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- Business Day

## **Companies have a duty to behave as good citizens**

*‘Co-operation must pursue the strategic objective of eradicating poverty and underdevelopment’*

WE HAVE an obligation to remind ourselves, and educate the younger generations, that freedom was not free. We achieved freedom at a great cost that many at home and abroad paid in the loss in human lives, and postponed development, both at home and in the whole of southern Africa.

Regrettably, a mere 20 years after our liberation, it is obvious that many have forgotten or are oblivious of the human cost our freedom entailed. They abuse the gift of our liberation to do things for themselves. Their only objective is personal aggrandisement — to use their access to state, corporate and social power to subvert the sustained and speedy advance we need towards the realisation of the objective of a better life for all. By definition, this is necessarily at the expense of especially the poor majority.

The majority of our people understand that liberation from apartheid and colonialism must mean creating the possibility for millions of ordinary South Africans and Africans to enjoy better lives free from poverty, as well as the restoration of our full dignity as human beings.

As we celebrate the 20th anniversary of our democracy, it is right that we should ask ourselves what progress we have made towards the realisation of the goals set by the constitution; what obstacles we have experienced; and what we should do to progress. These questions must constitute the basis for an assessment of what all stakeholders in our country have done and should do.

All of us are aware of how onerous and deeply entrenched the legacy of colonialism and apartheid is. To eradicate it requires the united action of all stakeholders, even if each one of these acts only in its own interests. The stakeholders include the government in all three spheres, the corporate sector, the trade unions, the women’s and youth movements, the religious communities, academia, the traditional leaders and civil society as a whole.

As a corporate citizen, Wiphold (Women's Investment Portfolio Holdings) is one of the stakeholders to which I have referred, which should, like the others, make its own assessment of its contribution to the creation of a nonsexist society. I am happy to say Wiphold has every right to hold its head high as one of our foremost pathfinders in the pursuit of the objective of the empowerment, development and emancipation of women.

I take advantage of the happy occasion of the celebration of the 20th anniversary of this company to salute important remarks made at the African Mining Indaba last year by the present CEO of Anglo American, Mark Cutifani, while he was CEO of AngloGold Ashanti. Among other things, Mr Cutifani sought to discuss the value system that should govern the conduct of mining companies, acting in a manner that recognises the reality that they are vital to the transformation of the societies in which they operate, going beyond dedication to profit maximisation. do we reconcile the greater good we create with the inevitable local interruptions ..."

"We (the mining industry) have to think beyond our historical characterisation and eliminate a conversation that talks to us being an 'extractive industry'. While we may extract products from rocks, we are overwhelmingly a 'development industry' that creates new social possibilities. We should be the 'development partner' that supports and catalyses the creation of wealth for all ..."

"We need (the resources generated by mining) to alleviate poverty ..."

"The issue of poverty alleviation at the local level must be a prime focus of both (mining) companies and governments ..."

"The definition of partnership has to be about how each participant imagines what a successful future looks like and what compromises can be made to ensure (all) parties can be accommodated ..."

I believe the corporate value system for which he argued is of general application to our business sector, relating also to corporate responsibility to our fundamental national challenge to create a nonsexist society. Mr Cutifani said:

"The things we do (as the mining industry) are so important to global society, but the communities where we do business get the rough end of the stick ..."

"It is critical to understand how to really engage with communities. We must listen to what communities want to be, not tell them who to be ..."

"We have to make changes to transform the countries we work in ..."

“A hole in the ground, a waste dump that intrudes the visual landscape, or a tailings dam that covers a children’s playground are all manifestations of local impact. The perennial challenge we face as an industry — how

“Marikana was a symptom of a much greater issue that needs us to engage and work together to find collective solutions. The simple fact is we need each other if we are going to realise our great potential ...”

“We take our leadership obligations seriously — to be an informed, honest and sensitive participant in a debate that will ultimately determine whether SA realises its real potential or settles for second best ...”

“The job of those who have stewardship of capital is to support society ...”

“SA could meet its challenges once the government and the private sector stopped talking past each other ...”

I highlight some of the critical observations Mark Cutifani made. These are that:

Those who exercise power through their control of capital, the investments which help to determine the future of all societies, must understand that this also gives them the responsibility and obligation to address the challenge of social transformation;

Corporate citizens must understand and accept that they have a strategic responsibility to co-operate with other partners and agree on what they should do to improve the quality of life of citizens;

The corporate sector must accept that all the social partners have legitimate aspirations that must be addressed while seeking a win-win outcome for all of these partners and therefore society as a whole; and

Co-operation must pursue the strategic objective of eradicating poverty and underdevelopment, in favour of transformation for the benefit of the masses of the people in which the partners, including the corporate citizens, operate and exist.

I would like to believe that throughout my years in government, we tried very hard, and as much as we could, but unfortunately did not succeed to the extent we intended, to help ensure that the value system elaborated by Mark Cutifani informed the daily practice of our corporate sector.

I would also accept that perhaps we also contributed to this negative outcome by not acting effectively to overcome the obstacles to our propagation of the explicit, systematic and sustained presentation of this challenge, outlook and system. In this regard, we would also have had to imagine how all these

objectives could be achieved in the context of a capitalist economy, which is the dominant form of property relations in our country and the world, and therefore act accordingly.

However, all of this brings me back to the immediate matter of the celebration of the 20th birthday of Wiphold. In this regard, I am very pleased to confirm that whatever our own shortcomings might have been, as I have suggested, the founders, leaders and shareholders of Wiphold fully understood, accepted and acted consistently with the value system which Mark Cutifani tried to advocate.

Mbeki is a former president. This is an edited version of his speech at the recent celebration of Wiphold's 20th anniversary.

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