



MINISTRY OF FINANCE

REPUBLIC OF SOUTH AFRICA

Tel: +27 12 315 5610 Fax: +27 (12) 323 1783

Address to the Botswana University Foundation

Minister of Finance, Trevor A Manuel

29 July 2005

President Mogae, honourable guests, members of the Botswana University Foundation

Africa's hope, Africa's richness, Africa's compassion, depend on the kind of partnership that is crystallised in our being here, tonight.

Our future relies on the courage of a shared commitment that goes beyond our particular constituency interests – a commitment without the protection of an assured compound rate of return, without the contentment of proprietary ownership and control, without the comfort of familiarity and conventional doctrines and companionship.

We have to be willing to invest in institutions that promise intangible, uncertain benefits. We have to be willing to join hands with co-investors we neither know, nor understand. We have to be willing to believe in the power of knowledge, and we have to overcome our fear of what is unknown.

Great universities stand as testimony to humankind's ability to explore beyond the horizon that can be seen, and to tolerate ideas that may challenge or even repel.

Great universities are larger than the communities that sustain them, because they are nourished by ideas that have power and mobility of their own.

Great universities yield bounty beyond contemplation, because they allow ideas to bloom in so many diverse and surprising ways.

The idea of the university took hold over long centuries characterised by religious and national intolerance, conquest and extraordinary cruelty, often in the name of narrow civilisations associated with particular metropolitan centres. Yet, the universality of this idea of knowledge, and the community of minds, took root.

This idea is so much more powerful, so much more practical and so much more critical in today's world, in which barriers between people and communities are increasingly overwhelmed by the logic of global identities and processes.

Thomas Friedman, author and journalist and perceptive commentator on the globalisation trend of modern times, calls this logic the "flat world". The world we inhabit is increasingly undifferentiated, we have different mother-tongues, but we all speak the same language, we have different tastes and customs, but we all shop in the same bazaars, we have various skills and abilities, but we all communicate across the same electronic platform.

The world is flat, and it will become flatter in the decades ahead.

Friedman's book is partly a wake-up call to his fellow-Americans.

He points out the China is growing so fast today, as Japan and South-east Asian economies did in the second half of the last century, partly because young people are driven by an insatiable appetite for learning, and there is intense competition for science and engineering places at universities and colleges. Performance in science and mathematics is declining in American schools and colleges. He points out that China's success is partly about its willingness to bring in foreign skills and expertise. America has long relied on attracting professional and intellectual elites from Europe and more recently from Asia, but controls on immigration are now beginning to interfere with this source of growth. He points out that Microsoft Corporation has just three research centres in the world – one in Cambridge, England, one in its Washington State headquarters and one in Beijing, China. The Beijing research centre opened in 1998, and Bill Gates has already acknowledged that it is Microsoft's most productive research arm "in terms of the quality of the ideas that they are turning out..."

How does this happen? How does a society that remains highly structured, regulated, culturally so very different from the west, become a leading source of innovation for the largest US corporation of our times?

Part of the answer is about the importance of education, and the deeply embedded social value of learning and scholarship in China's history.

Part of it is about incentives and behaviour. In talking about how companies adapt to changing world conditions, Friedman quotes Lou Gerstner, who led the turnaround of IBM in the 1990s: "Transformation of an enterprise begins with a sense of crisis or urgency... No institution will go through fundamental change unless it believes it is in deep trouble and needs to do something different to survive."

At the end of the Maoist era in China, it was not just the new leadership who knew that things had to change, the whole of Chinese society shared an understanding that economic transformation and modernisation had to be aggressively pursued, for the survival of every household, every village

collective, every city and province, and for the entire nation of over a billion people.

Africa is beginning to understand its crisis, and is beginning to appreciate that its transformation will not come from a global change of heart, a multilateral technical assistance programme, or a rescue mission from the United Nations.

Africa's transformation will be founded on the enterprise of individual households and small businesses, on the hard work of village management committee and responsible municipalities, on the success of well-managed companies and the vision of forward-looking civic organisations, government agencies ... and universities.

Parts of Africa are deeply in trouble, and the challenge is finding the resources and the collective will to find a new path forward.

But this part of Africa, this land of its own peculiar flatness and beauty, faces a different challenge. Botswana has been wisely governed, and over several decades has been amongst the fastest growing economies in the world. There is no immediate economic crisis, although we are conscious of the profoundly difficult social and epidemiological challenge of HIV and Aids and its economic implications. But like many other African countries, and like South Africa too, Botswana has to confront the flat world challenge of the decades ahead. We will not be able to meet our economic and social aspirations for the years ahead on the strength of the richness of the earth, alone. Mining and agriculture will continue to have their place in our development strategies, but the resource that really counts over the long haul, the capacity on which our social and economic well-being most critically rests, is the quality and depth of the education and skills our young people acquire.

This is the central message of Friedman's book, and it is a central reason why we are here to enjoy this dinner tonight.

Friedman has an interesting piece of advice for anyone who wants to get ahead in the modern economy. He says that in a flat world, everyone should want to be an untouchable. Untouchables, he says, are people whose jobs cannot be outsourced.

"Untouchables come in four broad categories: workers who are 'special,' workers who are 'specialised,' workers who are 'anchored' and workers who are 'really adaptable.'

Only a few people can be truly special – film stars or sports heroes, perhaps – but many people can acquire specialised skills. There is a clear message in this for our higher education institutions – it is not possible to be a world leader in every academic or professional discipline, and so it is important to specialise – especially important for a small university to nurture and encourage those accidental niches of excellence, of world class competence,

because a few areas of real specialisation bring much wider benefits in both international linkages and fostering further talent and innovation.

