

MANAGEMENT DEVELOPMENT INSTITUTE FOR YOUNG
BUSINESSMEN THE WORLD OVER

LAUSANNE, SWITZERLAND. 9 OCTOBER 1985

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THE WORLD OVER

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In a world where there is over-population in vast continents in the Third World striving towards First World standards of living, and in a world where there are terrible disparities of wealth between countries, the role of businessmen is vital to the future of mankind. Being a successful businessmen is more than rising in prestige and contributing towards company profitability. Being a successful businessmen is to participate in that which gives hope and to participate in the translation of dirt into wealth for the benefit of mankind. The global responsibility which rests on businessmen is sometimes highlighted at international conferences, but I believe that the business community itself is all too frequently unaware of the extent to which the course of history itself will ever increasingly be directed by the success or failure of the international business community.

I address you as a Black South Africa leader who is aware of the enormity of the problems my country faces, and who is aware of the extent to which South Africa's business community will have to shoulder the problems of the nation if the free enterprise system is to survive. I am aware of the extent to which more than success is demanded. Unless businessmen not only achieve real things in South Africa, but excel in that achievement, the future will be bleak for millions of Black South Africans, and ultimately for all South Africans.

The role that business has played in South Africa in the first seven decades of its history has earned them disrepute. The revolutionary forces at work in the country seek to conquer apartheid through violent means, and scream for the nationalisation of the country's mining, commerce and industrial undertakings of importance. There are starving Black audiences who are candidates for persuasion that capitalism means exploitation and the free enterprise system is a tool of oppression, wielded by the few against the many. They have been denied participation in the free enterprise system and they have regarded their exploitation by successive White racist governments and White avarice as being exploitation through the capitalist free enterprise system. Businessmen in South Africa now recognise the extent to which their vested interests are threatened and the extent to which they need to add a sense of social responsibility to the profit motive, and the extent to which they must participate as a force of change in

the country.

I address young businessmen among whom the tycoons of the future will be found, and among whom, the advisers of Government must be emerging when I say that if businessmen fail in South Africa, they will foretell of a failure of business in vast areas of the world. South Africa has vast deposits of minerals. It has banking and financial institutions not found elsewhere in Africa. The South African economy has a sophisticated technological and managerial base, also not found elsewhere in Africa, and the country an economic infrastructure, developed market systems, and transport and communication systems not found in Africa. When young businessmen in the international community look to Africa, they should see these challenges which are in fact challenges to the free enterprise system by the impoverished communities of the world.

When multinational corporations withdraw from their participation in the development of the South African economy because they are more immediately and intensely aware of the need to protect short-term profits, than they are of their global responsibilities to mankind, they cast a shadow on the utility of the free enterprise system in the world. The challenge business faces in South Africa is not simply to make profits while the going is easy. The real challenge is the challenge to make profits when the going really gets tough. I am amazed at the extent to which at times international financiers and entrepreneurs rush to the protest basin to wash their hands lily white when dissident shareholders criticise their operations in South Africa. Their hands were not lily white in North America and Europe before the criticism. The element of toughness is a toughness which should be woven into the fabric of South Africa's economic life.

In affluent industrialised societies companies determine policy to increase productivity and primarily through selection procedures, gather together the human material they require to join man, machine and money in a success formula. Man, machine and money is also required in South Africa, but management in South Africa has to face a far greater emphasis on the need to develop technical and managerial skills and can rely far less on recruiting management and skills. If big business cannot succeed in doing this in South Africa where they can enjoy an infrastructural head-start, they most certainly will not succeed in other parts of the world. Major investors who have pulled out of South Africa, or are likely to pull out of South Africa, will leave a job undone, will leave a contribution to mankind unmade, and I am concerned that these deeper and wider responsibilities of the international business community which I am pointing to, will be abandoned in South Africa prematurely and on what is perhaps the eve of a veritable explosion of economic growth and business opportunities.

I have an inherent distaste for strident ideologues. Polemic

discussions disquiet me and I turn naturally away from rhetoric discussions. I am not deeply motivated by any ideology and when I say that the free enterprise has the most efficient wealth-producing system mankind has devised, I am not making an ideological or a political statement. South Africa will be the last of the countries of Africa to be liberated from White minority rule, and while the delay in our liberation has been accompanied by unspeakable suffering, we have the advantage of being able to learn the lessons which some countries in Africa are now learning at such terrible cost. I know beyond all knowing that there can be no Utopian leap into the future in South Africa, and I do not have reservations about socialism on ideological grounds. I have reservations about it because I am a pragmatist. I reject it because the well-being of millions of lives are at stake, and I reject it because attempts to leap into socialist Utopian futures overnight have all too often been followed by deeply felt failures to ameliorate the suffering of the masses by newly-established Governments.

There are perhaps something like 30 million people in South Africa, of which something like 22 million are Black. Of those 22 million, over 50 per cent are 15 years and younger. We have a massive population bulge of young people moving towards the market place. Apartheid society has created vast disparities between Black and White standards of living, and this population bulge of the poorest of the poor will be making demands on society which can only be met if the South African economy is revitalised and is managed so as to produce sustained phenomenal growth rates for years on end.

