

**“For an Inclusive Society”**  
**Speech delivered by Helen Zille, Leader of the Democratic Alliance**  
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The topic of this theme report, “for an inclusive society”, goes to the heart of the challenge that the Democratic Alliance faces in South Africa.

We describe our mission as: “the open, opportunity-driven society for all,” which is our way of defining the “inclusive society”. We have to achieve this in the context of a deeply divided society, in which ethnic and cultural differences are far more complex than simplistic racial categories suggest, but which still largely coincide with the contours of poverty and wealth.

If this vision is achieved it will be a feat that, to my knowledge, has not been accomplished anywhere in the world in a comparable context.

Since being elected leader of the Democratic Alliance a year ago, I have reached the following central conclusion: Unless liberals in a plural and unequal society such as ours, can find credible ways of accommodating diversity and addressing poverty, the ceiling on our growth will remain very low. The need to deal with poverty and diversity requires addressing majority aspirations and minority fears. These often seem contradictory imperatives, but they must be attained simultaneously for the liberal project to succeed. The same challenge faces liberalism worldwide if it wishes to extend beyond its established enclaves.

It is also worth saying at the outset that the term “liberal” is widely misunderstood and actually used pejoratively by many in South Africa. That is why I don’t generally use the term. It confuses more than it clarifies. Rather than spending time salvaging a label, I prefer to build the values, which is why we refer to the open, opportunity society, which I will define in more detail later.

To say that we have some experience of the politics of dispossession and identity in South Africa is an understatement. Apartheid was a perverse form of identity politics because most individuals were not free to choose their group identity. It was imposed on them by a system of racial and ethnic classification designed by a minority deeply fearful of their own survival in what was perceived as a hostile context.

Race became the primary marker of “identity” and dispossession. This entrenched a legacy of extreme inequality, and has created a particularly challenging environment in which to establish the open, opportunity society. The vision of free individuals loyal to the constitutional order, with equal opportunity under the rule of law is more compatible with a relatively homogenous society with a stable middle class majority – in other words a society where the playing field is more level.

During apartheid, liberals shared the vision of an inclusive South Africa with many in the African National Congress, the exiled liberation movement. This vision was most powerfully set out by Nelson Mandela in his 1964 statement from the dock before he was given a life sentence for treason. He said:

“During my lifetime I have dedicated myself to this struggle of the African people. I have fought against white domination, and I have fought against black domination. I have cherished the ideal of a democratic and free society in which all persons live together in harmony and with equal opportunities. It is an ideal which I hope to live for and achieve. But if needs be, it is an ideal for which I am prepared to die.”

Nelson Mandela’s vision was essentially a liberal one, and one that I believe is being betrayed by his successors in the ANC today. But before I get to that, I would like to set out the Democratic Alliance’s vision for an open, opportunity society for all, which I believe is the only recipe for inclusivity in a divided society.

The open, opportunity society is one in which every person has the right, the space and the capability to be herself, develop herself and pursue her own ends as an equal and fully legitimate citizen. The phrase brings together three key concepts – individual freedom; opportunity with responsibility; and equality before the law. These three concepts underpin our understanding of how individuals, the state and society should relate to each other. In particular this relationship depends on limiting the exercise of power. The inability to constrain the power of their rulers is one of the key reasons that societies in transition fail to become consolidated democracies.

One of the main lessons from our first decade of democracy is that it is easier to build an open society than an opportunity society. Expanding opportunities are a function of extended and improved education and skills in a context of job-creating economic growth. But the creation of such conditions takes time, probably at least two generations, if all the policy conditions are right. And time is usually not on the side of liberals in emerging democracies where the expectations of the dispossessed are as high as their faith in their liberation leaders to deliver on their promises.

Failure to build the opportunity society sufficiently quickly soon threatens the open society, as groups mobilise on ethnic/class lines in the contest for access to resources and jobs. When this happens political leaders entrench their power behind collectivist rhetoric, using the state as a vehicle for patronage to reward those who keep them in power. Inevitably, the distinction between the party and the state is eroded. The power elite find scapegoats (usually other “groups”) to blame for any perceived problem or failure. The power of group and ethnic

mobilisation, reinforced by class divisions and cronyism, explain the stranglehold that many failed leaders have on the electorate in divided societies.

This is the path towards the “closed, patronage-driven society” the very anti-thesis of Nelson Mandela’s vision of an inclusive society.

By the time that the electorate realises that it has been betrayed by the party they once thought embodied their struggle, it is too late. The boundaries between party and state are blurred to the extent that the ruling party’s elite controls every institution that should actually hold their power in check. In this context, even if citizens are still able to vote their government out of office, power does not change hands, because the key institutions of coercion (the police and the army), are merely an extension of the dominant politician and his ruling elite who refuse to give way. This is the situation that Zimbabwe finds itself in now.

In 1994, when South Africa held its first democratic election, we were hailed as the continent’s great hope. The notion of South African exceptionalism was born. Many believed that, given the success of our negotiated transition and our comparably strong economy, we would be a beacon of democracy and good governance for the rest of Africa.

