

WMM/021/0010/18 30/09/88

BRIEFING: CONSULTATIVE BUSINESS MOVEMENT (CBM)

September 30, 1988

1. Background:

Formed in 1987, the CBM was formalized and publically announced at two day workshop that it arranged in August 88 at Gencor training centre, Broederstroom.

The workshop included Cosatu and UDF members, academics and reps from Idasa, Five Freedoms and Urban Foundation.

Co-ordinator: Christo Nel

2. Supporters of CBM:

Christo Nel - PG Bison director (Co-ordinator of CBM) (He was headboy at Jeppe High School, and on various SADF leadership courses during his army service in the mid-1970s. Has been warned by boere to cool his activities. His company has weekend seminars to bring Conservative Party staff members together with black employees - very successful apparently).

Naas Steenkamp - Gencor (he and Christo Nel chaired workshop).

Mervyn King - ex-Tradegro (Checkers, Dion, Frasers - developed a reputation for skilful corporate takeovers) / now Frame Group MD, and non-executive chairman of AA Life. (He was a senior counsel advocate until 1980, and did some legal advice for the late Phillip Frame ultra-reactionary, joining Frame in 1985). (He is chair of SA Executive Cricket Club, director of Tv1 Cricket Council, member of SA Property Owners Association, trustee of SA Foundation, chairman of Operation Hunger, lectures at Wits Business School).

Chris Ball - First National bank

Albert Koopman - ex-Trador/ex-Cashbuild (Energetic conomic whizzkid, consultancy to aid black traders start building supplies businesses.)

Leon Cohen - PG Bison

MC Pretorius - Turner and Newall holdings (T and N - involved in construction, chemicals, plastics, motor component, etc - has a UK parent company which owned 78% of T and N in 1986, but looked to reduce the stake to 51%. Pretorius in 1986 said growth would lie in black housing market, especially in using asbestos-related products. He has BA in law from Pretoria University and M. Comm in business admin. Was GM of Sentrachem until 1977. NB: he is Afrikaanse Sakekamer delegate to KwaNatal Indaba).

Brian Smith - Volkswagen

Cedric Savage - Toncoro

Alex Hamilton - Alex Hamilton Construction

Ken Maxwell - JCI, Rustenburg Platinum MD. (Has been involved in getting Platinum Guild International to launch platinum bars for small investors. Keen on expanding gold jewellery market. Began dealing with industrial relations at Randfontein, Western Areas and Joel mines in May 1986.

David de Villiers - former Nasionale pers md.

Chris van Wyk - Trustbank

Bob Tucker - SA Perm (Political radical liberal maverick. Says way forward for SA is inclusion, integration, participation and accomodation. Rather than "social responsibility" programmes, business needs to behave responsibly towards society. Affirmitive action needed, which may not be in short-term interest of business.

Peter Krumb - Envirotech

And the following, (who were unable to attend Broederstroom):

Bobby Godsell- Anglo (Head of Saccola - an employer's co-ordinating body, bringing together Seifsa, Chamber of Mines and others. Also a member of PW Botha's Economic Advisory Council).

Neil Chapman - Southern Life

Mike Sanders - AECI

COMMENT: Many of the businessmen listed below are potential or existing sanctions-busters, and have a disgraceful labour record. ENDS

3. Ideology:

A joint statement with the democrats and academics issued after the Broederstroom workshop said:

- * they all accepted "the inevitability of structural change in a socio-political and economic field".

- * they agreed on "the need for the transformation to a post-apartheid society in which the current polarisation can be overcome".

The CBM said in a separate statement that it planned "to consult with all interest gorups and democratic movements on an ongoing basis".

It described itself as "an alliance of South African business leaders and proffessionals dedicated to working toward a fair and just society, and a successful economy in a united non-racial democracy."

COMMENT: They tend to describe their brief as "issues affecting the performance of the economy" - i.e. their point of reference is the performance of capitalism, and other concerns (eg. peace, negotiations, etc) are seen in relation to that concern. In other words, they are an explicitly business-based and business-interested grouping - and in this way have a different agenda to Idasa, even if many of their strategies overlap. ENDS.

