



BUSINESS AGAINST CRIME SOUTH AFRICA

ADDRESS AT THE BUSINESS BRIEFING BREAKFAST

- 28TH OCTOBER 2009

Johannesburg

INTRODUCTION

Honourable Minister Mthethwa, National Commissioner Cele, Chief Executives of Business Leadership South Africa and Business Unity South Africa, valued donors, members of the Government and SAPS, distinguished guests, ladies and gentlemen; on behalf of the Board of BACSA and the 21 members of management and staff, I welcome you to this meeting.

BACSA was formed 12 years ago when President Mandela called upon the business community to become involved in the fight against crime. Today 12 years later the crime rates are higher than they were then. And so today I believe my task is to answer two very simple questions that are on your minds and on the minds of many South Africans who have been touched by crime.

The questions are:

- *What can business do to reduce crime?*
- *Why should Government and business support Business Against Crime South Africa?*

WHAT CAN BUSINESS DO TO REDUCE CRIME

Before answering the question “What can business do to reduce crime?” it is important to be clear about what business cannot do.

Firstly, business does not have the resources or skills to deal with the underlying socio-economic causes of crime.

You do not need me to remind you ladies and gentlemen that the parents of today’s teenagers were victims of the 70’s and 80’s, when their education, confidence, self esteem and employment opportunities were undermined by the previous regime.

For millions of today’s youth their family unit, their education and their role models run contrary to the development of a sound value system. Teenage pregnancies and absent fathers have resulted in very little childhood supervision and discipline. Schools that cannot teach people to read cannot be expected to teach morals and values. And when



the young people of Thokoza, Diepsloot or Khayelitsha see a 30-year old driving a flashy car, they know that he is more likely to have acquired it through crime than through education, enterprise, integrity and just plain hard work.

With regard to the socio-economic circumstances that contribute to crime, business can only play an indirect role. We can create and grow sustainable businesses that generate the taxes that pay for our politicians, civil servants, teachers and social services. We can employ people and train them to acquire the skills that make them self sufficient. And we can make the donations and investments that attempt to improve the lives of the communities that are touched by our businesses.

Individually, the businesses represented in this room today pay billions of Rands every year in taxes, salaries, training and development, and corporate social investment. But, apart from these initiatives business cannot effect the broad based societal changes necessary to deal with many of the underlying causes of crime. Business cannot provide the housing, public services, family life, and values which are the foundation of personal achievement. Business cannot provide the schools, educators, exposure and experience necessary to create confident, competent citizens. Business cannot motivate young people to study those subjects that will ensure their employment and careers. These are the responsibilities of the government in support of parents and teachers.

Secondly the business community cannot intervene or act in isolation.

The maintenance of law and order and the provision of safety and security for all who reside in or visit a country is a primary obligation of a democratic government.

In South Africa, the rights to security of person and property of all people in the country are enshrined in the Bill of Rights. In terms of the Constitution, the supreme law of the Republic, the State is enjoined to “respect, protect, promote and fulfil” the Bill of Rights.

This responsibility cannot be delegated, abdicated or shared. The State cannot pass on the responsibility to uphold people’s rights to safety and security and it cannot blame others when people’s safety and security is compromised. Conversely no one can interfere with this responsibility and civil society, including organised business, can only play a role when specified, and invited to do so, by Government.

Since its founding, the success of BACSA has correlated entirely with the resolve of Government to engage with the organisation and to commit resources. The blacklisting of cell phones, the microdotting of cars, the vetting of security personnel, the deployment of CCTV cameras, the Automatic Number Plate Recognition, the improvement of the 10111 service and the review of the Criminal Justice System (CJS) were all projects where BACSA



was invited to assist and did so in partnership with various branches of Government interfacing with different levels of governmental hierarchies.

In BACSA we understand and respect the concept of a public private partnership and it was therefore gratifying to have Minister Mthethwa stress the desire to work with BACSA when I first met him after his appointment to President Motlanthe's cabinet.

