



MINISTRY OF FINANCE

REPUBLIC OF SOUTH AFRICA

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Address to Graduates of the Faculty of Arts, Stellenbosch University

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Minister of Finance

Madam Chancellor, Rector and Vice-Chancellor Professor Brink, Members of Faculty, Parents, Friends, Graduating Students...

In 1925, a young graduate of the University of Stellenbosch published an extraordinary work of scholarship and social analysis, entitled *A Critical Survey of the Development of Education Administration in the Cape, Natal, Transvaal and the Orange Free State: 1652-1922*. It remains today a most informative and insightful study of the early origins of South Africa's education system. On the strength of this detailed review of the four provincial systems that had evolved over the previous 270 years, Ernst Malherbe called for their unification into one national system of education. He also examined the language question of the day, arguing that it was the duty of the state to ensure that every child might be given the opportunity of becoming thoroughly conversant in both English and Dutch, and that dual medium schools would

have the added advantage of “multiplying the situations in which these two nationalities actually co-operate...”

“If we are going to build up a united South African nation, the sooner we start the better. If children are housed in the same building, though they are in separate classes, they meet each other on the play ground, play in the same foot-ball, basket-ball, and cricket teams, and are bound to understand each other better,” he wrote.

Dr Malherbe’s vision of a united nation was largely focused on the divisions within white South Africa. But his proposal in 1925 for a national system of education, organised in seven regions, also allowed for an Assistant Superintendent to oversee a division of what was then called “native education” within the unified national Department of Education. He pointed out that in 1920 the Cape Province was contributing £1.3 per pupil in grants-in-aid for black education, while the Orange Free State was spending £0.2 per pupil. “These disabilities,” he wrote, “are causing a good deal of discontent among Natives.” A Union system of control of education was needed, in order to secure fairness and advancement of black education, in the interests of the country as a whole.

Malherbe went on to found the National Bureau of Educational Research, which subsequently became the Human Sciences Research Council. He served as the Director of Census and Statistics in 1939 and 1940 and as Director of Military Intelligence and the Army Education Services during the Second World War. He is remembered within the higher education community as the Principal and Vice-Chancellor of the University of Natal from 1946 to 1965 and the author of a vigorous defence of academic independence published under the title *Die Outonomie van ons Universiteite en Apartheid*.

But his vision of a united education system remained unfulfilled, and Malherbe became increasingly disillusioned with the concept of nationhood that came to dominate South Africa’s political life and education system. In 1977, fifty-two years after publishing his early doctoral treatise, Malherbe published Volume 2, this time both a detailed academic investigation of educational development over the intervening fifty-two years and a reflection on much of his own life’s

work. He returned to the question of language, pointing out that the Government's insistence on single-medium schools had led, over time, to a decline in effective bilingualism. He noted that the association of language with political power reinforced social discontent. He pointed out that although a National Education Policy Act had been passed by Parliament in 1967, it had excluded four-fifths of the citizens of the Republic from its purview. "It would seem," he wrote, "that the Act would have been far more accurately named, had it been called simply The White Person's Education Act." Malherbe's 1977 volume also dealt in considerable detail with the evolution of vocational and technical education, questions of assessment and evaluation, variability of standards, financing issues and the contribution of education to economic growth and development.

Now, another thirty years has passed, and we have an education system that is governed by national legislation and policy, while retaining provincial administrative responsibility. Equitable norms and standards for financing are in place, although there is still considerable unevenness in quality and opportunity. We have made progress in broadening access to higher education and vocational training, but the skills needs associated with rapid economic growth and technological progress are not yet fully met. Language remains a challenging and sometimes controversial aspect of social and educational policy, but it is no longer at the sharp edge of political power and influence.

Education is at the centre of national and cultural life, and it is the mainspring of social and economic development over the long term. It deserves careful and rigorous academic attention. There is much in Malherbe's work that would today be regarded as methodologically flimsy, ideologically unsound or linguistically inappropriate. Thankfully, there are writers and researchers today, including several graduates and faculty of this University, who are contributing to deepening and refining our understanding of the education challenges and the social development policy dilemmas before us. The Human Sciences Research Council continues to grow in strength as a source of analysis, policy advice and criticism. There would be some surprises and some points of disagreement, but I believe that Ernst Malherbe, were he with

us in 2005, would look back on his early scholarship and his life's work with a profound sense of accomplishment, that at last – in South Africa under a rather different political dispensation – the national education system rests on sound policy foundations, and several institutions that he played a part in building and progressively contributing to the good of all South Africans in inclusive and socially constructive ways.

But we are not here to pay respects to a Stellenbosch graduate of eighty years ago, remarkable man that he was, and although there may indeed be lessons in his work for us today. We are here to celebrate the achievements of this year's graduates, to give thanks for successful completion of this phase of life's journey and to reflect on the path ahead. I have told this story not to encourage another 500-page treatise on education history, but because it is an invitation to think about where you are now, and where you would like to be in ten, or twenty, or thirty years time.

You can't know where your career will take you, what changes in the economic or social environment might influence your opportunities and choices. I certainly didn't anticipate in 1980 what my job description would be in 2005, nor did I try to set out an analysis of the liberation challenge in a scholarly treatise.

But as a young man I knew, and many young people of my generation had the privilege of knowing very clearly, that we wanted a future that would be different, that we wanted our children to grow up in a different kind of society from that of our parents. And we set out, in many different ways, to build a different South Africa.

