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UNIVERSITY OF THE WITWATERSRAND, DEPARTMENT OF BUSINESS ECONOMICS  
and the

ASSOCIATION OF MANAGERIAL ECONOMISTS

CONFERENCE: "WHAT BOUNDARIES FOR BUSINESS?"

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I believe it would serve a very useful purpose at the outset of this Conference for me to talk about the nature of South African politics and the kind of changes which are inevitable. Change is now unavoidable and whether business likes it or not, it will be dragged into every arena of change and all boundaries will be broken down as businessmen are ever-increasingly dragged into one arena after another. Change in South Africa is going to come and will be the kind of radical change which makes every one of us reconceive past boundaries.

I want at the outset to dispel the notion that change is something that Mr. P.W. Botha must manage. The South African Government can no longer be regarded as the author of change, the arbiter in the conflict about change and the determiner of what can and cannot be done in change. Change will be radical and will be authored by realities quite beyond Party political and governmental control.

I must make the point that change is inevitable whatever the Government thinks, says or does but I add the rider that the extent to which change takes place in which the Government is not involved as co-author is change which not only threatens the National Party but threatens Parliament itself, stability and even the rule of law. South Africa has already entered a revolutionary era and it is now simply a question of whether or not the Government takes part in revolutionary changes.

The State President's reform programme is not something that he can determine. It is not something that can be determined by Party political interests, nor is it something which the ANC Mission in Exile or any other Black political group can determine. The South African Government now needs to recognise that it can do no more than participate in radical change which is inevitable.

Whatever plans the Government may or may not have had about the development of Black Local Authorities, for example, have had to be abandoned. On July 11st Development Boards were scrapped because they had become unworkable. The Government did not plan for them to become unworkable. They became unworkable because of Government policy. The whole country is now under a state of emergency and this too was not part of the Government's reform programme. The declaration of a state of emergency was in fact made because there are too many factors beyond normal government control.

Whether we like it or not there will be radical change in our country and the question merely remains one of how we adapt to change and to what extent we can influence it. There are two views of what is going to happen in South Africa. The one is the view of revolutionaries who believe that the South African Government is on the run and that the country now can be reduced to a state of total ungovernability through the employment of violence leading to the downfall of the Government. In that view neither government nor business have got formative roles to play.,

I do not adopt that point of view. As a Black leader I know that the vast majority of Blacks who are demanding radical change are demanding radical change in a South African continuity in which the best that we have can be retained, and the worst that we have can be rapidly phased out. The vast majority of Blacks will become natural allies to the South African Government once Mr. P.W. Botha really gets on with bringing about changes. While he hedges, he will be alienated from the Black majority in South Africa. The minute he starts moving forward, Blacks will rally behind him as he does that which now has to be done.

For me radical change is not a destructive thing and I see radical change as inherent in South African society which by and large is a society quite capable of surviving the traumas of transition from apartheid society to an open, race-free, just society. I am deeply aware of the fact that society is not maleable and there is a very limited extent to which either government or revolutionary forces can order change. Destroy, yes, but change along predetermined paths, No.

I see the desperate necessity of reconciling Black and White in the process of bringing about radical change and I see the urgent necessity of recognising the South African Government to be an essential partner in change if ever we are to succeed in salvaging the best that there is and eliminating the worst that there is. It is simply wishful thinking to think that one can bring about orderly change, or can stop the upward spiralling of violence which threatens orderly change, without the involvement not only of government but also of the totality of interests in institutionalised South Africa.

Whether we like it or not; 'South Africa' is -'locked into :a

north/south global axis. Whether we like it or not the free enterprise system is indispensable for the exploitation of South Africa's mineral wealth. Whether we like it or not industrial

development in this country is almost entirely dependent on access to the international markets and access to international capital developing technology and management skills. Whether we like it or not, we will have to bring about change in our country in such a way that the free enterprise system remains intact.

No free enterprise system is an abstraction from the rest of society in which it is found. It is closely linked functionally to the rule of law, civic rights, individual freedom, individual mobility and to orderly behaviour in every walk of life. We dare not bring about radical change in this country which eliminates the rule of law: We dare not bring about radical change in this country which disrupts the basic economic infrastructure or which leads to a total loss of confidence by the international community about what we are doing.

