

## PRIVATE SECTOR

# Let's talk about how business and human rights are inextricably linked

Can we have a market economy that supports human enterprise without falling victim to the market society?

**Brian Ganson**

**B**usiness and human rights have been at odds for most of SA's history. In 1893 British periodical *Truth* called Cecil Rhodes "the head of a gang of shady financiers" who operated "on the principle that godless heathens ought to be mowed down with Maxim guns if they happen to inhabit a country where there may be gold".

A century later, the Truth and Reconciliation Commission documented "the role business played or failed to play in the apartheid years", ranging from active collaboration in security structures to complicity in labour repression, pass laws and forced removals.

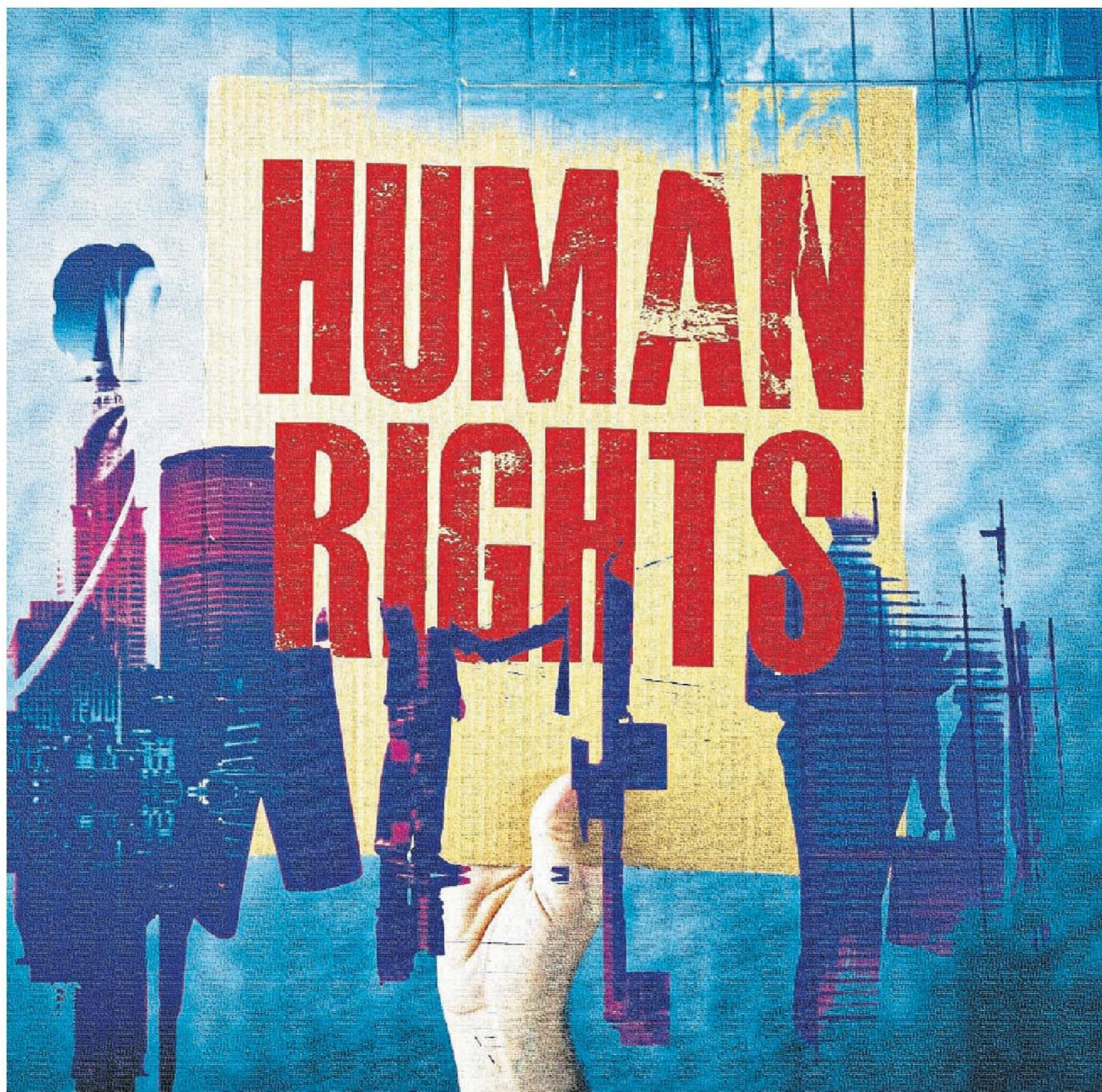
And with the SA Human Rights Commission stating unambiguously in 2016 that "the mining sector is riddled with challenges related to land, housing, water, the environment and an absence of sufficient participation mechanisms and access to information", as well as a slew of more recent corruption scandals involving not only shady actors but some of the world's most prominent corporate names, the post-apartheid story seems to be one of sorry continuity rather than of positive change.

