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CYRIL RAMAPHOSA

Leadership

Walking between two worlds

Cyril Ramaphosa on the art of balancing business, politics and empowerment

“Educated, eyes-open optimism pays; pessimism can only offer the empty consolation of being right,” said David Landes in his book, *The Wealth and Poverty of Nations*.

It seems apt that this is the current book on Cyril Ramaphosa's bedside table, it seems to resonate with the man himself.

Matamela Cyril Ramaphosa was born on November 17 1952, in Soweto, Johannesburg and has come along way since then. Last year he made the Time 100 annual list of the 100 most influential people in the world. The list is assembled by Time magazine and highlights the men and women whose power, talent or moral example are transforming the world.

Ramaphosa was named as one of the world's most influential Builders & Titans and honoured for his business acumen and his promotion of black economic empowerment in South Africa.

In his profile, written by former United States ambassador to the United Nations Richard Holbrooke, he is described as “a beacon of hope not just for Africans, but for

the rest of the world”.

An ANC national executive committee member recently said: “The people in the movement who don't necessarily support a [Jacob] Zuma presidency, or Kgalema [Motlanthe] are now keen to find an alternative candidate, and Ramaphosa is one of those.”

The respect Ramaphosa commands inside and outside the ANC, and the perception that he is above the fray, clearly makes him an attractive compromise. But there is a subtext, settling an old political score with Thabo Mbeki.

Ramaphosa left active politics in 1997 after losing a bruising succession battle with the current president.

The differences between Ramaphosa and Mbeki were never ideological, and the former unionist's transformation into a wealthy businessman suggests that not much would be different under a Ramaphosa presidency.

But unlike Mbeki, he commands a strong rank-and-file constituency.

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As a fearless union leader, Ramaphosa built the National Union of Mineworkers (NUM) into a formidable force inside apartheid South Africa, growing the NUM from 6000 to more than 300 000. Taking the NUM out on strike in 1987 was his masterstroke; suddenly the white-supremacy regime came face to face with its worst nightmare.

When Nelson Mandela walked out of prison in 1990, Ramaphosa was the man who greeted him first at the gates. It is no state secret that Ramaphosa has always been a Madiba favourite and it was Cyril who Madiba had wanted to be his successor.

There is a story retold about how Mandela made his final decision on the national flag.

After a nationwide contest, a winner was selected, but Mandela was hundreds of kilometres away. "Fax it to me," he told Ramaphosa, who protested that the fax would not show the colours, which had been carefully chosen to reflect South Africa's complex racial composition. "Well, just describe it to me," Mandela said. "I trust you." And thus, the unique flag of Africa's most dynamic nation was born.

Ramaphosa's decision to leave politics was characteristic: decisive, bold and imaginative.

He saw an opportunity to show the way to a generation of black South Africans who would gradually control the South African economy.

He reached out to white business leaders, but he made black economic empowerment his new issue, tirelessly promoting it and warning that it had to happen. His businesses now include the Shanduka Group, an investment firm and mining and energy interests. On top of this, he is a non-executive chairperson of the Bidvest group, MTN Group and Sasria Limited.

His other non-executive directorships include Macsteel Service Centres SA, Alexander Forbes, Standard Bank and SABMiller. This is certainly enough to keep any man on his toes.

There are many who hope that Ramaphosa, at age 55, will emerge as South Africa's president somewhere down the line. And although he continues a life that includes an active involvement (along with his wife Tshepo, a doctor) in the fight against AIDS, he had been known to say he is not interested in returning to politics. That would be a loss not only for his party, but for the country as a whole.

Leadership was privileged to have him answer these questions for us.

Are you glad you've left politics?

I have not really left politics. I serve on the National Executive Committee of the African National Congress. This enables me to make a contribution in the work of the ANC as it seeks to transform our country and ensure a better life for all.

Would you ever consider a return to politics?

I am involved in both politics and business and participate where the two worlds intersect.

This tends to give me a clear perspective of how the two worlds operate and the challenges they both face particularly when it comes to addressing the national objectives of a changing South Africa.