There is a vast backlog of all the things which Black South Africa needs if ever we are going to achieve a decent standard of living. There is a vast backlog in education. Black teachers are under-qualified. Black classrooms are over-crowded and Black education is not free and compulsory. There is a vast backlog in housing. Millions upon millions of Black South Africans live in squatter areas and there is little prospect of the housing problem being solved in the foreseeable future. There is vast unemployment and under-employment and with a population growth rate running at something like three per cent per annum, the South African economy must expand at rates undreamt of in Western industrial societies, if unemployment is to be banished as a threat to life, health and happiness. All humanity in South Africa screams for progress and development and demands sustained ongoing efforts on the part of business in South Africa to get on with the job of creating the wealth which South Africa so desperately needs.

There is a brand of Black politician in South Africa which is either so ideologically motivated or so avaricious for power that attempts are being made to destroy the country's economy and to make the country ungovernable. It is this category of Black politicians who call for the economic isolation of South Africa as a strategy which is allied to the armed struggle. The more freely Black groups use violence for political purposes, the more freely

they call for disinvestment and the social and political isolation of the country. Mostly theirs is a dream of a Utopian socialist future which has no understanding of what makes a modern market orientated economy function. They have no understanding that economic growth is not something which can be switched on and off by politician decision-making, and they have no understanding that future economic prosperity in South Africa is almost totally dependent on the continuing flow of capital, technology and managerial skills from the great industrialised nations of the world. They are prepared to cut off the country's future economic life-lines to gain immediate political advantage. Increased human misery for them promises deepening political support for the politics of violence and confrontation and they are utterly careless of human life and well-being in the pursuit of their immediate objectives. You cannot talk to them and you cannot reason with them, because they throw ideological day-dreams at you and posture in rhetoric debate about the people owning the land and the country's wealth.

My understanding of the free enterprise system and Western democratic government does not dispute that the wealth of South Africa belongs to the people of South Africa. Nor does it dispute that the people have the final say of how the wealth of the country should be gleaned out of its natural resources and how that wealth should be employed by the State. I understand that Western industrialised democratic practises are quite capable of doing all these things. I do not shiver and shake before industrialists and fear the exploitation of my people by capitalism. Ribald avaracious exploitative capitalism can be dealt with by the workers and the people. You do not have to destroy the prospects of economic well-being out of fear that the capitalist free enterprise system could become a monster in our midst.

I am one of the country's national leaders and I am the President of Inkatha, the largest liberation movement ever to have emerged in the history of South Africa. Inkatha has over one million paid up card-carrying members which has branches across the length and breadth of South Africa. I am also the Chief Minister of KwaZulu, the largest language group in South Africa. I am elected to both these positions by ordinary people in democratic procedures, and I also lead at the local level of KwaZulu as a Black by hereditary right. Long before apartheid was conceived of as such, and generations before the White National Party was formed, my forebears served as generals, advisers and prime ministers to successive Zulu Kings.

Inkatha is truly democratic. It is led by Blacks elected to do so by Blacks, to serve Black agendas in the satisfaction of Black aspirations. When I go to a place like Soweto which is a huge sprawling Black township in the country's industrial heartland, to hold mass meetings, tens of thousands of Black South Africans who are workers attend. When I reject the call for disinvestment in their name, I receive a standing ovation. They know what poverty

means. They know how desperately dependent they are on their weekly wage packets. They know that a job means life and unemployment means disease and death. Outside every factory gate, you find queues of unemployed every Monday morning, waiting to see whether there are vacancies that week. No mass meeting of Blacks held in the country have ever applauded disinvestment as a strategy which Black South Africa wants to adopt. Those who call for disinvestment do so without a mandate from the people. Black South Africa is aware of its own suffering, its own poverty and it is aware of the vital need for the expansion of job opportunities. I am applauded as a leader when I tell the world that disinvestment not only prejudices the poorest of the poor, but that it undermines Black South Africa's future responsibility to the whole of Southern Africa. The vigorous growth of the South African economy holds out hope for the country's neighbouring states. When one day South Africa is truly free, it will play a role in the whole sub-continent of Southern Africa which will be sorely needed. Colonialism balkanised the sub-continent and Black South Africa will yet have to undo the damage that that balkanisation resulted in.

There is in South Africa now a total economic dependence of Whites on Blacks which the majority of Whites accepts as a reality. There is a counter-balancing recognition by Blacks that Blacks are totally dependent on Whites economically. Take one away from the other and the economy will be destroyed. This interdependence on the economic front needs to be translated into social and political interdependence and the majority of Blacks and Whites are now coming to this realisation. The prospects for bringing about radical change in South Africa through the politics of negotiation have never been as promising as they now are. Economic development and Black advancement which follows in its wake increases Black bargaining power, and it is Black bargaining power in the market place of the country which is the weapon Black anger needs to employ against apartheid.

Young businessmen in the international community will rise to their full managerial capabilities during a period in which South Africa will still be in transition. Victory now in the Black struggle for liberation in South Africa will only be a first step in the reconstruction of society. When Black South Africans have won their victory on a political level, they will turn to winning victories at every other level. I believe that young businessmen today need to challenge their companies with the need so to conduct business that their opportunities of tomorrow are not cut off. To run away from South Africa is to run away from global problems and young businessmen burning with ambition and filled with drive, energy and competence must demand of senior management that the international business community does not shirk its responsibility to mankind.

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