

## **Reflections on South Africa and the world: past, present and future.**

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It is a profound personal and professional pleasure for me to address this gathering as we meet to celebrate the 80<sup>th</sup> anniversary of a remarkable institution, the South African Institute of International Affairs.

I hope you will indulge me some personal reminiscences as I reflect on South Africa's place in the world – past, present and future - and the role of the Institute in that. For, as I will show, my own training and early career were intimately connected with the institute and I have remained associated with SAIIA in one form or another for almost 40 years.

I am a historian, trained at Rhodes University, where I completed my Masters degree in that turbulent year of South Africa's history, 1977. I left South Africa in December of that year together with my new wife to travel and live abroad. Good fortune and good timing saw me appointed to work as a researcher on a project on 'Sanctions and western interests in South Africa' in mid-1978 at the Royal Institute of International Affairs, Chatham House, where I spent a very happy and productive three years.

At Chatham House I reconnected with John Barratt, the then Director of SAIIA and Peter Vale, its Research Director, and was responsible for organising a joint SAIIA/Chatham House conference in December 1980 at Chatham House on 'Change in South Africa – what should the West do?' and that in turn paved my way for my return to South Africa to join the staff of Jan Smuts House as Director of Programmes in 1981.

What a different world that was! It bears repeating today in an era when too few South Africans can place events in their historical context – longitudinally, as it were - as well as latitudinally in their global context. Essentially this is the remit of SAIIA! So it is worth reminding ourselves that this was the period when the final phases of decolonisation in Africa played out - the withdrawal of the Portuguese from Angola and Mozambique following the officers' coup in 1974, the independence of these two countries, the long drawn out Rhodesian saga culminating after the Lancaster house conference in independence for Zimbabwe in 1980, and the continuing South Africa/Namibia dispute. The latter together with the Cuban invasion and the war in Angola lasted until the end of the 1980s. At the same time South Africa's policy of apartheid saw the country move

inexorably into isolation, growing sanctions - cultural sporting and economic – and domestic and regional conflict, the latter as South Africa's defensive aggression was projected onto the region.

During the period SAIIA had grown under the remarkable former diplomat John Barratt into a widely respected independent institution that not only provided sober and reasoned analysis of South Africa's position in the wider world but also played a quiet bridge-building role with leaders in the region and South Africa, together with international partners. These endeavours were focused on thinking beyond the confines of racial nationalism to developments that would allow the ending of regional conflict and the building of peaceful and prosperous societies in South Africa and beyond.

But before I go on, let us delve into the origin of this family of institutions. What we find is a startling series of South Africa connections. The origins of Chatham House, the Royal Institute of International Affairs, are commonly held to lie with the Anglo American delegates at the Versailles Conference who desired to establish an institution which would help to create an informed public on issues of public affairs as an underpinning to sustainable foreign policies in the democratic world.

But in fact, as Lesley Bostock, the longtime legal adviser to SAIIA wrote in his history of the Institute in 1984, the origins go back to Milner's Kindergarten. Allow me to quote briefly from Bostock. Talking of the Versailles conference he wrote:

***One of the United States delegates to that Conference, Whitney H. Shepardson, claimed that those origins had a much earlier South African source. Addressing the Cape Town Branch of the SAIIA in August 1948, he argued that the core of an effective Institute of International Affairs, such as the SAIIA, then still in its formative years, was to be found in the 'determined association of able, experienced men or women, in a common enterprise; the cross-section of many kinds of daily life and experience which they were able to focus on this common enterprise; and ... the force of an earnest conviction that continuous study, preferably resulting in publication, can influence the conduct of public affairs.'***  
***Shepardson believed that such a core also existed in the so-called 'Milner Kindergarten'; the group of young men selected by Lord Milner to assist him in South Africa, at the conclusion of the Anglo-Boer War.***

Bostock goes on to provide further evidence that this was so citing particularly the roles of Lionel Curtis and Patrick Duncan.

A further South Africa connection was that when Chatham House was formally incorporated in 1926, its major funder was the Randlord Sir Abe Bailey who granted it the princely sum of £5000 in perpetuity.

It took a further few years for the South African institute to be established for reasons which need not detain us here, but it is remarkable that the foundation meeting of SAIIA was held in the committee room of the Senate at 10am Saturday 12 May 1934 – 80 years ago.

For much of the postwar period that saw the elaboration and implementation of the policy of apartheid the ruling National Party laboured under the delusion that it could separate its foreign policies from its domestic ones. In a speech delivered by the national chairman of SAIIA on the occasion on the 20<sup>th</sup> anniversary of Jan Smuts House on 25 August 1980 Harry Oppenheimer observed that General Smuts had been criticised for paying too much attention to events outside South Africa and that ‘it’s taken us a very long time indeed for it to be once again recognised in South Africa that our internal policies are a part of our external policies and our external policies are part of our internal policies, and neither is going to succeed without success in the other’.