How difficult was it as a black man in the 1970's to obtain a law degree?

I started my legal studies as a full-time student at the University of the North. But this was brought to an abrupt end when I was detained in 1974.

Upon my release, the University of the North refused to re-admit me. This then put me in the wilderness of part-time study. This was more difficult and took longer as I had to work while I studied.

The issue that was more difficult for me, was that I was not allowed to study at a university of my choice. I had wanted to study law at the University of the Witwatersrand. At that time the university was far better in teaching law than the University of the North. Apartheid therefore prevented me from getting a world-class legal education.

BEE has taken a lot criticism in recent years, specifically regarding the perception that it has created a black elite who are the only ones benefiting from it. Do you think that is true?

I have always taken the view that there are two ways of looking at black economic empowerment. The first one is the narrow definition of BEE which focuses on the development of black business with regard to how black entrepreneurs start and develop their businesses without the shackles of apartheid holding them back.

The second one is the broader definition of black economic empowerment, which is defined as an integrated and coherent socio-economic process that directly contributes to

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the economic transformation of South Africa and brings about significant increases in the number of black people that manage, own and control the country's economy as well as significant decreases in income inequalities.

With regard to the first approach, as we move away from the nightmare of apartheid where black people were prevented from pursuing their economic interests, we need to accept that not every black person will end up being an owner and a manager of a business. A few people will therefore own and manage their businesses. They will employ other people and will in the process accumulate assets and wealth. If they are successful in running their businesses this will tend to put them in a slightly more empowered position than the rest of our people. As long as they have achieved success ethically and not through dishonest means we should not have an approach that seeks to bring them down, or destroy them or even ostracise them. It is correct that a few black people who venture in this direction will benefit more than others if they are successful.

We should not find fault with this. We should applaud this and rejoice that there are black people who are successful.

I, however, am more interested in the broader aspect of black economic empowerment which should be seen as an integrated socio-economic process that directly contributes to the economic transformation of South Africa.

Through this process black people should, as a group be made active participants in the economy of the country. How should this be done? This objective should be addressed through a number of strategies and tactics that should include changing and broadening ownership patterns, extending management control, skills development, access to capital, land reform and rural development, a pragmatic industrial policy, access to housing and transport to enable our people to have houses to live in and cheap transport to take them to work, and an effective health system.

These are the active ingredients of a broad based black economic empowerment strategy that should contribute to bringing more and more of our people into the mainstream of the economy. If this is done effectively it should deal a blow against poverty.

Who should do this? All key stakeholders in the economy of the country, principally government, the private sector both black and

He saw an opportunity to show the way to a generation of black South Africans

white, and non-governmental organisations. This is the economic empowerment we should all focus on.

Much has been achieved in the past 15 years and yet, much more still needs to be done.

What has been achieved should be seen as a solid foundation. A foundation we should build on as we seek to implement the promise of economic empowerment to all our people so that they too should earn an economic dividend from the democracy we have achieved. It is this type of BEE that will roll back the frontiers of poverty.

Is South Africa in a good enough position to deal with the current economic crisis? And what measures do we need to better protect ourselves from it?

The sub-prime problems originated in the US, but the sheer scale of the problem and the global integration of financial systems and institutions caused a serious ripple effect throughout the world, particularly in Europe.

South Africa's financial system has so far remained reasonably insulated. This perhaps is the result of our regulatory system and existing foreign exchange controls. The result of the

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crisis is, however, a looming world recession of greater proportion than anticipated. We will also be affected as our own economy will slow down resulting in lesser growth.

An analysis of the sub-prime crisis might induce us to think that insulation is one way of protecting ourselves, but that would be fallacious. So much more will be lost in economic activity and value creation by not participating in the world economy on all fronts.

I would say revisiting and adapting regulation is the rational solution. Higher levels of sophistication in risk management will be followed by ever increasing complexity of our world. Will we ever be able to anticipate all risk? No. Will we get better at it and mitigate the risks and calamities better for the average citizen of this world? Yes. Is that progress? Yes.

As the founder of the National Union of Mineworkers (NUM) what is your opinion on all the recent accidents in mining operations?