The approach to crime by the present administration has been encouraging and has opened the way for BACSA to play a constructive role in crime reduction. At the Minister's suggestion the structure, scope and responsibilities of the relationship with BACSA is being formalised in a Memorandum of Understanding, which includes the appointment of senior politicians and Government officials to the BACSA Board. In arriving at this point the Minister has demonstrated candour, realism, resolve and efficiency, while his staff has been proactive and urgent.

In like vein, National Commissioner Cele has been quick to meet with police leaders throughout the country to convey two equally important messages: one that poor performance and corruption will not be tolerated, and two that police officers cannot be the helpless victims of ruthless criminals who have no respect for the law or for life – they must shoot before being shot. Against the background of too many police deaths at the hands of gunmen, this second message was intended to reinstate some self-esteem. To those of you who are concerned about this approach, may I suggest that you reserve your judgement until the mooted changes to Section 49 of the *Criminal Procedure Act* have been clarified within the bounds of the Constitution.

In support of the Minister and the National Commissioner, the President's address to station commanders a few weeks ago reflects an engagement and alignment of the Presidency, the Ministry and the police that has not been present for some time. This integration is further enhanced by the reconfigured Justice, Crime Prevention and Security cluster, which includes the Minister of Justice.

Total Government alignment in the fight against crime was further reinforced with many of the decisions announced in yesterday's mini-budget. Minister Gordhan advised that Detective Services, Crime Intelligence, and the Directorate for Priority Crime Investigation would all be substantially strengthened with the appointment of over 22 000 mainly detectives and investigators. His statement further stated that the fight against crime must be enhanced inter alia by partnerships and by the review of the Criminal Justice System. BACSA is deeply committed to the first and intimately involved in the second.

May I say honourable Minister, National Commissioner, ladies and gentlemen, that the business community in general and BACSA specifically are today better poised to work



with Government than anything I have experienced since becoming involved with BACSA.

And so how can we seize this opportunity? How do we capture this important moment in our history when the first term energy of a new administration coincides with our exit from a recession and our hosting of one of the world's greatest sporting events? How do we as business ensure that this remarkable convergence of events is not ruined by the selfish few who think that our country is their criminal playground?

The first and most important obligation of business is to comply, and be seen to comply with the letter and spirit of all laws.

You have only to tune in to a talk show or read the letters page of a newspaper to realise that the majority of our fellow citizens have a low regard for, but very high expectations of business. It is easy for those who have never created a Rand of free cash flow to make continual claims on the wealth created by business or to blame business for many of problems in South Africa today. However uninformed these views may be, they indicate that we have a long way to go to position business as part of the solution rather than the problem.

And so business people cannot complain about a high crime rate when they are colluding to fix prices, when they are winning Government tenders through favours to politicians and public officials, when they trade in stolen goods, or when they bribe a licensing official to avoid a fine. As a business community we will only be credible when we fully adhere to all laws and when we communicate and propagate within our businesses a value system that is respectful of the laws of our land and uncompromising in their implementation.

Secondly, the business community can organise within their premises, within their companies and within their sectors to protect their interests.

Organisations such as the South African Banking Risk Information Centre, the Consumer Goods Council of South Africa, the South African Property Owners Association, the National Automotive Dealers Association, the South African Petroleum Industry Association and many others have moved beyond their core mandates to play a role in mobilising their members to reduce crime. Today South African businesses spend billions to protect their employees, assets and customers from crime and our approach to the location, operating practices and working hours of our businesses have had to be altered in response to criminal activity.

How many of you would be prepared to pay 5% more company tax and 5% more personal tax to eliminate crime in South Africa?



If this group is indicative of broader South African society, and if my calculations are correct Mr Minister they have just agreed to almost double your budget.

And so I move to my second question.

WHY SHOULD GOVERNMENT AND BUSINESS SUPPORT BUSINESS AGAINST CRIME SOUTH AFRICA?