This prognosis certainly looked good on paper. The Constitution that emerged from the multi-party negotiations is one of the most inclusive and liberal in the world. It embodies the elements of the open, opportunity-driven society.

But, as Barack Obama said in his speech in Philadelphia recently, there is always a disjuncture between the ideals of the Constitution and the reality of the time. This is true even of long established democracies, such as the USA, which have undertaken institution-building over generations and finely tuned the checks and balances on power.

This disjuncture is even more apparent in new democracies that adopt international liberal principles in their constitutions. Unless leaders understand and genuinely accept the need for limitations on their power, there is a danger that the schism between the ideals of the Constitution and “the reality of the time” actually widen instead of narrow. This has happened in many emerging democracies and is a danger facing South Africa today.

The new ANC President, Jacob Zuma, claims repeatedly that his party is more important than the Constitution. He has gone so far to say that the ANC is ordained by God and that it will rule, and I quote, “until Jesus comes back”. He has openly said that the ANC should not allow another party to govern Cape Town, the only City in South Africa that is not under an ANC government, but ruled by a fragile six-party coalition.

The result is that the open, opportunity society promised in our Constitution is being slowly undermined by the leadership of the ruling party. Instead of vigorously protecting the institutions that limit state power, the ANC is locked in an internal battle for control of them, to advance factional political ends. Instead of ensuring access to opportunity for all, the ANC is concerned with creating opportunities for the politically-connected to whom favours are owed. The result, if left unchecked, will be the full-blown pattern of centralisation, cronyism and corruption that has been the ruin of other divided societies seeking to make the transition to democracy.

Can this decline be reversed? In our last general election in 2004, 12.5% of South Africans (mainly from minority communities), supported our alternative of the “open, opportunity society”. Voters from minority groups, fearful of majority tyranny and single party domination, are more receptive to our message, although even amongst minorities, the power of ethnic political mobilisation is very strong because it is perceived as the best means of securing identity interests, such as language and culture. This is one of the key reasons the opposition in South Africa is so fragmented, and why it is proving extremely difficult to bridge these divisions. The more uncertain and insecure voters become, the more the opposition vote tends to fragment along ethnic lines, a reality that liberals must take cognisance of if they want to make progress.

But, despite this, it is far more difficult to convince the majority of South Africans, that the open, opportunity-driven society is the best way of improving their lives too. The cogency of racial mobilisation and solidarity is still too powerful for that.

Is it possible to transcend the legacy of division and dispossession? This task is very difficult, but not impossible. As a start, liberals must accept that “identity” politics is a powerful force that cannot be ignored. In fact, it must be embraced within the open, opportunity society project.

If liberals wish to be less misunderstood and more accepted they must find ways of identifying with a range of groups who are easily alienated by what they perceive as the liberal culture of superiority. Liberals love the rhetoric of openness, but in divided societies often set themselves apart as a rational, analytical and dispassionate elite that has little contact with the trials and tribulations of ordinary people.

In order to move out of this trap, liberals in divided societies must “live their values” beyond the confines of a cosy club of like-minded people who think, speak and look much the same. They must build genuine bonds of friendship, care and common interest with people across all communities. This involves immersing oneself in situations that liberals often find difficult and culturally confusing. But this is one of the ways that we can start a process of value convergence on the things that matter to all human beings.

At the political level, this process is reflected in coalition building, which is in its infancy in South Africa. The six party coalition in Cape Town spans racial/ethnic/ and religious differences rather than ideological divisions. In this context, it has proved possible to propose policy options rooted in the values of an open, opportunity society, and get broad based support for them from across the coalition spectrum. This has been a particularly important case study in finding a platform for shared values that transcend race and ethnic interests.

This process has proved particularly challenging for many liberal stalwarts who often perceive every adaptation as a dilution of principle. If the choice is between building a broad-based opposition to challenge a hegemonic elite or remaining a small, overwhelmingly white and ideologically pure liberal party, I generally choose the first option.

Conversely, however, it is pointless to abandon our core values and principles merely to attain power. Without policies rooted in principles and values, power is worthless. But it is a matter of complex judgement where to draw the line, and it is far easier to do so in theory than it is in the complexity of daily practice where compromises are necessary to build and sustain fragile coalitions between parties who may be unfamiliar with liberal tenets.

In societies shaped by centuries of racial nationalism, this is a particular challenge. If liberals in divided societies wish to grow in numbers, they have to convince nationalists that the open, opportunity society offers a better alternative for their aspirations too. But liberals also have to accept that this is a difficult transition involving significant adaptations in political culture on all sides.

Another key conclusion I have reached during my brief term of office is that the liberal project in divided societies is more likely to be built from the bottom up, than driven from the top down. That is the key reason that I have chosen, at this stage, to remain mayor of Cape Town and not assume the role of Leader of the Opposition in Parliament. If Cape Town succeeds in building a broad-based and viable alternative to the racial nationalism of the ANC, "open, opportunity society" coalitions can be extended to provincial and even national level in successive elections starting in 2009 and become the catalyst for a total realignment of politics. Such a realignment should also comprise the many members of the ANC whose vision of a democratic South Africa is being betrayed by their own party's current trajectory.

