

Address by Mr. Malusi Gigaba, Minister of Public Enterprises, at the ABASA FQE Dinner, on the 14th April 2011 at the Sandton Convention Centre in Johannesburg

I would like to take this opportunity to thank you most sincerely for inviting us to this auspicious occasion of celebrating with our brand new Chartered Accountants who have successfully completed the Final Qualifying Examination towards admission as Chartered Accountants.

This occasion offers us an opportunity together to celebrate black success and, at the same time, to ponder about what the future holds for us and what type of future do we want.

In a way, I wish this celebration was held at an open arena, where every young black South African could watch and draw inspiration, to remind ourselves of the path we have traversed to get to where we are today and also to focus our gaze across the endless horizon to think of ways the more to expand the frontiers of our dreams as a people.

This is important because the journey traversed both by ABASA the organisation as well as black accountants is an heroic journey worth celebrating and reflecting upon, not only because of the intertwined past of these two, but most importantly because of the future they both represent.

ABASA was formed in 1985 to address, as it said, inequalities in the accounting profession resulting from racial discrimination.

Quoting from ABASA's booklet prepared for its 25th Anniversary, it says:
"The founders of the Association realised that successful economic growth and governance required sound accounting and efficient information systems. For the black population to effectively participate in the growth of the South African economy, it was crucial to develop their accounting capabilities".

There is a profound sense of irony in this that formed during the most difficult in our country's history, during that most violent and repressive period, ABASA still had the foresight to think about and have the hope and conviction that there was, in the midst of all the repressive insanity, the possibility that there would one day be governance that involved the black

majority and this majority would someday participate in the growth of the South African economy.

When the modern South Africa as we know it today was formed in 1910, following the very savage South African War of 1899 to 1902, which had resulted in massive casualties among South Africans of all races, the black majority were excluded from the final settlement in order to remove them as a menacing threat in the political and socio-economic setup that was to emerge after the War.

Of course, maliciously the two principal protagonists during the war, both the Brits and the Boers, connived to dub this as the “Anglo-Boer” in order to discount the contribution and casualties suffered by black people, and thus to make sure that no benefits were to be had by black people as a result of their participation in the war, when the spoils of the war were shared.

Throughout the years of the Union and subsequently apartheid South Africa, the exclusion of black people from political and socio-economic participation was to be pursued with an unnerving totality, ensuring that they had did not have the education, the skills or the political platform to participate in the country’s life.

ABASA was formed and issued these visionary words two years before the ANC itself on January 8th 1987 made a profoundly prophetic statement that:

“Of major importance is the need continuously to attend to the issue of raising the calibre of the leadership of the youth, to impart to them the skills that are necessary for them to carry out their tasks as the shock troops of the revolution. It is also vital that we further reinforce the unity of the black youth as a whole and strengthen the integration of the youth struggles with the broad democratic movement...

He proceeded, addressing himself directly to the challenge of education, to say:

“The school, the college, the university is for us more than a place for formal education. It is also our assembly point, the location at which we marshal our forces, organise them and take the opportunity to give the order of the day. We must fight the enemy for the right to be at our respective institutions of learning, within which we should build and organise our democratic structures and within which we should

introduce the system of people`s education which is a decisive element in the future of our country and people.

“To return to school must therefore be seen as a revolutionary act which puts us in a better position further to advance the struggle for a people`s education in a society in which we, the people, shall govern.”

In this regard, two years after ABASA`s prophetic words about the possibility of black people`s participation in governance and economic growth, OR also made the equally profound prophesy that education and raising the calibre of the youth were vital in order to put us in a better position further to advance the struggle for a people`s education in a society in which we, the people, shall govern.

Indeed, two years after OR made these prophetic words, Walter Sisulu and his fellow Rivonia Trialists were freed from Robben Island, and Madiba a year later, in what was the clearest signal that the participation in governance and economic growth about which ABASA had spoken was no longer a pipedream.

We stand here today as the beneficiaries of not only those prophesies, but the struggles and sacrifices that made these prophesies a reality.

In this way, we can make bold to say that ABASA, during the most difficult period in our history, was visionary as it was courageous.

You continue today to have a vision of an even brighter future, knowing that the participation in governance and economic growth your organisation sought at the point of its founding has not yet been accomplished.

As at 28 February 2011, of the 31 758 qualified chartered accountants in South Africa, approximately 5 525 were black – 17 percent. Taking into account that we are 17 years since our first democratic elections and 35 years since the qualification of the first black accountant, the prevailing state of affairs is an indictment on all of us, the government, the accounting profession, commerce, our universities and our youth.

It is our responsibility as government to ensure that transformation is meaningful and that the barriers to entry in this profession as well as to the economy as a whole are dismantled.

By 2010, it was estimated that South Africa still needed approximately 22,030 accountants.

The question I wish to ask tonight is, is there still a need for black professional and business organisations?

