

‘Good Capitalism, Bad Capitalism: The Role of Business in South Africa’
(Book launch at NWU Business School: 5 June 2018)

“We cannot – in the light of what has happened in South Africa, in the light of what we know and what is still emerging – accept that it’s business as usual,” said **Professor Raymond Parsons** at a recent gathering of academics and business people in Potchefstroom.

Professor Parsons was speaking at a VIP cocktail function on 5 June at the NWU Business School to mark the launch of *Good Capitalism, Bad Capitalism: The Role of Business in South Africa*, a book that he has written together with **Ali Parry**. Professor Parsons remarked that South Africa has reached a critical point in its complex history, with a rapidly evolving political landscape that offers renewed hope to many. Yet entrenched socioeconomic problems, if not now seriously addressed, will continue to keep the country performing well below its potential and society as a whole deeply divided.

Set against the backdrop of several decades of political and economic changes and challenges in the country, *Good Capitalism, Bad Capitalism* stresses that the business sector has a pivotal role to play in shaping the national agenda and helping to bring about President Ramaphosa’s promised ‘new dawn’. However, over the years business (and especially organised business) has become increasingly marginalised in economic policy-making circles. The impact of this has been all too apparent in the declining economic growth rate, rising unemployment, growing tensions over land (or the lack of it), and lacklustre innovation and entrepreneurship. Fresh thinking and more committed action on the part of government, business and labour are needed to reverse these negative trends.

A key factor contributing to the business sector’s waning influence in policy-making spheres (and one of the main themes of the book) is that the organised business sector – represented by chambers of commerce and business associations – has become increasingly fragmented over the years, with different entities adopting competitive mandates and sending a confusing mixture of messages into the market place. The absence of a collective ‘voice’ for business (from the very large to the very small) makes it much more difficult to arrive at creative and holistic solutions to South Africa’s problems.

“A responsible democracy goes hand in hand with a vibrant and accountable private sector, or the so-called capitalist system”, said Professor Parsons. As the title of the book suggests, capitalism has its proponents and its detractors. “Capitalism is under pressure in South Africa,” he continued. “There are negative perceptions about it – understandably so, given the many financial scandals that have come to light in the public and private sectors.”

But it is also capitalism that provides opportunities for entrepreneurship, innovation, diversity in production, healthy competition and inclusive growth. For ‘good’ capitalism to take root and deliver the kind of results that people are anxiously awaiting, there must be widespread institutional capacity, good governance and investment-friendly policies that are capable of being implemented.

An important feature of the book is that it extracts lessons from the past in proposing a way forward for South Africa – towards a future characterised by committed action and not empty ideology. All too often leaders turn a blind eye to history, with the result that history sometimes repeats itself in cruel ways. South Africa needs to take a balanced view of its recent and more distant past and arrive at well-informed choices as to how to make a fresh start under the Ramaphosa administration. In particular, said Professor Parsons, the book offers several suggestions on how business can “get its act together more successfully”. A more cohesive organised business sector is a vital ingredient in this regard.

NWU Vice-Chancellor **Professor Dan Kgwadi**, who was the guest speaker at the launch, commended Professor Parsons on his contribution to the university over the years. He said that through Professor Parsons’ scholarship, regular media presence and ongoing engagement with the business community, he has gone a long way towards keeping the university “on the map”. The launch of a timely and thought-provoking book like *Good Capitalism, Bad Capitalism* constitutes another important milestone for the NWU and the Business School in particular.

Good Capitalism, Bad Capitalism: The Role of Business in South Africa (published by Jacana Media) is available from Exclusive Books countrywide, Loot (order online from <http://www.loot.co.za>) and Van Schaik bookstore (Potchefstroom).