I am deeply aware of the fact that the ANC Mission in Exile, UDF, COSATU and other Black groups are working to make this country ungovernable and they are certainly not doing that by playing marbles. They are doing that by employing violence and laying the foundations for a Black/Black civil war. I am deeply aware of this fact because Inkatha members are now running numerous violent

gauntlets and war has been declared on Inkatha. I do not talk about our violent society in hypothetical terms. I talk about it as a practical thing around me in my everyday life. I: talkâ\200\231> from

first-hand experience when I say that those committed to making our country ungovernable are also committed to destroying all prospects of a non-violent, democratic solution for South Africa.

The task that confronts us is now to translate the total economic interdependence of Black and White into political interdependence and the real driving forces of change in the country are moving in this direction. Foreign observers who see White South Africans as a race of racist monsters are mistaken. I do not fear my White compatriots. They are Africans. They have nowhere else to go. This is the land of their birth and they have a God-given right to remain here. I am now at last convinced that there is a groundswell White demand for the normalisation of South Africa as a modern, Western-type industrial democracy. This is not to say that White racial prejudice will disappear overnight, nor is it to say that Blacks will not still have to fight every inch of the way to gain access to the corridors of power. What I am saying is that I am now at last convinced that there is a groundswell demand that this country end up scrapping apartheid and adopting norms and values and the social, economic and political practices which make the Western industrial world what it is.

Whites have not lived in such societies and they have a lot to learn about what equality between Black and White really means and what it will imply in practice for them. They have lessons yet to learn but they cannot be taught those lessons with AK rifles or bombs. They must be taught by non-violent, democratic opposition to racism of every kind that a race-free democracy has far more implications than they now dream of. They can only learn what it is like to be a democrat in one situation after another forced on them by the pace of change. My faith in White South Africa does not rest on there now being the right ideas in White heads and the right attitudes in White hearts. My faith in White South Africans is a faith in White ability to begin living with changes as they come about. What is a very short time ago, politically speaking, what the Government is now doing by way of eliminating apartheid practices, would have been unthinkable for ordinary Whites. The removal of apartheid signs from toilets; the opening of cinemas to Blacks and the opening of hotels to Blacks, were all unthinkable to Whites not so long ago. What we have witnessed is that Whites adapt to the de-restriction of South African democracy and the de-restriction of the South African economy admirably. I believe they will also adapt to the de-restriction of South African politics just as admirably.

One has hope that the bit of de-restriction that we see in the economy will also lead to the de-restriction of South African

politics. In all the decades in which we Blacks have lived under the shadow of segregation and apartheid, the scope for Black business has been, and still is, heavily circumscribed. This is something that flows from the policies of the various South African governments up to this Regime. Until only recently, Black people were regarded as temporary sojourners. So we saw in our black locations or townships, small shops which catered for "kaffir-wares" such as "kaffir-pots". Even now Black business is heavily circumscribed because it is only now that there is talk of opening up the Central Business Districts to Blacks. Even when entry of Blacks into these Central Business Districts is legalised, very few Blacks will be able to easily enter these areas and do flourishing business. The backlogs which we Blacks suffer from, are still going to be a very heavy handicap. I know that we today have Corporations such as the Small Business Corporation and in my own region, the KwaZulu Investment and Finance Corporation. Unless this kind of help is given massively to Blacks by both government and the private sector, it is going to be many decades before Blacks hold their own in South Africa as participants in big business. :

It is urgent that this be done because the free enterprise system, as we know it in this country, is besieged precisely because Blacks are not yet full participants in the free enterprise system as it operates in South Africa. It is urgent that many entry points into the free enterprise system for Blacks be created, as rapidly as possible, if the free enterprise system is to survive in the post-liberation era in South Africa. There are Black organisations

which are already committed to the destruction or the elimination of the free enterprise system as it operates in South Africa. There are Blacks to whom freedom means taking over White businesses. To me this is unrealistic, and yet if more entry points are not created for Black entry into the free enterprise system this will increasingly be believed.

There are Black organisations which are campaigning for foreign disinvestment and for the imposition of sanctions because they believe that the free enterprise system as it has operated in our country has been exploitative and the boundaries within which Blacks could do business have given a lot of credibility to this view. But now that Blacks have developed such significant bargaining power, they are in a far stronger position than in the past. With Black participation in the Trade Union Movement, Blacks have strengthened their position even more.

At the same time, a population which grows at the rate of 3 per cent, which is the rate at which the Black population is growing, indicates which way consumer power will grow in this country. I know that this growth will mean nothing if the economy of the country is destroyed as some people who want sanctions and advocate foreign disinvestment are hoping to achieve. Unless there are more Black-White partnerships created on a large scale, those who point out the only boundaries within which Blacks can conduct business will be heard by Blacks with more and more credibility. What convinces me that it is possible to remove the de-restrictions of business in South Africa is the extent to which the private sector has lately been in the forefront of the campaign to abolish apartheid - particularly the removal of restrictions such as the pass laws and influx control regulations, to name just two. I believe that time is of essence in all this. Just as we need to see a rapid de-restriction of South African politics, we also need a more rapid de-restriction of the economy and of Black business in particular, and to widen the boundaries to enable Blacks to become full participants in the free enterprise system.

