain themselves. Too many casualties litter the African continent's track record. The majority of the people of South Africa should try by all means to avoid that economic quagmire.

ALTERNATIVE PUSH

The "alternative push" is an attempt at making it possible for the majority of the population to participate in the South African economy.

The American minority business fraternity forms a suitable model for this push. Simply stated, a Majority Peoples Business Development Agency should be established. The objective of this agency would be:

- To raise capital for investment in majority ventures.
- To provide assistance in the preparation of business plan.
- To offer a service to its clients in areas such as marketing, accountancy and general management.
- To identify corporate business partners for Majority businesses.
- To assist Majority businesses in contracting, tendering and import-export expertise.

In a nutshell the MPBDA's mandate would be to turn consumers into entrepreneurs. An essential aspect of this agency would be total independence from government/state funding. The agency would initially be sponsored by the private sector and multinationals, with the aim of being self-sufficient within a given space of time.

CAPITAL GENERATION

There are several ways in which capital can be generated for this venture.

- All offshore organisations which so far have enjoyed conducting business in South Africa would be required to invest a portion of their portfolio in this venture. This would not be another aid programme or a charitable gesture hidden somewhere in the multinational's social awareness programme. This will be private investments channelled into a capital poor community, an anti-poverty effort serving an essential business need — essential to the continuance of corporate profits, the preservation of capital and the survival of commerce.
- Having established its bona fides, the urgency would assume the role of the heart in majority capitalism. It would attract venture capital funds and pump them into fledgling majority business. This task would be accomplished by providing loan guarantees and equity investments for small business ventures. It would, however, divert its equity position once an enterprise is stable and ready for total assimilation into the private sector.

PREPARATION

For those entrepreneurs who have ideas, skills or interest, the agency would conduct the research, preparation and monitoring of the establishment of the business. It would also identify areas where a need arises, set-up the business and sell it to generate its own capital.

In this case, South African academic institutions would be involved in preparing business plans University students would do this function as a requirement for qualification in their various fields. They would be required to apply their theoretical training, practically in businesses that are assisted by the agency. Possible areas of involvement are:

- Accounting, i.e. bookkeeping, preparation of books of account, balance sheets and internal audits.
- Marketing, i.e. research, merchandising, public relations and promotions.
- Engineering students could be called on from time to time to assist.

The students would do this for a small fee and as a credit towards their academic qualification.

CORPORATE PARTNERS

This is basically a supplier development plan. In this case big corporations would identify those products and services which can be supplied by small business.

As long as the small business is affiliated to the agency, its reliability and quality of service would be guaranteed by the agency. Such a small business would be identified by the agency and matched with a corporation that requires the service or product.

The corporation's involvement could also be used to guarantee turnover when the agency justifies funding for a minority business.

In addition to the above, the agency would have an added function of identifying tenders and contracts in which majority enterprises could participate.

The agency would then assist majority companies in preparing and presenting such tenders, and assist the company in carrying out its obligations.

If it is accepted that this document serve as a working paper for the alternative push, with a programme like this, a permanent source of income and permanent jobs for people in our communities could be created.

This project could assist in engagin the majority in meaningful participation and so safeguard the sustenance of the future of the South African economy, which factor is vital for the liberation of the peoples of this country from the yoke of the apartheid system and ethnicity.

THOUGHT FOR THE MONTH:
Character is tested through three things: Business, Wine & Conversation
A. Nathan

F

African Business

Fax to Mr Felgate