

## **National dialogue an opportunity for business to reset in favour of broader social good**

The statement of intent for the government of national unity commits “to an all-inclusive national dialogue process — with parties, civil society, labour, business and other sectors — to discuss ... critical challenges facing the nation”. The statement sets the main goal as seeking “to develop a national social compact that enables the country to meet the aspirations of the National Development Plan to eliminate poverty and significantly reduce inequality towards 2030”.

This dialogue is an opportunity for business to reset and balance its profit motive with the broader social good. Many in business, such as Business for South Africa (B4SA), will point to the various contributions they already make to society. According to its website, “B4SA is an alliance of South African business leaders working with the South African government, and other social partners, to step up, lead and help create and deliver sustainable solutions for South Africa. B4SA’s objective is to mobilise business resources and capacity to work alongside and in support of government to address bottlenecks impacting economic growth and social development in South Africa.”

But this is not enough. We need political and business elites to overcome their strategic inability to subject the profit motive to a wider motive of social good and universal well-being in line with the Constitution. Required in this regard is a business sector that repositions itself to fully embrace, actively promote and consistently advance the constitutional vision of a good society.

The dialogue is aimed at securing a society-wide consensus as a basis for stability on the social, political and economic fronts. Among the political elite, the significance of this dialogue has been approximated to the Codesa negotiations of the early 1990s that ended formal apartheid and ushered in a democratic dispensation. The rhetoric has included lines such as ‘the dialogue must address economic freedom, which we did not address in Codesa [Convention for a Democratic South Africa]’.

For it to be a genuine process shaped by meaningful and substantive public participation and ownership, the process has to address a concern I raised back in 2014 at a [Mistra](#) (Mapungubwe Institute for Strategic Reflection) conference to mark the 20th anniversary of our democracy. I questioned whether social dialogue and compacting are possible if the majority continue to face dire socio-economic circumstances.

I said back then: “The fact that our townships, our informal settlements, our inner cities, our rural villages are zones of rotting means that the most important social force in this society is not able to be a game player in a process of dialogue. The working class is turning on itself in big ways. Solidarity is breaking down. Against the values of the Constitution, we’re seeing a rise in social conservatism in ways that could possibly delegitimise some of the values that we celebrate in the Constitution. Instead of the kind of deliberate democratic or generative discussions that you saw up till the mid-1990s, there’s weakening in a significant way of self-organisation. No matter what one thinks politically of what is happening in [labour federation] Cosatu, but the decay of Cosatu and what is likely to be a very painful restructuring of the labour movement is also going to add to the absence of an effective social force as a contributor to the process of social dialogue.”

The national dialogue can only be meaningful for poor people, the unemployed and workers if it is a process where the genuine solution of our country's problems can be done without suspending other forms of democratic contestation on other fronts. It is to be expected that politicians and sections of business may seek to use the national dialogue process to constrain and even stop struggles by organised workers and communities. This should be resisted.

As experienced business negotiators know, effective negotiators produce optimal results when all the protagonists from all sides are well organised, clear on their demands and are mutually committed to shared progress. If workers are not well organised and effectively represented, whatever collective bargaining agreement is reached will be on unstable ground. This is to say that business has an objective interest in the extent and quality of organisation and representation of those it engages with. This logic also applies to the national dialogue: in business's interests, the labour and civil society components must be well organised and representative. Without this, the dialogue will perpetuate the crisis of credibility facing the political elite and business. Therefore, B4SA's already defined role is a good foundation for organised business to enable meaningful and substantive participation by poor people, the unemployed and workers in the dialogue.

Presumably, the argument would be that there is no need to toyi-toyi when you can have a dialogue with social partners. Even if a weakened trade union movement and poor organised community groups may agree to such a class compromise, it would not be sustainable or legitimate in the eyes of the majority if the structural and systemic foundations of inequality and unemployment are not addressed.

In any case, even such a compromise cannot stop the unemployed and workers from exercising their constitutional rights to freedom of association and expression particularly when legitimately aimed at advancing their social, economic and political interests. Such ongoing struggles do not negate dialogue and the vision of social justice at all. Even the successful social democratic transformation of many countries in Western Europe were predicated on ongoing struggles by workers and other aggrieved sections of those societies. Effective national dialogue and collective solutions to key common socio-economic problems are not possible without the poor, the unemployed and workers building, having and exercising structural power. Better that than political and business elites force-feeding society with an unsustainable elite pact.