As I have already pointed out, if the position remains what it is, the illusion that we can resolve the problems of poverty in South Africa by completely dispossessing Whites will gain more credibility in the ears of the masses. I do not mean that as a Black leader I do not expect ... that a certain amount of redistribution of wealth will not have to take place. I always emphasize that for some redistribution of wealth means a redistribution of opportunities. That is why: I, support. . more investment rather than less - to enlarge the cake so that we can easily distribute it. I have always stressed to my people that if we were to take away from Whites what they have, by way of wealth now, the money thus distributed would not even last for a few weeks. There is an equal urgency for change in the political situation as much as in the economic situation. The two are two sides of the same coin - political freedom and economic justice. But all these things underscore the urgency of fundamental change

in South Africa.'i After all, the free enterprise system is part of the democratic system, where there is a role for all, freedom of association and equality of opportunities for all.

I am not implying that change in South Africa will not be traumatic. All I am claiming on behalf of my White fellow South Africans is that Whites will actually survive the traumas of change and ever increasingly accept the implications of what it is like to

live in a true democracy. This faith I am expressing in my fellow White South Africans originates in part in the way Whites have behaved in the South African economy. When terrible illegal

restrictions were 'placed on Black advancement because of job reservation, it was White workmen who taught Black workmen how to use tools which the law said they should not use. When the law of this country prohibited the formation of Black trade unions, White management campaigned for the liberalisation of our industrial

relations legislation. While the pass laws and influx control regulations terribly restricted Black movement, it was White employers who provided Blacks with thousands of jobs. It was

Whites who co-authored the economic interdependence with Blacks.

I do not believe that there are impossible White restraints blocking Mr. P.W. Botha's way in his reform programme. It would be political idiocy to pretend that there is not a White right-wing threat to the programmes of change and it would be rank foolishness to discount White right-wing backlashes as a source of considerable danger. All I am saying is that White society is willing to change, it is capable of changing, and they do not have to be killed before our country can be normalised.

It is notable that whenever the Government has taken a step forward, Whites have immediately accepted that step and changed attitudes. There is a very real sense in which Government leads are vital to White opinion changing in the right direction, and this is one area in which businessmen in South Africa have got a very important role to play. The process by which Whites change attitudes to Blacks is a process in which White opinion-makers play a very important role. Businessmen are important opinion-makers and their attitude to change and the demands for change that they can articulate, can have a profound effect on White society.

Businessmen in South Africa need to have very clear perceptions about what Black leaders can and cannot sell to their constituencies. As a Black leader I refused to have anything to do with the Black Advisory Council which Mr. P.W. Botha attempted to set up at the time when the President's Council was considering the present constitution. A surprising amount of influence was exerted on me by White businessmen to co-operate with Mr. Botha in that attempt. They failed to understand that I as a Black leader simply could not ask my people for a mandate to do so. I actually received a mandate from my people to oppose the present constitution and I did so with everything in my power. I stomped

the countryside and I addressed meetings in every province in the country warning Whites that the new constitution would polarise society, harden Black attitudes and result in an upsurge of violence. '~ Even after I had been proved correct by the events which followed the introduction of the new Tricameral Parliament, many businessmen were still at a loss to know why I had not entered the Black Advisory Council and when the State President established the Special Cabinet Committee, I was again subjected to pressures from very influential businessmen to participate in its workings. They again failed to understand that I simply could not have anything . to'do . with it When the following year the State President attempted to establish a Non-statutory Negotiating Forum, I was again pressurised to participate in it. Again I could not do so and again many White .businessmen failed to wonderstand that Blacks actually do reject the present constitution in part and in whole and anything I could do to legitimise it by participating in the Special Cabinet Committee or the Non-statutory Negotiating Forum would have alienated me from my constituency and left me powerless. I would have been a political nonentity by now had I agreed with the establishment of the Black Advisory Council, the Special Cabinet Committee and the Non-statutory Negotiating Forum.

