

Minister of Public Works
Mr J Radebe
30 May 1997

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Launch of the Black Business Council

(Delivered on behalf of Deputy President Thabo Mbeki)

Master of Ceremonies,
Chairperson of the BBC, Reggie Hlongwane
Distinguished business leaders,
Ladies and gentlemen,

Deputy President Thabo Mbeki wishes to extend his greetings to you all this evening. Unfortunately he cannot be here as a result of other commitments, but he has asked me to represent him tonight, and it is indeed a pleasure to do so.

I am pleased to see that the cold, wintry weather we are experiencing at the moment has not dampened the spirits of any of you. We are gathered here this evening to celebrate a season other than winter. We are here to celebrate the official beginning of a business spring in our country. As spring is the season of growth, of new shoots of fresh air, so the launch of the Black Business Council represents the dawn of a new era in South African business in particular and a new beginning in the life of our young democracy in general. Let me say at the outset that I am confident too, in the knowledge that as we control our own destiny in the land of our birth, with the onslaught of nature's autumn. Failure is a human condition, it is not predetermined by nature's cycles. Your launch was not inevitable but neither was it accidental. So too, your success and development depends on your initiative blooming in the distinctly African climate is our new democracy.

Our young democracy is founded on well-established principles. But principles without tangible shape and observable implementation remain meaningless. At the centre of our struggle for liberation was the realisation that we, as South Africans, were victims of an historical injustice. An injustice that was real, was experienced on a daily basis, and one which denied us the basic elements of humanity: namely the right and ability to control our own lives, our own environment, our own future for ourselves and our children and their children. That historical injustice distorted every element of South African life. It was rooted in a system of deliberate inequality in economic, social and political relations. The whole system was rotten, denying all of us, the previous beneficiaries included, our humanity.

Because of that reality, our struggle for freedom was much more than a struggle of one group of people against another. It was a struggle between major systems of freedom against oppression, of the right to a fulfilled life for all, and the narrow, racist view that claimed all rights for the few. It was a struggle not simply to replace white faces in government with black ones. It was, and in many spheres remains, a struggle to change how we relate to each other: as citizens in a common homeland; as citizens engaged in different pursuits like business people or workers, farm labourers and commercial farmers, as professionals and specialists, and even as unemployed; old and young, men and women.

That is why the historic victory of securing one-person, one-vote elections in April 1994 must not be seen as the end of our broader struggle for freedom and democracy. It has been said before but let me repeat it tonight: "The vote is very important to have, the problem is that you cannot eat it." The political freedom of April 27/28 1994 produced a government with a clearly defined yet bold programme to transform, to build and to develop our country. To fulfil that programme requires the active engagement of all sectors of our society in a constructive dialogue with each other. The political freedom we have secured has produced a climate in which economic emancipation can occur. A political freedom made whole through economic emancipation provides the basis for the general empowerment of all our people.

These are not easy tasks, nor are they challenges that we should or indeed, can, take lightly. They are tasks that cannot simply be fulfilled by passing sensible laws. Our own history of struggle and the recent experience of our government has emphasised over and over again that we move forward only when the different elements and sectors of our society pull together with equal strength, contributing their own special quality to the final result. In the 1980's, our liberation movement was strong, the mass democratic movement built itself into a formidable force, our trade unions united under one umbrella, our religious communities were largely united around the justness of the cause for liberation. Black business, forcibly restricted and repressed by decades of draconian laws and the smothering influence of large monopolies in the economy itself, emerged slowly but resiliently.

Apartheid was not abolished by the stroke of a pen or the formal repeal of unworkable laws. It fell before the combined activity of rural poor, urban workers, black business that refused to be wooed into its camp, students and scholars. Now our democracy has provided the atmosphere in which the engine of a stronger, African-oriented and inspired middle class, rooted in the soil of ubuntu can start up.