The endorsement of the wastrel uMkhonto weSizwe party by a significant proportion of those who voted, the July 2021 riots, the xenophobic pogroms, taxi warlords, local business mafia, criminality and violence — all of this shows what can happen if the poor, the unemployed and workers are not involved meaningfully and genuinely. It is in business's own long-term interests to engage with strong unions and well-organised communities rather than disorganised people.

To take a lesson from economic development in Southeast Asia, the uncertainty of the political and business elites was key in getting them to drive and sustain transformative processes of shared economic development. The alienation and restlessness that we see daily in townships, inner cities, informal settlements and rural villages is a potentially transformative power that business has to accept and work with. No business can attain a measure of success in an unstable and poverty stricken society.

To nail home the main argument: it is best for business and government to think of it as investing in effective public participation. I would make bold to say we need government and business to ensure we have a tradable democracy and wherein financial and other resources are directed to support self-organisation by poor people, the unemployed and workers without any strings attached. This would be different from corporate social investment which is generally about charity and not social justice, and is far too often linked to corporate marketing.

This brings us to the adequacy of the National Economic, Development and Labour Council (Nedlac) to enable meaningful and substantive public participation in ways that address the core concerns raised above. While Nedlac would be an obvious vehicle to assist with these processes, its shortcoming is its less than inclusive composition. We should consider a forum and platforms that start with Nedlac but go beyond its limits.

### **'Business-friendly' only policies handicap real dialogue**

The envisaged socio-economic pact is subordinated to the already dominant consensus on "business-friendly" policies. Change is required: one that centres a new, transformative and redistributive page on economic policy and growth. It has to open space where politicians and business face up to the fact that "business friendly" policies fail the Constitution. They may secure short-term profits but they deepen the foundations for long-term risk and disaster.

The palpable mass dissatisfaction is not yet questioning and revolting against the political framework of democracy, equality and rights contained in what remains a progressive and transformative Constitution. This transformative vision has often been resisted by the Democratic Alliance (DA) and most of business. For example, despite the mandate in section 25 of the Constitution for redistributive land reform that may include nil compensation the DA has often misrepresented section 25 as a property rights clause.

Instead of this opposition, we need measures that promote what the Constitution provides for: redistributive and transformative economic growth that creates a universal decent standard of living for all. In the build-up to the national dialogue, poor people, workers and the unemployed need for confidence-building measures from both government and business that are redistributive and transformative in nature. A wealth tax, as proposed by Rise Mzansi, will be one such measure. The same with agreement to a basic income grant or the cancellation of legal challenges to the National Health Insurance (NHI) Act, a commitment to a meaningful dialogue that can deliver a quality, universal and free public health service, more concrete action by business to fight corruption, action to end bypassing tax legislation, illicit financial flows and profit shifting. When it comes to the NHI, a healthy workforce is a basis for a good economy and society.

The popular expectations for meaningful economic change are exactly the vision contained in the Constitution's preamble of "a society based on democratic values, social justice and fundamental human rights" and which improves "the quality of life of all citizens and free the potential of each person". This is about a universal decent life primarily through a redistributive and democratic economy that works for the common social good. Business's own long-term interests are best guaranteed in such an economy.

For its part, the political elite played over some 30 years with an impossible set which is now unravelling: effecting a legitimate popular process of political democratisation, but leaving the structural and systemic economic foundations of inequality, despair and squalor intact. We cannot continue on this path.

### **Trust deficit**

At this point, let us recall that 24 million eligible voters did not vote in the 29 May elections. The total number of eligible voters is just above 40 million.

The parties in parliament have been voted in by just more than 16 million voters — with the ANC at 6.34 million votes (15.85% of the 40 million eligible voters) and the DA at 3.48 million votes (8.7% of the 40 million).

As if the 13 million that did not register to vote is not enough, even among the 27 million registered voters, some 11 million did not vote. According to a December 2023 voter participation survey by the Human Sciences Research Council, 57% of the population openly expressed that they were dissatisfied with democracy.

This low level of active endorsement of the political elite by the majority of eligible voters is a legitimacy crisis. It was also the same level of mistrust of business elites that created fertile conditions for the July 2021 riots. Business must be worried about this.

For the national dialogue to be real, it has to overcome this apathy by a large number of alienated people. They are the majority. Without this we will have a limited dialogue. If the political elite and business proceed with a limited process they will have demonstrated themselves as strategically incapable of mobilising all of society behind a national vision of transformation that goes to the heart of the problems that face our society.

Source: Mazibuko Khanyiso Jara - <https://www.amandla.org.za/national-dialogue-an-opportunity-for-business-to-reset-in-favour-of-broader-social-good/>

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