FW de Klerk
FOUNDATION

SPEECH BY FORMER PRESIDENT FW DE KLERK
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SOUTH AFRICA: PAST, PRESENT AND FUTURE

I should like to talk about South Africa: our past, our present and our future - about

- where we have come from since the 1980s;
- where we now find ourselves; and
- where we are going.

It is especially appropriate to do so now - because I can recall no time since 1994 when so many South Africans have been so despondent.

We should remember 1994 - not only because it was the birth of our new society - but because it provides an important reminder that we South Africans have the ability to solve even the most intractable problems.

It is easy to forget now how desperate our situation was in the mid-1980s:

- Our efforts to reform apartheid - including the scrapping of more than 100 apartheid laws and the introductions of the tricameral parliament had simply redoubled demands for "one-man, one vote";
- We were beset with internal unrest and increasingly violent protests;
- Scenes of chaos and insurrection in our streets dominated TV screens throughout the world;
- After the Rubicon speech the rand had plummeted through the floor;
- Unsure of the government's ability to control the situation, international banks had pulled the plug on us by refusing to roll over our short-term debt;
- Demands for comprehensive economic sanctions were reaching crescendo pitch;
- Our armed forces were confronting increasing attacks on our borders and the borders of Namibia - attacks that were supported by 50 000 Cuban troops.

There were no signs of light on the dark and stormy horizon.

And yet - by 1990 - we had clawed our way back from the precipice.

- The victory of our forces at the battle of the Lomba River in September 1987 had finally convinced the Soviets, the Cubans and the Angolans that there was no prospect of a military victory.
- The following year we began negotiations on the withdrawal of Cuban forces from Angola and the parallel implementation of the UN independence process in Namibia;
- Also by 1987 the ANC had accepted that there would not be a revolutionary outcome in South Africa and that the only path to the future lay through negotiations;

- The successful independence process in Namibia in 1989 showed that it was possible to negotiate successful outcomes with enemies;
- Finally, the collapse of the Soviet Union - symbolized by the fall of the Berlin Wall in November, 1989 - signaled the arrival of an entirely new global paradigm.

By the beginning of 1990 these events had opened a historic window of opportunity for a peaceful and negotiated settlement. We did not hesitate. We jumped through - and after almost four years of roller-coaster negotiations we were able to reach a national accord on our future.

It was our proudest moment.

Our 1993 and 1996 constitutions were the outcome of the genuine give and take process inherent in all negotiations. The final agreement was at least as close to original negotiating positions of the non-ANC parties as it was to that of the ANC.

It contains all the basic rights that we need to maintain a free and prosperous society.

- It articulates the values of human dignity, equality, fundamental rights and non-discrimination on which the new South Africa has been established.
- It acknowledges the supremacy of the Constitution and the rule of law.
- It makes provision for all the institutions and mechanisms that are necessary for multiparty democracy based on accountability, openness and responsiveness.

It has served us well for the past 19 years.

Which brings me to the present.

It is important to remember the many, many successes that we have achieved since 1994 - many of them as a result of government action:

- We have experienced 19 years of economic growth - interrupted only briefly by the global economic crisis of 2008.
- The regulation of our security exchanges and our reporting standards are the best in the world;
- Our banks are the second soundest in the world and our corporate boards are the second most efficacious. Our financial services and protection of minority shareholders are third best in the world and our ability to finance local equity is the fourth best internationally.
- We are one of the primary gateways to Africa - and are now the fifth largest investor in the continent.
- We have also made significant social progress:
    - The percentage of the population living in absolute poverty has declined to less than 20% - largely because of social grants.
    - More than three million housing units have been built - enough to house almost a quarter of the population - with another million units in the pipeline;

  - More than three quarters of the population now have access to electricity, drinkable water and sanitation
- We have experienced moments - like the 2010 Soccer World Cup - when we have lived up to Archbishop Tutu's characterization of us as the Rainbow Nation of God;
- We have seen the rapid growth of new and self-confident black middle class. Whites now comprise less than 40% of the top decile of income earners.

At the same time we are beset by serious problems. One can hardly disagree with the diagnosis of the National Planning Commission regarding the nature of these challenges. They include:

- High unemployment - closer to 40% than the official figure of 25,6%;
- Poor education - especially for black South Africans - who fare badly in comparative tests with children from the poorest African countries;
- Poor public service delivery - which has led to virtually daily protests throughout the country;
- rising levels of corruption; and
- the fact that South Africa is still a divided society.

Another growing problem is the increasingly destructive role that is being played by our militant trade unions. It is one of the main causes of unemployment and of our failure to attract the foreign investment that we need for sustained economic growth:

- South Africa has the worst labour relations in the world. According to the World Economic Forum's Global Competitiveness Report it is the worst of 144 countries assessed in terms of co-operation in labour-employer relations;
- COSATU has continuously raised labour costs without commensurate productivity increases - which has inevitably resulted in job losses. South Africa's flexibility of wage determination is the fourth worst in the world.
- Our labour legislation is amongst the most onerous anywhere. South Africa's hiring and firing practices are the second worst in the world.
- COSATU's campaign to abolish labour brokers would lead to the loss of more than half a million jobs.
- COSATU has steadfastly opposed proposals to open labour markets to the unemployed.
- It is destroying jobs by alienating foreign and domestic investors through its confrontational stance and open support for nationalisation.

On top of all this came the Marikana massacre of 16 August last year; the subsequent wave of violent and uncontrolled wildcat strikes and hopelessly unrealistic wage demands. All this has been compounded by the precipitate fall of the rand against the US dollar.

So South Africa continues to present an anomalous picture to the world:

- on the one hand a picture of failing governance; out of control trade unions; rising corruption and daily service delivery protests - and
- on the other hand, a picture of economic dynamism, enormous opportunities and a counter-intuitive sense of optimism - particularly in bustling Johannesburg.

But what of the future?

Predicting the future is one of the most risky of all endeavours - since we live in such rapidly changing times. Nevertheless one can identify some of the salient factors that will undoubtedly influence the course of events:

- Whatever happens in South Africa will take place within the framework of macro-developments on the global stage - just as they have always done in the past;
- Secondly, current developments within the ANC's ruling alliance will play a key role. The question is whether the leadership will be able to hold together an alliance which now encompasses the whole spectrum
    - from Stalinism to social democracy;
    - from exclusive black nationalism to inclusive non-racialism;
    - from genuine commitment to sound governance to pervasive crony capitalism and entrenched kleptocracy?

  Will the ANC be able to continue to plaster over these increasing obvious cracks - or will it split?
- Thirdly, will it be possible to moderate the behavior of our rampant and wildly irresponsible trade unions?
- Fourthly, will the government break away from its race-based ideology and accept the idea that the skills of all South Africans must be used to enable the country to address its problems and achieve its potential?
- Finally, a critical factor will be our ability to maintain the excellent Constitution that we South Africans negotiated between 1990 and 1996 and the institutions that it mandates including
    - free and impartial courts;
    - an independent National Prosecuting Authority; and
    - government that is accountable, transparent and responsive.

So, these are the factors that will play significant roles in determining our future:

- What will happen on the global stage?
- What will happen within the ANC Alliance?
- Will we be able to control the trade unions?
- Will we be able to liberate ourselves from race-based ideologies? And,
- Will we be able to uphold our Constitution and achieve the vision that it articulates?

Personally, I remain an optimist - and believe that we shall be able to surmount the challenges that confront us now - just as we were able to overcome the much greater problems that we faced 25 years ago.

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