Central to the agenda of transformation in our country is the need to address seriously the unequal distribution of wealth and the uneven patterns of ownership that stains our successes so far. Government accepts that redressing these imbalances is an integral part of our general economic policy. Whereas we will address this issue specifically in the process of the restructuring of state assets, as a country we cannot restrict ourselves to that. The emphasis must be on the empowerment of historically disadvantaged people. Government must ensure that the restructuring of state assets does not occur in a manner which simply removes the state's responsibility without enabling real and widespread benefits to spread to a larger group of people than ever before.

Our business community is a large one. It includes big business, multinationals, parastatals, medium, small and micro-enterprises. We cannot accept a view that considers the SMME as a "junior partner" in the overall integration of our activities. Our ultimate goal is to make the SMME sector an equal partner to enable them to maximise their inputs to the success of the RDP. However, it is a simple fact that in the business community advantages have accrued to the larger sections and have benefited a tiny minority right at the top. What we need to see happening is the opening up of the business sector, not a continuation of old forms of dominance with new-look faces in the boardrooms.

Our objective is to bring millions rather than a few thousand people into the mainstream economy. The beneficiaries must reside in cities, towns and villages and in the rural areas. The aim is not to benefit small groups of individuals. The benefits cannot be identified in only financial terms either. The transfer of skills, the development of new technologies and new skills, the enhancement of our education system itself, all of these contribute to the increased well-being of our people as a whole.

To achieve that, government operates and functions as a facilitator rather than as an implementer. We provide the framework within which business, and black business in particular can take advantage and contribute to the rebirth of our economic future. We can pass legislation such as the National Small Business Act, but it is a waster effort unless, as has already happened, people in the business community get together and step into the opportunities of the legislation. A number of government departments have already established some of the parameters in which economic empowerment can be secured. Initiatives include the encouragement of SMMEs, insisting on financial and investment reform, reworking the whole process of tenders for government procurement.

Increased activity in the South African market place will bring with it an increase in competitiveness, and of the related need for business and individuals to develop skills in the area of initiative and innovation. Remember that our markets are not restricted within our own borders. The region and the African continent as a whole beckons. South East Asia and the Far East are increasing in their importance. The countries of the developed north remain serious about our economic relations. Within that environment we have to ensure that the economic empowerment we seek is an empowerment that matches the competition and expertise of others, without us having to provide unnecessary cover. As a result a large part of the responsibility to succeed rests within the business community itself, and the black business sector in particular.

In this context I wish just to mention briefly the agreement to establish a National Empowerment Fund which will be officially launched in October 1998 with a possible seed capital of R1 billion. The objective of the fund is to create a mechanism whereby historically disadvantaged people with limited access to capital can participate in investment activities where income and capital growth are created. It aims to benefit large numbers of individuals by the distribution to each of small amounts of capital rather than enabling relatively few individuals to acquire large amounts of capital. It envisages that two kinds of opportunities for HDP empowerment exist: distribution on a mass basis to individuals on the one hand, and facilitating the entry of HDP consortia and groups into restructured companies. The appropriate mechanism to fulfil both of these functions will be set up in due course.

Master of Ceremonies, Ladies and gentlemen,

The opportunities are in place and other avenues will soon open up. Government is approached on a daily basis by groups claiming all sorts of mandates and representation. For us to manage the process efficiently, and for those sectors to know exactly how they fit into the picture, it is most desirable that organised, identifiable activity takes place to ensure that the requirements of fairness and openness which underpin government policy are implemented.

It is therefore with great pleasure that government welcomes your initiative. We wish the Black Business Council well. We have noted with interest your main aim, that of wanting to "promote black economic empowerment through engaging actively in the political and economic restructuring of the economy of South Africa, presenting a unified voice to communicate the needs and aspirations of its member organisations, and researching and presenting programmes on black economic empowerment". We have also noted that you have not merged, and that the individual organisations will retain their identities and will continue to pursue their own programmes. Like our country at large, we must cherish the diversity we have been blessed with, acknowledging the contribution that each sector and organisation makes, like the individual ingredients of fine food recipes. Out of that diversity, may your unity, as expressed in the launch of the BBC, further act to strengthen our new democracy, in the interest of all our people and for South Africa, our common and truly great home.

I thank you.

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