Any accident, particularly work related accidents are never acceptable because accidents should be avoidable. In fact, we

should see all accidents as acts that diminish all of us. It is simply unacceptable that our mining industry with all the sophistication and the technological advancement that it has achieved over many years still has high levels of fatalities. In recent times we have seen the anger and frustration of mineworkers resulting in demonstrations and marches as well as industrial action. I see this developing even further in years to come when mineworkers and their families will launch class action suits against mine owners for their dereliction on safety matters. It is becoming clear that mineworkers are no longer prepared to be the sacrificial lambs of mining companies that continue to show disregard for the lives of mineworkers.

The vigilance of the Minerals and Energy Department is noteworthy and should be welcomed. It has been very impressive to see government officials including ministers appearing at the accident sites within a short space of time after the accident. This shows that we are a caring society.

As a businessman, you hold a number of executive and non-executive positions

with many companies. You aren't alone in this, as many top executives have multiple positions. Do you think this concentrates a lot of industries in the hands of a select few and limits the entry of new blood?

This is a valid criticism and I have taken it to heart by gradually reducing the number of board positions I hold. I do agree that we need to bring new and younger people into a number of positions so as to broaden and spread our experience base.

When Nelson Mandela was released from prison, you were on the national reception committee and it's no secret he wanted you to be his replacement in the presidency. Are you still close to him?

Nelson Mandela is not only my leader, he is my father as well. Much of what I know in politics I have learnt from him and it has been a great honour to have worked under him as his Secretary-General.

Like many of his comrades and children, I remain close to him and cherish him.

You played a critical role in negotiations leading up to the freedom election of 1994 and in the crafting of the Constitution that set the rules for the transition from apartheid to democracy. Do you think we are living up to the standards set up in the constitution?

When we finished drafting our Constitution we knew that we had embarked on a new journey of freedom, learning and discovery. The Constitution was to be our lodestar and guide as we traverse uncharted waters. We are still on that journey. Our ship has not sunk. It does not have holes. And it is not taking water.

I can attest to the fact that we continue to live up to the highest standards that we set up for ourselves in our Constitution. I am convinced that we will not waiver or depart from the course we have chosen. As our Constitution is a living document, it is meant to help us navigate our way around the challenges that keep coming our way.

What are your feelings on the current state of the nation and the ANC? Do you believe there are two factions up against each other?

I am saddened by the rift that is developing in the ANC. Those who are leading a splinter group appear to be too angry and incoherent.

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One would have thought that in ANC style and tradition, they would have had the patience and the courage to raise their sense of unhappiness and grievance within the organisation without leaving in a huff to form a new organisation. It is often said that the mark of a person is when they do not allow trying and turbulent times to sway them from what must be done.

As they depart I remain convinced that the ANC is the only organisation in South Africa that is capable of uniting the people of South Africa and delivering a better life to all of them. The ANC led all the people of South Africa to freedom and it stands ready to lead us in deepening non-racialism, democracy, non-sexism and prosperity. The ANC was established to fulfil this objective and has sought to do so for nearly 100 years. The ANC and its members cannot escape this destiny. The ANC is the true embodiment of the aspirations and dreams of the majority of our people who suffered under apartheid. This is a responsibility the ANC has embraced and exists to fulfil as it seeks to serve and lead our country to a better life.

The comrades who resigned from the ANC will need to deal with the perception that they only want to lead and are not prepared to be led.

They also need to deal with another perception that their understanding of democracy is that if they are not elected they pack and go.

What is the most defining moment in your life?

My most defining moment was when I was elected Secretary-General of the National Union of Mineworkers in 1982. I was a 30-year-old Soweto township boy who was given the unbelievable honour and privilege to serve mineworkers.

By electing me, mineworkers had invested their trust and confidence in me.

As a young person who had never worked on the mines I found this to be a huge challenge as I had to articulate their struggles, fears, experiences and aspirations.

What are you currently reading?

The Wealth and Poverty of Nations by David Landes.

What pastimes/hobbies do you enjoy?

Reading, jazz, golf and cattle farming. △

Robbie Stammers