4. Democratic movement view:

The UDF-Cosatu group statement after the Broederstroom workshop said the CBM "represents a step forward, in that it allows concerned business people to engage with the forces of change and to play a more effective role in opposition to apartheid."

But the group also warned that further meetings would depend not only on consultations within the democratic movement, but also on the CBM stand on issues concerning the movement.

5. Prospects:

Beyers Naude noted that the businessmen had been very willing to listen at the Broederstroom workshop. The discussion there also covered issues like State of emergency, Group Areas and Squatting Bills, October elections, and also items that come very close to business directly:

- * militarisation effect on economic growth.
- * state attempts to draw business into JMCs
- * the new labour legislation.

Christo Nel said the workshop had been an eye-opener for many of the businessmen on the grievances of the organisations, and he had been encouraged to see them getting to grips with political issues.

The Financial Mail says the extra-parliamentary contingent believe the next move must come from the CBM, which "must use its not-inconsiderable influence with government on some of the issues raised." The FM says "it's a tall order" for business to be able and willing to "bypass certain laws". For example, to lease to black tenants in spite of Group Areas, or to have plant-level labour agreements outside the ambit of the amended Labour Relations Act.

COMMENT: It appears that since the Broederstroom meeting, nothing has happened - or at least nothing has been publicised. But Nel is supposed to be a dynamic chap, and so more CBM initiatives may be forthcoming. However, the question must surely arise as to whether they are going to go beyond consultations towards some practical action. ENDS

6. General business context:

There has been interesting movement in the broader business community the past year.

a. Five Freedoms Forum Business Conference.

80 businessmen attended in May. They heard:

Albert Koopman: Get workers involved to boost productivity.

Murray Hofmeyer (JCI): Let's debate different kinds of economy.

Employee Indaba Groups projects on the mine = communication, not traditional paternalistic handing down of decisions from the top. Business must speak out at erosion of freedom, (eg banning organisations) and confirm acceptance of non-racial democratic SA. There was a perception that business was soft on apartheid. Business dare not abandon efforts to persuade government to rethink.

Johan van der Walt (Sentrachem MD):

A free and democratic SA in which capitalism would flourish was the dream. Chief execs should state commitment, and their companies seen to be upholding core values such as opportunity for all.

Alex Anderson: (Chair of business and Economy Forum of FFF): Business should reconsider relationship with govt in light of

state's failure to fulfil reform promises. Reform must have provision for broad democratic participation. Business must engage in Groot Politiek.

Workshop sessions focused on ideas for workplace relations, not much broader politics, it appears from press reports.

b. Business Organisations:

In June, Assocom, FCI and Chamber of Mines reps met secretly with Minister of Manpower P Du Plessis. They expressed fears of sanction moves gaining ground, and pressure towards sanctions on gold and minerals.

Assocom asked "whether it was not possible to unban the 17 organisations and so reduce stress". The Chamber of Mines said the following were highly sensitive triggers for mandatory sanctions: Sharpeville Six, cross-border raids by "mercenaries", blocking of foreign funds, refusing travel documents to Cyril Ramaphosa.

The minister responded that unbanning was possible, but it would fuel pressure to legalise the ANC and cause a resurgence of violence.

In August, Assocom issued very strong public warning to govt that new sanctions were inevitable if stricter Group Areas legislation went ahead, and expressing opposition to the proposed tightening.

c: Urban Foundation:

Ann Bernstein, policy director, said in June that between 1984 and 1986, for the first time, organised commerce and industry, plus many individual businessmen across English/Afrikaans divide, and two major foundations decisively rejected principles of apartheid.

She says that business leadership organisations DO have some power and influence. (COMMENT: Many have denied this, in attempt to escape charges of complicity in apartheid. ENDS)

She points to control of workplace and market; of financial, managerial and personnel resources; and to access to State, media, international community, diplomats, black community and other conservative businessmen.

"The capacity of business to influence event has only partially been realised and mobilised. The contribution of business to change in South Africa requires much greater organisational content and strategic intent before it will have a major impact on the struggle to create a non-racial democracy." (COMMENT: THIS REMARK HITS THE NAIL ON THE HEAD. ENDS).