It is a project that is far from complete, and the imperative of political liberation has of course now led to the rather more sobering challenges of governance, public administration, social development and economic growth. Within these, there are a multitude of distinct kinds of engagement with the projects and programmes of reconstruction, business development, organisational change, community mobilisation, conflict resolution, social and economic transformation.

We had the privilege, thirty years ago, of knowing that we wanted change, and a broadly shared vision of what that change might involve.

But there are many life-stories, and there are many possible visions, careers, goals and opportunities. You have the privilege of language and words – you might want to write down what you see as the challenges around you, and the goals you want to achieve over the decades ahead. You have the privilege of discourse and fellowship – you might want to take the debate about future possibilities further, in the public media or in academic enquiry. You have the privilege of design and engineering – you might see opportunities for invention and product development, new ways of making and doing things. You have the privilege of algebra and calculating machines – you might immerse yourself in business processing, econometric forecasting or management information systems. You have the privilege of strength and vigour – you might seek to climb mountains or restore dignity to one of our national sporting codes.

You might set yourself a goal now, and spend the rest of your days pursuing that single purpose. You might throw your plans overboard and change course a dozen times.

Whatever your choices, think ahead. Think about what the world might look like in a decade's time, think about the opportunities and challenges we face in the country we love, think about family and friends, think about what you want to do, what values you want to share with your colleagues, what kind of home you want to build for your children.

And think about the possibility that in fifty years time you might have the privilege of looking back on how the world has changed, how you have adapted to that change, how you have contributed to making the world a different place, what choices you've made, what opportunities you've missed, what you've built, what you've shared, what you've taken, what you've given.

I can't presume to shape or influence that vision for you, it has to be an intensely personal matter.

But I can share with you a few elements of the longer term vision for South Africa's economic development that are currently under intense scrutiny.

There might be aspects of this vision with which you can identify, that might form part of your own perspective on the challenges ahead.

On the strength of a consolidation and stabilisation of the public finances during the second half of the 1990s, we are steadily making progress in improving the growth performance of the South African economy. This is not a matter of implementing a convenient check-list of standard reforms, doing what they did in Taiwan or Korea, or following the prescripts of the World Bank and IMF. It is about building government institutions and municipalities that work effectively, creating an environment in which the impetus of business investment is accelerated and improving the alignment of public policies with our social and economic circumstances across several sectors and development arenas.

Professor Nicholas Stern and his co-authors in their recent “strategy for development”, entitled *Growth and Empowerment: making development happen*, puts the focus on two mutually supporting sets of ideas: “building an investment climate that fosters entrepreneurship, innovation, productivity, and jobs, and investing in people, particularly poor people, so that they can participate in the economy and society.” The strategy requires robust economic growth, and an environment in which poor people can take charge of their own lives – an aspect of development that has been most deeply explored by Amartya Sen over a lifetime of work trespassing across the boundaries of economics, mathematics, politics and philosophy.

In both of these projects, it is possible to make dramatic short-term advances, in self-defeating ways. Countries that abandon orderly public finances can accelerate economic activity for a while, but inflation and financial turbulence are likely to follow. Populist leaders who let the rule of law fall by the wayside can create an intoxicating sense of entitlement amongst their followers for a while, but the reality of increased vulnerability soon looms large. Growth and empowerment are not about short-term gains, but require long-term structural and institutional reforms.

In both of these projects, we have made moderate progress in South Africa, and there is more to be done.

Economic growth was 4½ per cent last year and will be about 5 per cent in 2005, representing per capita income growth of well over 3 per cent a year now. Extended economic growth requires greater investment in our infrastructure; improved engineering and systems design in our transport, water and communications networks; better marketing in the rest of the world of our products, our tourism potential and our investment opportunities; greater innovation, technical progress and managerial efficiency in our business sector and development programmes.

In all of these areas, there are exciting, challenging opportunities for young graduates, in large firms, but also in self-employment, in the business sector and also in government. Progress means hard work, it might also mean a few hard knocks along the way – not every business venture succeeds, not every job interview ends up in an offer. But an expanding economy brings expanding opportunities, in addition to which you now have the decided advantage of a Stellenbosch degree or diploma to add to your resumé.

The empowerment project, in Stern's terminology, is not about corporate share transactions and directorships, but about opening doors of opportunity for ordinary people. It is about the quality of schools and clinics in low-income neighbourhoods, the safety and reliability of public transport, land reform and agricultural support for emerging farmers, building houses and getting township property markets working, bringing water, electricity and sanitation to rural villages and investing in the skills, infrastructure and market opportunities that contribute to a vibrant small enterprise environment.

Much of this falls under municipal responsibility, or relies on municipal planning and coordination. So strengthening the capacity of our municipalities is at the top of our development priority agenda. There are also aspects of this agenda that involve the private sector and non-governmental organisations in various ways – there are opportunities for community partnerships that contribute to broadening opportunities and addressing some of the social development challenges we face.

But most of all, the empowerment project calls on all of us to embrace a concept of nationhood that is inclusive, a willingness to work together, to hold

prejudice and impatience in abeyance, to celebrate our shared destiny, and to acknowledge that education can indeed, in Ernst Malherbe's words, be "the instrument by which a country transforms itself from what it is into what it hopes to be." And for you, graduates of the Faculty of Arts in 2005, I hope that the achievements celebrated today will indeed prove to be your own instruments of transformation into what you hope and aspire to be.