

Mbeki: NAFCOOC Conference (21/09/2002)

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ADDRESS BY THE PRESIDENT OF SOUTH AFRICA, THABO MBEKI, AT THE
NAFCOC CONFERENCE, Sun City, 21 September 2002

Master of Ceremonies,
President of NAFCOOC,
Distinguished Guests,
Ladies and Gentlemen:

First of all, I would like to congratulate Patrice Motsepe on his election to the high post of President of NAFCOOC and wish him success in the challenging task of leading this important business organisation.

I would also like to thank you for giving me the opportunity to be with this important membership of the National Federated Chamber of Commerce (NAFCOC) and share ideas about the common challenges that we face.

I hope that at the end of this conference, we will be able to make the necessary progress with regard to all the questions facing us, particularly the issues of unity and cooperation, both within the black business community and between the black and white businesses.

I also trust that our decisions will enable us to take practical, visible and measurable steps towards the further empowerment and advancement of black business, and the deracialisation of our economy.

Our country faces many challenges. Central among these is the achievement of the objectives of the transformation of ours into a non-racial, a non-sexist and

prosperous society. This result will not come about easily. It will not be realised quickly.

It will be the outcome of a protracted struggle waged in conditions in which there is a clear imbalance between the resources available to meet our objectives and the enormous volume of the needs we have to address.

At the same time, I am convinced that in much the same way that we defeated apartheid rule and created the conditions for all our people, black and white, to live and work together in conditions of peace, we will achieve the goals of fundamental social transformation we have set ourselves.

This requires that we all work together as South Africans, inspired by a common patriotism that recognises the reality that no section of our population can achieve its objectives on the basis of the marginalisation and defeat of the objectives of the rest.

It also requires that our institutions, both governmental and non-governmental, should be united around the strategic objective of transforming South Africa into a true home for all our people. Among these institutions, we count NAFCOOC as an important player.

During the 1990 NAFCOOC Annual General Meeting in Venda, this organisation set, for itself and the country, what was perhaps an ambitious programme of Black Economic Empowerment.

In this programme NAFCOOC proclaimed that:

- * By the year 2000, thirty percent (30%) of the equity of the companies on the Stock Exchange should be owned by blacks;
- * By the year 2000, forty percent (40%) of all the managers in South Africa should be black;
- * By the year 2000, fifty percent (50%) of all directors of the companies on the Stock Exchange should be black;
- * By the year 2000 sixty percent (60%) of the goods and services, which are

bought by business, must be sourced from black business.

It is obvious that we have not achieved any of the targets in this ambitious, yet correct programme that is an important component part of the process of the transformation of our society. The fact that our economy is still not representative of the majority of the people of our country, eight years after our freedom, points to the enormous challenges that we still face.

Clearly, the task to accomplish these targets faces all South Africans, not just members of NAFCOOC. Each sector of our society - government, big business, emerging business, trade unions and others - have a responsibility to ensure that we bring into the mainstream of the economy, the majority of our population, not just as consumers but as active participants and leaders in the manner that NAFCOOC projected in 1990.

Yet, to arrive at this situation, we need a strong, united, effective and efficient NAFCOOC. As all of us are aware, for many years NAFCOOC was strong because it was united. It was strong because it led a just struggle against the plethora of laws that made it difficult for blacks to be real business people. This organisation fought a heroic struggle for the elimination of the apartheid barriers and obstacles to the development and growth of black business.

NAFCOOC was strong because it had a vision as illustrated by the decisions of the 1990 Annual General Meeting. You were strong because the well-being and development of the organisation and its members were paramount and more important than narrow personal interests.

As we engage in an introspection and plan the way forward, we must look back at all those attributes that made NAFCOOC a formidable and reliable organisation that was able to survive a harsh and hostile environment of political repression and economic marginalisation.

NAFCOOC was also effective because it was led by credible and committed leaders of our people who correctly located the challenges of black business within the struggle for freedom.

Today, we are free because of the selfless contribution of many of the members and leaders of this organisation.

Of importance, today, more than ever before, we need a NAFCOOC that is led by a credible, innovative and committed leadership that understands the heavy responsibilities and challenges of transforming our racially skewed economy to one that belongs to all the people of South Africa.

We need a leadership that must espouse and advance not only the interests of its members, but pursue these goals in the context of the transformation of our society as the whole.

We need a leadership that must reposition NAFCOOC and rebuild its credibility in the eyes of all its stakeholders, partners and the country as a whole.

As we know, black businessmen and women have historically been important role models in the communities they served and have made a significant contribution towards the maintenance of the social cohesion of our communities and the protection of good moral social standards.