Many streams converged on the broad river of influences and events that compelled FW de Klerk to take the momentous steps of February 1990 that can be said to have inaugurated the new era in South Africa. Perhaps it is not too bold to attribute to SAIIA the role of one of those streams.

One new development in the early 1980s with which I was associated was the international outlook conferences. Taking advantage of the very tentative reforms of PW Botha and the policy of constructive engagement associated with the Reagan and Thatcher administrations these exposed parochial South Africans to views from Western and other leaders who articulated the clear need for fundamental change in South Africa. The first such conference in the Carlton Hotel downtown Johannesburg on 1 September 1981 saw former British Prime Minister Edward Heath as keynote speaker; the second one year later brought Henry Kissinger, Secretary of State under both presidents Nixon and Ford and co-architect of Nixon’s China diplomacy; the third in Johannesburg in 1984 saw then Prime Minister PW Botha take the lead in one of his few encounters with the local and international business community. (Let us remind ourselves that such was the gulf between the National Party and business that the most powerful businessman in South Africa, Harry Oppenheimer, did not meet the Prime Ministers of South Africa between 1955 when he left parliament and the early 1980s.) And finally there was the golden jubilee conference in Cape Town on 6 and 7 March 1984 at which over 30 of the

family institutes from around the world joined other delegates to discuss the theme 'Regional Integration: the record and outlook'.

Sadly the impulse towards reform was not followed through. One of the most memorable occasions in my life was shortly after joining Anglo American in 1985 as Special Assistant Public Affairs to then chairman Gavin Relly. I sat in the front row of the Durban City Hall to hear PW Botha deliver his infamous Rubicon speech. The increased conflict, sanctions and isolation of the second half of the 1980s duly followed, though I should note that the seeds of further change began to be sown almost immediately. Gavin Relly's mission of businessmen to the exiled ANC in Lusaka in September 1985 against fierce opposition from PW Botha and the ruling party cut the Gordian knot of contact with the ANC and PAC, and a steadily increasing number of overt and covert contacts followed throughout the 1980s.

After the release of Nelson Mandela and the unbanning of the ANC and PAC South Africa began to rejoin the global community, a process accelerated following the momentous first democratic election 20 years ago in April 1994, an election we have spent much time recalling recently as we went to the polls last week.

These developments coincided with key changes at SAIIA. After 27 years as director general of SAIIA - a period that can be characterised as the making of the modern SAIIA - John Barratt retired at the end of 1993. Dr Sarah Pienaar was appointed as national director. Ill health meant that she served only two years but it was a crucial period of stabilising SAIIA and adapting to the very new world that was unfolding.

Fortunately Dr Greg Mills, who had been chairman of the Cape Town branch of SAIIA since 1992 and was appointed research director in 1994, was able to take over from Dr Pienaar in mid-1994. In the following just more than a decade SAIIA was able to take advantage of South Africa's rainbow years and the Mandela effect to reposition the institute as one of the most dynamic NGOs in the country and with new and expanding links internationally. Dr Mills directed a new accent on research and publication and a much higher profile for SAIIA.

This was an era under President Mandela and the first term of President Mbeki when South Africa adopted a liberal democratic constitution negotiated during the rollercoaster transition years, stabilised reformed and liberalised the essentially bankrupt apartheid economy, and pursued an open outward orientation. The country's global reputation soared.

Though many people have traced South Africa's more recent reputational decline to Polokwane, the seeds of today's parochialism and growing narrow racial nationalism can be traced back to the second Mbeki term and particularly to the 2004 10-year review which brought to the fore the ideology of the developmental state. Although there has never been a clear definition of the term it is essentially a garbled form of the south-east Asian experience of the post-war period without some of the key drivers such as a professional, competent state.

South Africans of all stripes have always been guilty of exceptionalism, to a greater or lesser degree, believing that the country is unique and that the problems it faces have been seen nowhere else before and will require solutions locally derived without the benefit of other peoples' experience.

The full flowering of this parochialism and exceptionalism, with the added ingredient of celebrating mediocrity and scorning clever (read educated) South Africans, black and white, has been a product of the post Polokwane years.

The contradictions of this posture are nowhere more clearly to be seen than in relation to South Africa's Africa policies. The natural market and hinterland for South Africa, the mother continent is rhetorically first in South Africa's foreign policy commitments, but runs practically well behind the obsession with the BRICS nations. First embraced as a counterweight to the West and a political device to help re-balance the global institutional architecture – certainly in need of reform in the much changed circumstances 60 years after the founding of the UN and the Bretton Woods institutions – the global financial crisis has cruelly exposed the economic limitations of the BRICS. With the exception of china, not only have the members competing trade and economic interests, but India, Brazil and South Africa have all turned out to have deep economic structural problems which must be faced before their growth engines can be reignited. It looks like India may set out on its path.