Perhaps the best way to respond to this question would be to answer the question whether we have accomplished the strategic objective to create a non-racial, non-sexist, democratic, united and prosperous South Africa.

What conditions would we need to create in order to be able to accomplish this strategic objective?

The very fact we have mentioned earlier that only as at 28 February 2011, only 17% of the 31 758 qualified chartered accountants in South Africa were black should mean that ABASA's struggle is not over, and hence ABASA's relevance itself is not yet diminished.

Generally, we all know this that in the corporate, political and even sports sectors, black people are defined as incompetent, unprofessional and the epitome of lack of merit.

We are defined as corrupt and our relations with one another as both a source and consequence of corruption.

This includes those that are skilled and professional, who work hard and have not committed any corruption whatsoever.

The view that we are inferior still persists in all fields in which we are involved. That you as an individual might not have come across such views does not mean they no longer exist; just as it is difficult today to find anybody who supported apartheid and voted the National Party.

ABASA must help to re-affirm black leadership everywhere, precisely because as black people, we have a common destiny beyond our individual or professional spheres.

We still have to defeat racism in the corporate world and the workplace because the fact is that black people, individually and collectively, continue

to be viewed as a “problem” and when we assert our right to be equals we are still regarded as such a “problem”.

That is why some view BEE and Affirmative Action and Employment Equity as a problem, regardless of the fact that points, on the contrary, that the white youth have not been as disadvantaged by these policies as black people have by the lack of a robust and more rigorous and vigorous pursuit of these self-same policies.

It is precisely against such a notion that we are a “problem” that we need to rebel, everywhere and at all times, indeed, to re-assert our humanity.

The starting point is to realise that we too are people, and having such conviction, to be unapologetic about it and persuade all others themselves to realise and believe it too.

I wish to submit here tonight, in terms that others might consider controversial, that those who still wield economic power – who own productive forces – do not want to see the emergence of a black middle stratum and capitalist class; they are happy with us remaining uneducated, unskilled, cheap and often a reserve army of labour.

ABASA must continue to be the leading light of black success, black achievement and black excellence.

In our areas of economic and professional involvement, we must negate the destructive notion that black people, merely by being black, are lazy, incompetent, corrupt, inefficient, unprofessional and lack ethics.

Our quest for black success to be viewed as a credit to our society is not helped, of course, by those who embark on acts of the most pathetic display of wealth – conspicuous consumption – that shames the entire hard-working, emerging black middle and capitalist classes, who achieve their so-called success through bribery and corruption and turn around to demand that we celebrate what is but a reprehensible achievement.

We dare not flinch in our quest totally to free ourselves, to achieve the noble ideal of total emancipation.

The black success to which we refer must be based on the best attributes of our people, driven by the spirit of ubuntu and predicated not on the pursuit of easy wealth by all means necessary, but on hard work and ethical conduct.

It is for this reason that the SOEs must leverage on their vast infrastructure spend to unlock not only growth in the economy as well as the customers and suppliers, but to transform the economy in favour of those hitherto excluded and marginalised.

We have said that in implementing the investment programmes, we will endeavour to entrench procurement leverage in the fabric of our SOEs and plan and execute our procurement to sustain and develop our industrial capabilities.

SOEs need to move from short term ad-hoc relationships with suppliers to long term strategic partnerships so that they build Centres of Excellence that will, over time, export to a regional and global market.

We will try to embed and improve these new approaches to procurement leverage.

Consequently, we have a vision that recognises the intrinsic link between the investment of SOEs and the growth of the SOE customers and suppliers.

Further to this, we will drive our SOEs to focus on the implementation of the transformation policies and legislation, including effecting transformation in procurement.

Given our historical legacy, it is important to understand the importance of transformation in enabling the infrastructure investment program and economic growth.

We have thus challenged the SOEs to pursue transformation more vigorously and we have promised that we will hold the Boards and CEOs to account for failure to make progress in regard to transformation.

I have tasked the Department of Public Enterprises to obtain views from the organised formations in the professions such as yours, the lawyers and engineers on decisive interventions that will ensure that in the procurement

of services from the professional service providers, the government plays its role in pursuit of transformation.

It is about time that deliberate and bold measures are taken to ensure that an environment is conducive for the emergence of black owned accounting and auditing firms of the size of the established and international firms.

Further, we need to take steps as are necessary so that those who wish to practice as CAs have a wider choice in respect of their ideal employers and are not disadvantaged by the colour of their skins. As I have already stated, transformation is not the responsibility of government alone.

A paradigm shift is necessary. There has to be a collective national will to transform our society into true national democratic society.

In conclusion, I wish to emphasize to you that as a professional and a recently qualified CA you have a qualification that is still too rare amongst us, and thus have a role to play in shaping our society. It is your duty to continue the fight for a society based on equality and the protection of basic freedoms as guaranteed by our constitution.

I thank you.