We therefore have a responsibility to ensure that we reclaim this leadership role that we played in our communities for many years.

I am sure we will agree that we need a NAFCOOC, whose leadership and members are restless about the corrosion of the culture of modesty, honesty, truthfulness, respect, sharing and hostility to corruption. This is a leadership and membership that must be prepared to defend the credibility of NAFCOOC and move it away from what has characterised this organisation in recent years.

None of us need a NAFCOOC whose defining character is based on perennial in-fighting, back-stabbing, dishonesty, selfishness and corruption.

Undoubtedly, one of the major challenges of NAFCOOC and its members is the national effort of alleviating poverty and underdevelopment, creating jobs and

ensuring that the programmes of integrated and sustainable development in rural and urban areas do succeed.

Accordingly, we will be right to ask of NAFCOOC: are you ready and able to lend a hand in our national effort to push back the frontiers of poverty and build a better life!

If these representatives of many other businesspeople of our country are able to answer in the affirmative, as I think you should and will, the challenge is therefore to ensure that we do not do things that reduce the capacity of NAFCOOC to make its contribution in the unfolding process of the reconstruction and development of our society.

We trust that, having dealt successfully with the central matter of unity, NAFCOOC will be able to focus on initiatives and business opportunities and processes, which will contribute to the growth and development of our economy and society and the progress of the members of NAFCOOC.

We also trust that you will utilise the partnerships that you have established with other businesses, both black and white, local and international, to ensure that South Africa takes its proper place within the global economy.

At a time when the African continent is experiencing its rebirth, it is appropriate for NAFCOOC to play a central role in the process of the African Renaissance through the programme of the African Union - the New Partnership for Africa's Development (NEPAD).

In this regard, NAFCOOC faces a unique challenge to forge links and strengthen ties with business counterparts in the rest of our continent.

These continental relations with other chambers are critical to our continent's success in achieving regional and continental integration, without which Africa will continue to experience marginalisation from the global economy.

The SADC Region and the African continent face a challenge of ensuring that our countries and the continent as a whole create a stable and positive atmosphere for investment and together, as government and business we should consistently strive for our economies to be globally competitive. We need a strong and efficient NAFCOOC to enable us to achieve all these objectives.

The historical role of NAFCOOC as the organisation, which represents and promotes the interests of small business must be maintained and strengthened. NAFCOOC must engage local, provincial and national governments to ensure that all obstacles to the growth of small and medium businesses are removed and that the legislative and other measures designed for the development of these enterprises are effectively utilised.

One of the challenges that government is engaged in is a process of increasing economic activity at the local level. Through the Local Economic Development programmes we seek to ensure that our various localities take the initiative to promote their own economic development. Clearly, NAFCOOC must and can play an important part in these processes.

Furthermore, we have programmes and projects that deal with the important issues of business education and training, capacity building, and transfer of skills and expertise.

This means that, together, we should ensure that both Ntsika and Khula are successful in the empowerment of the Small, Medium and Micro Enterprises (SMMEs). Again, NAFCOOC can and should play an important role in this regard.

Part of this capacity building, education, training and transference of skills also means that NAFCOOC must engage the Sector Education and Training Authorities (SETA), so that the skills training of workers, unemployed and ordinary people becomes part of our own business operations.

There are currently a number of Empowerment Charters that are in the process of being formulated and the Black Economic Empowerment Council is expected to be in place sooner rather than later.

It is incumbent on NAFCOOC to make sure that the Empowerment Charters result in meaningful and significant Black ownership in the relevant sectors as well as substantial Black management participation at all levels. The Empowerment Legislation, the targets and timeframes must be both effective and realistic with regard to realising the objective of black economic empowerment.

The leadership of NAFCOOC must propose concrete and effective measures to deal with these and other challenges to ensure that business in South Africa prospers and grows. In this context, it is in the interest of NAFCOOC to work together with government and other social partners to improve the living conditions of all South Africans, especially the poor.

At the beginning of this year, we called on South Africans to be part of a volunteer movement - Letsema - where all of us engage in some extra work to assist our communities as we strive to improve our living conditions.

In the spirit of the commitment to change and the selflessness that has distinguished the members of NAFCOOC as true patriots, I trust that as part of our resolutions on the way forward, we will find it appropriate to lead by example and accordingly adopt the measures to advance the programmes of Letsema, and in this way, begin to reclaim the leadership role that members of this organisation have played for so many years in the different areas of our society.

I wish you and I dare say all South Africa wishes you a successful conference.

I thank you.

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