



PRESIDENT RAMAPHOSA'S STATE OF THE NATION ADDRESS

The FW de Klerk Foundation has often expressed the view that the choice confronting the ANC - and accordingly South Africa - is between the racial ideology of the National Democratic Revolution (NDR) on the one hand, and the much more pragmatic approach of the National Development Plan (NDP), on the other. For us the most significant elements in President Ramaphosa's SONA speech last night were:

- a strong reaffirmation of the NDP and a new determination to place it *"at the centre of our national effort, to make it alive, to make it part of the lived experience of the South African people"*;
- an unambiguous reaffirmation of South African Reserve Banks' constitutional role to protect the value of the rand in the interest of balanced and sustainable growth; and
- a brief reference to the core question of land reform with a renewed commitment to *"accelerated land reform in rural and urban areas"* and significantly *"a clear property rights regime"* - as well as an announcement that the Cabinet would soon consider the report of the Presidential Advisory Panel on Land Reform and Agriculture.

A reversion to the NDP as the foundation of government policy might also be good politics. The IRR's recent opinion survey has indicated that there is substantial majority support for pragmatic - rather than ideological - approaches to solving national problems. Support for ideological solutions now comes primarily from those who have benefited - or hope to benefit - from the special privileges that ideologies usually bestow: the trade unions, some parts of the political/bureaucratic class and the disaffected and radicalised youth of the emerging middle class.

The President's description of the role of the State was broadly in accord with the precepts of the NDP *"as an enabler that provides basic services and critical infrastructure; a regulator that sets rules that creates equitable opportunities for all players; and a redistributor that ensures that the most vulnerable in society are protected and given a chance to live up to their full potential."*

In his address President Ramaphosa identified virtually all the major challenges that confront South Africa 25 years after the establishment of our new society. The list is as long as it is depressing: unemployment - particularly among the youth; inequality; an economy that is growing at a lower rate than our population; the ravages of State capture and corruption; rampant crime; dysfunctional State-owned enterprises - including most notably, ESKOM, with its R420 billion debt.

The President announced imaginative initiatives to address these challenges:

- credible steps to rescue ESKOM and other SOEs;
- new emphasis on the importance of attracting investment;
- the removal of unnecessary regulation and red-tape;



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- the introduction of a world-class visa regime to help double tourist arrivals by 2030;
- initiatives to bring down the cost of data;
- a new focus on investment in infrastructure based on stronger private sector-public sector partnerships;
- a new 'buy South Africa' campaign to stimulate local industry;
- steps to improve basic education and reading skills;
- the creation of a more secure environment by more visible policing and improved investigation and prosecution of crime; and
- decisive steps to end State capture and fight corruption, including measures to strengthen the National Prosecuting Authority; the Special Investigative Unit, SARS and State Security.

An additional goal - which the Foundation would like to suggest - would be to adopt enabling legislation to accelerate the transfer of title deeds to the 7.5 million black households that own their own homes. Possession of title deeds could, at a stroke, free up assets to the value of an estimated at +/- R 1.5 trillion in the hands of black South Africans and could do more to transform South Africa than any other single initiative.

Few South Africans would disagree with President Ramaphosa's diagnosis of the country's current condition. Most will respond positively to his call to all South Africans to unite behind a concerted effort to address the challenges that confront us.

The principal problems that the President will experience in implementing his SONA initiatives will be opposition from powerful groups within the ruling alliance - particularly from trade unions and from those whose future wellbeing depends on the continuation of the systems of patronage and corruption that flourished under President Zuma. The other major problem will be the capacity of the State to carry out his plans.

All South Africans of goodwill should rally around the President in this epic struggle. In a very real sense, the future of all of us will depend on the outcome.

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