But if you can't be specialised, then look for "anchored" capabilities. A mineworker cannot be replaced by a Chinese factory operative or a digitised outsourced contractor – a mine is location bound. A forward-looking university will nurture and encourage those areas of academic inquiry, skills needs and professional interest that are "anchored" in the local and regional economy or social context. These are areas of activity in which you have a natural advantage – and in which corporate and international partnerships have a natural economic logic to them. Focusing on unique mineral and ecological resources is an obvious area of priority, but research on the local and regional economy, language, literature and culture are also naturally "anchored" activities.

Lastly, Friedman says, if all else fails, you want to be really adaptable. The future is unpredictable, the skills you learn today may be entirely redundant in a decade's time, the economic opportunities and the development challenges of the years ahead may be quite different from our past experience. And universities, as centres of expertise and knowledge and innovation, have to adapt to changing circumstances and new research and teaching needs.

This is worth emphasising because universities are, let's be frank, frightfully resistant to change. These are our secular temples and monasteries, drawing us back to the revered teachings of long-past demi-gods, seldom in the original text of course, but digested and regurgitated in carefully crafted "student editions" with key points and questions for seminar discussion tucked in at the end of lecture-sized blocks.

Good old-fashioned teaching practice has its place, but students also need to confront creative challenges from time to time, to exercise imagination without the discipline of received doctrine. And our curricula and teaching methods need to foster not just knowledge, but the ability to acquire knowledge, not just skills, but the capacity to adapt to multiple skills requirements and environments, not just understanding of the world but the capacity to invent and shape and transform.

Let me leave with you a few thoughts on the journey of intellectual discovery that we will share over the decade ahead, in Southern Africa.

We have more or less universal schooling. But schools in a flat world are not doing enough if they carry on, year after year, teaching the same things in the same ways with the same tired and unprofitable results. We spend a great deal of our national budgets on schools, and we have a huge responsibility to find out, and practice, better ways of teaching, better ways of learning, better ways of fostering a thirst for knowledge amongst our young people. In the long curve that describes, over time, rising prosperity and broadening opportunities for all our people, the single most important determining variable is the quality and character of what goes on in schools. And this University has an "anchored" responsibility for ensuring that the quality of Botswana's

schools is better understood, and that this understanding is translated into effective improvement programmes.

Then there are the kinds of specialisation that might contribute to improved industrial performance, better health and other social services, opening up of new mines or improved mining technologies and to modernisation and advancement of technology and productivity. Here there is an unavoidable burden of responsibility for choice – for we cannot afford to invest in expert capacity in every area of need. Greatness rests in part on humility – you will succeed in fostering some areas of expertise, provided you don't try to achieve stardom in every field. Fortunately there is no need to be comprehensive – in a flat world, research and teaching expertise is mobile, students can make use of learning opportunities almost anywhere and both government and industry can promote partnerships with universities or centres or research excellence elsewhere.

This is an important third point – that if we are serious about growth, serious about improving the quality of public services, serious about deepening industrial investment and trade, serious about broadening social and economic participation, then we actively encourage partnerships across the Southern African region and more widely. Just as we need to attract foreign direct investment because it brings capital, technology and international market opportunities, so also we need to encourage an inflow of skills and enterprise, because the benefits of expanding professional and technical capacity far outweigh any risk there might be of displacing local employment.

But the nurturing of local talent and capabilities cannot be left to itself. We have come to use the word “empowerment” in recent years as a broader and more satisfactory characterisation of the social policy goal we formerly called “affirmative action” and before that “indigenisation” or “Africanisation”. Empowerment is partly about redressing historical disadvantage, but it is also about investing in capabilities and opening doors of opportunity. It is a policy objective that infiltrates a very wide range of government and business life – recruitment and training, organisational structure and rules of conduct, procurement, corporate finance, meeting the needs of children, overcoming gender discrimination, transforming village management committees, land tenure reform, broadening democratic participation.

Nick Stern, and his co-authors, in a recently published book titled “Growth and Empowerment: making development happen” – a study that helped shape the ideas and the strategy embedded in the Commission for Africa's Report – outlines the many different ways in which people's participation in economic and social life can be either held back or propelled forward by individual attributes, household characteristics, community dynamics, institutions, government services, the distribution and transfer of assets and the operation of markets and trade networks. Empowerment is about all of these things, and much more. But if it is to move beyond policy discourse, if it is to be given effect in practical programmes and institutional reforms, then these dynamics must be the subject of in-depth research, rigorous analysis, and ongoing debate. Public policy, and the ongoing refinement of implementation

programmes, must be shaped and informed by statistical monitoring, evaluation, analysis and review.

This kind of research is very largely “anchored”. Yes, it should draw on international experience, yes we should encourage foreign scholarship even in our own villages and fields, but our circumstances are distinct and our institutions are our own, and so our policies and programmes should be shaped and informed by research that is designed and adapted to our own needs.

That is why it is so important that this University should seek to build centres of excellence of teaching and research that are unique and distinct, directed towards our local and regional challenges, but not exclusively focused. That is why we should seek to support and promote this capacity not just through the efforts of the university community alone, but as a partnership with business, with government and with other institutions – a joint undertaking between those who share our faith in Africa’s growth, in Africa’s development, in African empowerment and in the African spirit of partnership itself.