



MINISTRY: FINANCE
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ADDRESS TO THE INYATHELO PHILANTHROPY AWARDS
TREVOR A MANUEL, MP; MINISTER OF FINANCE
CAPE TOWN, 28 NOVEMBER 2007

Director of Ceremonies, Tumi Makgabo

His Excellency High Commissioner Paul Boateng and Janet Boateng

His Excellency Ambassador for Finland, Mr Heikki Tuunanen

Honourable MEC for Education, Mr Cameron Dugmore and Melanie Dugmore

Givers, Receivers, Judges

Ladies and Gentlemen

I want to thank Shelagh Gastrow for the invitation and her insistence that I join you all this evening. I am not quite sure why she picked on me – I certainly haven't made enough money to give away – so, if anything that fact should be a disqualification. And on giving, I flex the rules by getting parliament to pass laws to take money from those who have, my job requires that I then allocate this and later pretend that I am a 'giver of note'. Strange qualifications indeed, but again – thank you for the invitation.

This evening we celebrate outdoor exercise. There was some wit who pronounced that "Charity begins at home and generally dies from a lack of outdoor exercise". So, let us celebrate exercise.

But in this celebration, we should pause and consider both the acts of giving and receiving in the context of a society such as ours. What should we strive for and what do we benchmark these acts against?

Dr Anton Rupert was one of South Africa's foremost business leaders and a noted philanthropist. On the occasion of his death, Nelson Mandela said, "Anton Rupert was a social thinker who gave generously without being patronising." The power of these words sets a useful benchmark – a social thinker, he gave generously and he was not patronising. These are three very specific and exceedingly important challenges that confront philanthropists everywhere.

One of the biggest challenges confronting thinkers and policymakers everywhere is the fact that the world is becoming increasingly less equal. In South Africa we can measure this change – today, the top 1% of earners earn about 20% of national income. Policymakers then cannot merely accept this as a given and hope that we can persuade the wealthy to part with some of what they have. But for philanthropy to meet its own implicit objectives, it has to be free of inducement from the state. Some of the world's great thinkers have spoken directly to this issue – so, the author Albert Camus said, "Freedom is not constituted primarily of privileges, but of responsibilities." And Albert Einstein said, "It is every man's (and presumably, woman's) obligation to put back into the world at least the equivalent of what he (or she) takes out of it."

So, how in the context of philanthropy would we wish to measure either the depth of responsibility or the obligation of ploughback?

Last year, the entrepreneur Warren Buffett announced that he was giving away some \$37 Billion to five charitable foundations. The largest recipient, receiving some \$31 Billion is the Bill and Melinda Gates Foundation. I have no doubt that this large resource will be exceedingly well allocated. I am also very impressed by the fact that Mr Buffett has had the confidence to give it to others who have more knowledge and reach to distribute, without having to raise the Buffett name each time an award is made. Just recently, Warren Buffett announced a deep concern that he has – he pays too little tax to the government of the United States of America. In fact, he says that he pays a lower effective rate of tax than everyone in his office, including the secretaries. He further said

that he does no tax planning, nor does he use a tax consultant. He recognised this situation as obscene and has asked to pay a higher rate of tax. The gentleman is every Finance Minister's dream – in fact, I intend over-riding the Ministry of Home Affairs by offering Mr Buffett South African citizenship.

Mr Buffett is not alone in this concern. Lee Iacocca, former CEO of both Chrysler and Ford, in a hard hitting piece on the politics of the USA said, "Thanks to our MBA President we've got the the largest deficit in history, social security is on life support, and we've run up a half-a-trillion price tag (so far) in Iraq." He goes on to say, "Congress responds to record deficits by passing a huge tax cut for the wealthy (thanks, but I don't need it!!)."

These are truly mind-blowing comments from two individuals who have both been immensely successful and yet recognise that the priorities of society are so terribly skewed. Their ability to give generously is, in part a consequence of a failing state.

So, we must celebrate the giving. We must recognise that the impulses of the givers are correct. Yet, we have work to do in the present environment to ensure that the circle of givers is significantly enlarged and that the bounds of their generosity is expanded. This means that organised non-government needs to raise the issues and hold up the benchmarks without appearing to lean too heavily, which some may argue replaces the voluntary nature of the giving with too much inducement. But, don't ever let up.

At the same time, we have to work together to persuade everybody that the freedom we have, as Camus said, "constituted of responsibilities rather than privileges." So we have to work for a society that sees the levels of inequality as a challenge to be overcome.

Martin Luther King Jr once said, " philanthropy is commendable, but it must not cause the philanthropist to overlook the economic injustice that makes the philanthropy necessary." I am spoken for.

Yet, we must recognise that all governments are limited in their capacity – the scale of the limitation varies. Well allocated philanthropy gets into those areas where frequently even the best intentions of governments cannot reach. The focus of such giving should

be on the empowerment of communities – neither to let errant organs of state off the hook, nor to tie such communities into relations of dependence. Empowerment, correctly spelt and even better applied is the key to the difference.

We celebrate together here this evening because we all fervently believe that we can change the world; and that we must deal with the history of disadvantage through well-targeted and well-founded philanthropy. I refer, as Madiba said, to social thinkers, who give generously and never patronise. Oh, and of course, a larger circle of givers with even deeper pockets.

So let me congratulate all the winners – it is strange to pick a few when the object of giving is always that someone else wins. Let us celebrate outdoor exercise.

I thank you.