Yet measured voices such as that of Harvard economics professor and Nobel laureate Amartya Sen remind us that "no economy in world history has ever achieved widespread prosperity, going beyond the high life of the elite, without making considerable use of markets".

We only need to look around, from smallholder farmers to street traders, to remind ourselves that making, buying and selling are deeply embedded in our collective DNA.

A sensible question therefore seems to be how we can have a market economy in SA – supporting and rewarding human enterprise – without also falling victim to what political philosopher and Harvard Law School professor Michael Sandel calls the market society, one where human beings are disposable inputs and the human rights of people outside the workplace not a business concern.

A starting point for an answer might be to more critically examine the global economic system we have wholeheartedly embraced since the democratic transition – one where hot capital



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with short-term objectives is richly rewarded in SA, to the detriment of long-term investment in productive assets and human capital.

Ethiopia and Rwanda, African countries that have experienced positive growth in their economies and a wide variety of social indicators – as well as China – have notably implemented heterodox approaches to economic development that help to take the sharper edges off global capitalism. In SA, in contrast, we argue endlessly over the minimum wage for farm workers, while in practice we let it be set by global buyers who threaten to stop buying fruit from us should we dare raise wages and thus prices.

A next step may be to unambiguously acknowledge that business is part and parcel of our political economy, directly shaping human rights outcomes through its own actions and inactions. It is almost quaint to look back at how mass movement and white business leaders gathered under the banner of an "apolitical economy" when, in 1990, the Consultative Business Movement (CBM) helped organise a meeting to reduce mutual distrust and start work towards a new national economic framework.

The intervening years have made clear that we must put to rest any notion that wealth creation and the human rights advancement that comes

from wealth distribution can somehow be treated as separate.

SA has a youth unemployment rate of about 50%. The prospects for the future may be even dimmer: extrapolating from recent statistics, less than a third of pupils currently in grade 1 will achieve their matric, and only a third of them will go on to higher education – even as the economic prosperity and civic engagement that underpin human rights require ever greater skill and engagement. This is a recipe not only for human rights disaster but for massive social upheaval.

Even a private sector driven largely by its own interests should therefore be looking much harder at itself and the role it can play in advancing human rights. Yet, as the founders of the CBM critiqued in the apartheid era, private sector actors in contemporary SA – even when they are not directly undermining human rights through practices that are either outright illegal or merely brutal – appear "to want to follow an ongoing incremental route and to rely primarily upon government-led initiatives".

The CBM was a latecomer to the democratic transition, and even its supporters caution that "it is important not to exaggerate the role CBM played, nor to make claims for business in general". All the same, it operated under the principle – one that resonates today – that business "cannot afford itself the privilege of staying out of difficult conversations".

It is perhaps again time to recognise that "traditional methods of interaction" by business on issues of human rights are inadequate.

A vanguard is once again required to reaffirm the power of dialogue, trust-building and consensus within the broadest possible circle of SA society; to exercise fearless opposition to those inside and outside the government who resist the progress envisioned by the constitution; and to empower those change agents in the broader society most in need of support.

This will require a "voluntary and independent group of senior business leaders and corporations" today, as the CBM described its own role then, willing to "acknowledge and support the need for constructive transformation of SA's political economy" in the interest of human rights for all.

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