However, this alternative is not a foregone conclusion. Often, coalition partners prove to be each other's worst enemies, especially during elections, when the temptation to maximise individual advantage by mobilising an exclusive ethnic base trumps the importance of working together.

In building a base of common values and policies, we also have to confront many tough issues that cause deep controversy. One of the most complex is how South Africa should deal with the centuries-old legacy of racial inequality.

The ANC's answer to racial inequality is to drive race quotas in a policy known as "representivity", which appears beguilingly fair at first glance.

But it requires the re-introduction of covert racial classification which is anathema to liberals, not least because it has become a fig-leaf for political cronyism and has nothing to do with empowering the dispossessed majority. It also entrenches the view that people who don't share the same racial background are fundamentally different, and that only like can represent like (defined in racial terms).

Ironically, in criticising these policies we have been accused of being anti-change and of protecting white privilege, when precisely the opposite is true.

Our alternative approach recognises the importance and value of diversity, but we seek to achieve this by extending opportunities, in a variety of ways, not manipulating outcomes by methods that quickly degenerate into political patronage. In practical terms, an example is the University of Cape Town that pioneered methods of measuring potential to succeed in capable students from disadvantaged backgrounds, and offered them access to university on this basis, rather than determining access solely by matric results.

We have applied the same principle to awarding contracts in the City of Cape Town. Through extending opportunity, rather than manipulating outcomes, the percentage of contracts awarded to black entrepreneurs went up in one year by ten percent over what the ANC achieved, despite the fact that we scrapped their punitive quota system. In my own party we are running programs to develop a diverse new generation of leadership.

For liberals, an even greater challenge than dealing with diversity is tackling poverty and inequality. Traditional liberal policy approaches for the promotion of economic growth and expanding opportunities have little immediate impact when great numbers of people do not have the education or skills needed to use the emerging opportunities.

Addressing this conundrum takes sustained economic growth and 20 years of simultaneously improving education. And few developing democracies adopt policies that achieve these dual objectives, partly because impatience leads people and their representatives to support short term populist solutions, often with disastrous results.

In this context, many believe the demagoguery of leaders promising an escape from poverty through blaming and punishing the middle-class, rather than

retaining and harnessing their capital and skills for the benefit of society as a whole.

Societies that have managed to turn around endemic poverty are those that have achieved the highest growth rates over the past 50 years. Not all of these countries can be described as politically liberal, but they have all made economic growth the overriding focus of policy making.

This point is made not to justify illiberal political regimes. It is to contrast this with some emerging democracies that succumb to the fallacious belief that curtailing economic freedom and increasing restrictive state intervention is a quicker route to narrowing economic inequality.

To limit the need for the wrong kind of state intervention, liberals must propose a credible role for the state in growing the economy and assisting people who cannot find a foothold in the economy on their own.

The question is how to do so in a way that maximises opportunity, self reliance and personal responsibility rather than creating permanent dependence.

And this challenging question is usually where the analysis ends. Many liberals stop short of making practical suggestions in this field. So let me go where angels fear to tread. But let me also say that the creation of complex welfare systems is not the answer. These interventions fail in developing countries because of a lack of state capacity, extensive corruption, and the establishment of a cycle of dependency that people find difficult to break.

Rather, state intervention must extend the opportunities and choices people have to improve their own lives. Some of the options that my party is investigating for our own policy research include:

- Distributing education vouchers to parents who then have the freedom to choose a school for their children and the added capacity to pay. This incentivises schools to improve standards to attract these students.
- Additional bursaries to pupils who show promise after the foundation phase of schooling. This also creates an incentive for good performance.
- Opportunity vouchers to the poor and/or unemployed to subsidise further training costs or start a business;
- Free basic services (water, sanitation, electricity and refuse removal) – which we already provide in Cape Town;
- Tax breaks for companies that create new jobs to encourage labour-intensive industry;
- Transferring, at greatly reduced or at no cost, state land and housing to people who then have a foothold on the first rung of a market economy;
- Prosperity zones where small employers are freed from labour market constraints;

- Cutting the red tape that hinders the start up of small business;
- Increasing and enhancing competition in the banking sector to ensure that capital provision occurs at all income levels; and
- A basic income grant to protect people from extreme poverty.

In conclusion, there are three points worth emphasising:

1. All of these interventions are only possible on the basis of a stable, productive and expanding tax-paying middle class. The flight of capital and skills is the greatest threat to the liberal project in emerging democracies, including South Africa.

2. Liberal philosophies must become concrete and practical if they are to win support from ordinary people with real fears about their personal security, be these based on perceived threats to their identity, safety or their material circumstances.

3. Finally, this is a great challenge, but one that the liberal parties in the developed world must face as well. They are not protected from the global forces of identity politics and poverty, and will have to face them as well. South African liberals today are playing a pioneering role in this quest.

Thank you.