Meantime, South Africa's claim to leadership in Africa has not been matched by a determined attempt to root out xenophobia that has been stoked by our regrettably low post-2008 economic growth rate. That in turn owes something to South Africa's confused posture on regional integration: the purpose of such steps in economic terms is to facilitate the easier, quicker and cheaper flow of factors of production across boundaries in order to create larger markets which more compellingly attract investment and production thereby benefiting the population of the larger whole. South Africa after all has a market of only 52 million people, compared to Brazil's 200 million, India and China's 1.3 billion, Indonesia's

247 million and Nigeria's 173 million. But southern Africa, using the SADC boundaries, is a market of over 250 million.

Unfortunately, whilst there are welcome steps to bring together the southern and eastern African countries represented by the SADC, COMESA and the East African Community into one larger regional entity, business people are often struck by the fact that this is essentially the product of political rather than economic thinking. Certainly many of South Africa's economic policies seem to be going in an essentially Mercantilist opposite direction. To take just one example the protectionism inherent in South Africa's Industrial Policy Action Plan, a key subset of the developmental state concept, is essentially antithetical to regional integration. And just too little attention is paid to the nuts and bolts of regional integration – common visas, open skies and trade facilitation.

Further the tension between business and government in South Africa which has roots in South Africa's apartheid past, is also part a product of the anti-business stance of much of the ruling Alliance. This means that South Africa is unable to project a Team South Africa project on the continent, rooted in a clear economic diplomacy. Yet this comes at a time when the attractions of the rise of Africa are drawing in deliberate and determined forays by competitors from India, Brazil, Russia China, Turkey, Australia and others. Many of these exhibit startling displays of co-ordination and co-operation between their business and political elites.

South African businesses, notwithstanding this confusion of policy and lack of co-ordination between business and government, have expanded and invested extensively in Africa. But they could have done so much better had there been a clear economic diplomacy strategy. Much attention has recently been given to the re-basing of Nigeria's GDP statistics such that it is now seen to be a much larger economy than South Africa. Whatever Nigeria's significant challenges – and South Africa can be happy that it does not face the same religious-based terror and conflict – the naturally more dynamic and entrepreneurial culture and unashamedly capitalist orientation of the country showcased at the recent Africa WEF meeting in Abuja, together with its much larger and rapidly expanding population (it will have 440 million inhabitants by 2050, ten percent more than the US) should focus the minds of South Africa's business and political elite. Nigeria therefore represents both opportunity and challenge.

The question is whether South Africa's leadership is up to the challenge or whether it will retreat into a myopic parochialism. Let me be clear that I am equally critical of business as of government in the failures of the business/government nexus.

Aside from the legacies of the past and the racialisation of business organisations, often driven by crony capitalism and the vested interests of narrow BEE, business leaders and business organisations have failed to articulate clearly their interests and a domestic and foreign strategy, notably an African strategy, that would help grow the South Africa economy in the interests of all South Africans. This is partly a mea culpa since I have long been in leadership positions in business in both individual and organised forms. With few exceptions business leaders have failed to find the right balance between courageous frankness and empathetic engagement. Too many have either given up and tuned out or been drawn into sycophantic co-option and cronyist patronage relations. As someone in another forum commented the concepts of business leadership and business unity seem oxymoronic.

These contemporary challenges underlie once more the need for and vital role of institutions like SAIIA. Fortunately SAIIA under the able leadership of Elizabeth Sidiropoulos since 2005 and her team is proving more than equal to the challenge. There are many noteworthy aspects of today's SAIIA, including its international partnerships, its research and publications. But, with my educational background and with reference to the origins of the institutions of international affairs movement, I would draw attention particularly to its exceptional youth outreach work and its intern training programme.

So it is extremely pleasing but not altogether surprising that in 2010 the University of Pennsylvania released its annual Global Think Tank poll at the United Nations in New York and SAIIA was voted as the top think tank in Africa, an accolade that has been repeated every year since! Fred Phaswana, the current national chairman, and Moeletsi Mbeki, his deputy, and the council of SAIIA have every reason to be proud of this 80-year-old institution. It is certainly living up to its tagline: "Africa perspectives, global insights"

Let me end by noting that the making of SAIIA and its durability over such a long period of turbulent history when many other organisations have fallen by the wayside has been the product of the combined efforts of a number of remarkable men and women, and not just the directors I have mentioned who have been at the executive sharp end. It would be invidious to mention individuals, many in the audience tonight, so I will simply say congratulations to SAIIA and all those involved with it, past and present.