It is not my place to speak on behalf of Government, but there seem to be a number of good reasons to work with BACSA:

- The first and most obvious is that through its networks and technologies BACSA can assist Government to rapidly and effectively communicate messages and co-ordinate initiatives within large sectors of commerce and industry. A recent example of this was the vetting of private security guards.
- Secondly, through BACSA, business could mobilise proven solutions to similar technological, logistical, human resource and organisational problems in the Criminal Justice System. Here issues such as docket and call centre management come to mind.
- Thirdly through its membership base, BACSA is able to identify specific skills that can be seconded to government for specific projects. An example of this is the current review of the CJS, a project to which Government has dedicated billions of Rands and Nedbank responded favourably to a BACSA request to second a senior Executive.
- A fourth reason is that as knowledgeable objective outsiders, BACSA could generate new, innovative, even unconventional, ideas that employees of the Government might be reluctant to raise.
- Another reason is that the membership of BACSA comprises all of South Africa's largest businesses, many of which have extraordinary amounts of electronic data on the movement, financial position, expenditure and communication of millions of citizens and visitors. With the proper authorities and warrants, this information can be accessed to investigate and prevent criminal activity.
- A final and most important reason is that we have no political objectives or ambitions and no ulterior motives – we simply want to assist Government to reduce crime.

From a business perspective, there is an equally compelling list of reasons to work with BACSA and I will mention a few.

- Firstly, BACSA can facilitate and co-ordinate proactive crime prevention projects within the control of the business community.
- Secondly BACSA provides a co-ordinated focussed interface on crime between members and the Government.
- Thirdly BACSA comprises a small but dedicated group of experts who will address business specific needs around crime prevention.



- Fourthly BACSA can influence Government's crime priorities based on specific business information and insights. The dramatic reduction of cash in transit robberies has been an example of this.
- Another reason is that BACSA facilitates collaboration and integration between unrelated business sectors and the various arms of the Criminal Justice System.

Having answered these two questions we look forward.

LOOKING FORWARD

Honourable Ministers, ladies and gentlemen, we are here today because all of us are deeply disturbed by the level of crime in our country. Our most recent crime statistics show marginal progress in certain areas and a disturbing deterioration in others. There is no escaping the fact that our crime rate – particularly that of violent crime perpetrated on ordinary citizens – ranks very high by world standards.

It is impossible to measure the impact of this high crime rate on our country. The cost of lives lost is incalculable; the burden of fear, trauma and anxiety is a weight we all carry; the direct and indirect financial cost to state, businesses and citizens runs to tens of billions of Rands annually and with each new crime or corrupt practice we lower our moral and ethical standards.

We are also here to today determine the future of BACSA.

BACSA has two distinct roles. The first is to get our own house in order by co-ordinating anti-crime initiatives within the business community. The second is to partner Government in the fight against crime, *when we are invited*, by sharing the expertise, processes and technologies that we have in business.

The success and survival of BACSA is entirely dependent on two constituencies.

The first is the Government, represented here today by the Ministers and Commissioner, to whom our work must provide tangible value. As a new democracy with a desperate history, we face extraordinary socio- economic challenges that exacerbate crime. Solutions to these challenges fall beyond the abilities or resources of BACSA. We cannot help you with this.

On the other hand notwithstanding the causes, lawlessness is a direct consequence of Government policy. Where citizens have no respect for the law, or know that their chances of being caught, charged, convicted, and punished are low, that country has a high crime rate. The opposite is also true. Where laws are upheld and those who transgress the law know that there are consequences, that society has a lower crime rate.



In this regard we commend you Mr Minister on the appointments, approach, pronouncements and resource allocation of the new administration and assure you that BACSA is deeply committed to assisting in whatever manner you believe we can. If you believe that the expertise, skills and resources of business can be used in a collaborative partnership to reduce crime, we stand ready to serve in the confidence that with adequate government commitment of human and financial resource we can ensure the successful roll out of proven programmes.