I am now under pressure from some quarters to accept the new provincial dispensation and to lend my weight to the development of Regional Services Councils. I simply cannot do so. Blacks were not consulted about the new constitution. They were not consulted about the new provincial dispensation. . They were not consulted about the Regional Services Councils. I cannot voluntarily participate in political developments about which we as Blacks were not consulted. I am also now faced with pressures being exerted on me to give the propoasod National Council my full backing.

Whites have many lessons to learn in South Africa and one of the lessons is that Black constituency politics must be kept intact and made ever more meaningful for the sake of South Africa as a whole. I am a constituency leader and whatever utility I have at the national llevel is derived from this fact. As - a Â«constituency leader, and as a democrat, I will make no move at the national level which my people do not sanction. I will make no move without prior consultation with him, and I mean real consultation. I consult my colleaguas at the KwaZulu cabinet level. I consalt Inkatha's leaders at Central Committee level. I consult lInkatha members at our Annual General Conferences; and I consult the broad Black population in mass meetings.: I know what I can go to my people for and what I dare not ask them for. I know that I may yet be able to seek a mandate from the peple to enter the National Council but I know that I cannot do so right now.

I cannot do so because while I am getting solid Black endorsement for the acceptance of the main objectives -as published in the draft National Council Bill, Blacks everywhere remain sceptical about whether these objectives will in fact end up being served. They are to:

(a) offer participation in the planning and preparation of a constitutional dispensation which provides for the participation of. all SoUth African citizens: -din the process of government;

(b) grant to Black South African citizens on an interim basis a voice in the processes of government which affect their interests; and :

(c) further sound relations among, and the human dignity, rights and freedoms of all South African citizens.

The vast majority of Black South Africans endorse these words. They set goals which will enable us to join hands not only together as Blacks, but to join hands with Whites as well. The goals are worthwhile. The question is whether or not the State President is in fact going to work towards their achievement in a way which will generate Black confidence. To do so he will have to release Dr. Nelson Mandela, Mr. Zeph Mothopeng and other political prisoners. While Black democracy remains shackled by keeping Black leaders in jail, the whole process by which Blacks can consult mass constituencies will remain problematic. I am prepared to enter the National Council if in doing so I can work with other Blacks and with Whites to bring about real change. I am not prepared to enter the National Council unless other Black leaders are free to accept it. or reject it. I am also not prepared to enter the National Council if it is simply an Advisory Council or a talking shop. I will not become part of a rubber stamp process for White decision-making. I am fearful that the powers which the Bill gives to the State President of appointing and dismissing members of the Council will be used by him to limit the negotiating value of the

Council. I have a number of other reservations about the Council, some of which may be negotiable but the question of putting Dr. Mandela in a position to accept or reject the Council, is for ' :me

not a negotiable item on my agenda.

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If the National Council goes ahead and only those who have already co-operated with the Government in the Special Cabinet Committee take their seats on the Council, it will become a complete waste of time, Jjust as the Special Cabinet Committee and the Non-statutory Negotiating Forum became a waste of time. White opinion-makers must now back Black demands of the kind I am making today because I am making them as much for Whites as I am making them for Blacks. South Africa's business community must now begin exerting every possible pressure on government to ensure fhat the National Council is given teeth and will be permitted to actually acinieve the objectives set out in the Bill. The Council will not be able to do this if only political nonentities take their seat on it, and once the Council has done its work those involved will then <face the task of selling the outcome of their deliberations not: only to

Parliament, but to White constituencies, Black constituencies, Indian constituencies and Coloured constituencies. . They will need constituency lleaders to do this. And if.'I am one day te take the

responsibility of selling the outcome of deliberations in the



Council to Black constituencies, I must remain a constituency leader in the Council.

I close with again emphasising that it is .absolutely imperative that apartheid be eradicated in such a way that Blacks and, Whites become reconciled to each other during the process of change. I say this is possible. I say there is sufficient goodwill, both amongst both Blacks and Whites to make it possible. I say again that I do not believe Whites are racist monsters. They are simply racist South Africans who have realised that change, even radical change, is inevitable and accept the need for change without quite

knowing what they are letting themselves in for. They know quite distinctly however what they will be letting themselves in for if they resist change. There is hope for South Africa and there is

yet hope that the South African Government can be persuaded, cajoled and if necessary dragged kicking into participating in radical change.

We dare not destroy the economy in bringing about radical change. We dare not make the country ungovernable now because it will remain ungovernable after change. We dare not bring about change in such a way that the bridging of the gap between Black and White in our polarised society, is impossible. I emphasise again the very crucial role which businessmen as opinion-makers now need to play to make possible orderly change - which takes place at a sufficiently fast pace in the right direction.

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