The second constituency that holds the key to BACSA's future are the companies who have so generously funded the organisation over the years, represented by many of you here today.

With the exception of the Chief Executive Officer and Deputy Chief Executive Officer, the board of Business Against Crime South Africa comprises a diverse group of business people who serve, without any compensation or benefit, in support of the Vision And Mission of the organisation. As custodians of an incorporated association not for gain, the board of BACSA is ever mindful of its obligation to ensure that monies from donors are expended wisely in prudent pursuit of the organisation's objectives. To this end, over the past eighteen months BACSA was restructured to ensure the maximum impact on every Rand of expenditure. I can assure you ladies and gentlemen that there is no wastage or excess and the monthly costs of just over R2m are the minimum required for the organisations survival.

I mention these matters of governance because we are once more compelled to appeal for your donations. For the past year, as we waited for the new administration to signal its intent, it was unrealistic to embark on a fundraising campaign. Some weeks ago, in anticipation of us running out of funds in November, I wrote to selected companies requesting a repeat of the donations you made in 2008. To those who responded so rapidly and generously, I extend the gratitude of all at BACSA.

This morning, given the approach of the new administration, I extend the appeal to all of you and ask you to put a different proposition to your Executive Committees or Boards. The proposition that I wish to propose this morning is that you make a three year commitment, subject to an annual presentation by the CEO of BACSA at which the progress and impact of the organisation can be evaluated. This approach will ensure that your investment in crime reduction will be more fully informed and that BACSA will be better placed to operate as a going concern.

It would be remiss of me not to respond to those in the business community who say that BACSA has become an apologist for Government and that we are deflecting attention



from Government's accountability for crime. My response, if you will excuse the analogy, is that this is blaming the gun for the murder.

We believe that partnerships are founded on trust, which is undermined by public confrontation. BACSA will work with Government in a critical and constructive manner but we see no merit in either lauding our successes or berating our partners publically. We have no desire for kudos or providing fodder for political point scoring. We are here to work with government not to criticise it on behalf of business or broader society. The South African public needs to know that BACSA is not a mouth piece for their frustrations or their proxy in dealing with Government on crime.

BACSA will however continue to express our differences in appropriate public fora when necessary. Our recommendations to Parliament on the dissolution of the Scorpions and our presentation at the December Crime Summit are cases where Government responded very positively to our contributions.

BACSA cannot and will not be held accountable for crime. The notion that a few part-time business people and 21 staff, however dedicated, could reduce crime is as unrealistic as it is patronising.

CONCLUSION

In conclusion Honourable Ministers, distinguished guests, ladies and gentlemen; I leave you with some final thoughts.

Over the past eighteen months, we have seen a liquidity crisis and a collapse of the major economies of the world unlike anything since the great depression. With very few exceptions, the entire developed world has entered into recession and the growth of developing countries is being severely depressed. South Africa has not been spared and all of us, particularly the poor, are experiencing very difficult economic times.

Even in better times, crime in South Africa is very complex and inexplicably violent. Too many citizens live in desperate socio-economic circumstances, the efficiency of the Criminal Justice System is simply too low to be a deterrent and our borders are too porous. There is no simple or immediate solution to these problems and suggestions to the contrary are based on ignorance.

In this environment, inward and local investment has declined and those of us involved with the control of crime must ensure not only that the safety and security of all who live in and visit South Africa is assured, but also that a high crime rate does not discourage the investment that is so necessary for our survival and growth.



The board and the 21 employees of BACSA remain dedicated to playing a small part in redressing the situation and look forward to the support of Government and our donors to do so.

Mister Minister, valued donors, the future of BACSA is in your hands. Whether or not BACSA continues and makes a contribution to the reduction of crime is entirely up to you.

Thank you

MARK J. LAMBERTI
28 October 2009



Mr Mark Lamberti, Chairperson: BACSA, and Minister of Police, Mr Nathi Mthethwa, at the BACSA Business Briefing – 28 October 2009.